

## TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

|                                      |  |                       |                       |
|--------------------------------------|--|-----------------------|-----------------------|
| SUBMISSION TYPE:                     | NEW ASSIGNMENT   |                       |                       |
| NATURE OF CONVEYANCE:                | Notice of Release of Security Interest by Bankruptcy Court Order (Releases RF 3608/0373 and 4565/0026) |                       |                       |
| CONVEYING PARTY DATA                 |  |                       |                       |
| Name                                 | Formerly   | Execution Date        | Entity Type           |
| General Electric Capital Corporation |  | 08/04/2012            | CORPORATION: DELAWARE |
| RECEIVING PARTY DATA                 |  |                       |                       |
| Name:                                | Prince Sports, Inc. (now known as Prince Sports, LLC)  |                       |                       |
| Street Address:                      | 100 West 33rd Street, Suite 1007   |                       |                       |
| City:                                | New York   |                       |                       |
| State/Country:                       | NEW YORK   |                       |                       |
| Postal Code:                         | 10001  |                       |                       |
| Entity Type:                         | CORPORATION: DELAWARE  |                       |                       |
| PROPERTY NUMBERS Total: 44           |  |                       |                       |
| Property Type                        | Number   | Word Mark             |                       |
| Registration Number:                 | 3309944  | O TECH                |                       |
| Registration Number:                 | 3244735  | P                     |                       |
| Registration Number:                 | 3258263  | O3                    |                       |
| Registration Number:                 | 3309726  | SPEEDPORT             |                       |
| Registration Number:                 | 3437956  | RECOIL                |                       |
| Registration Number:                 | 3246132  | O3                    |                       |
| Registration Number:                 | 3009636  | SHARK                 |                       |
| Registration Number:                 | 3547532  | OZONE                 |                       |
| Registration Number:                 | 2906101  | NFS                   |                       |
| Registration Number:                 | 2972343  | PRINCE RULE THE COURT |                       |
| Registration Number:                 | 3029826  | PRINCE RULE THE COURT |                       |
| Registration Number:                 | 3181308  | DIABLO                |                       |
| Registration Number:                 | 2810295  | DURATAC               |                       |

OP \$1115.00 3309944

|                      |         |               |
|----------------------|---------|---------------|
| Registration Number: | 2690808 | PRINCE        |
| Registration Number: | 2730426 | AIR+          |
| Registration Number: | 2878271 | BANDIT        |
| Registration Number: | 2732967 | SOVEREIGN     |
| Registration Number: | 2548558 |               |
| Registration Number: | 2428951 | SHOCK ERASER  |
| Registration Number: | 2413195 | TRIPLE THREAT |
| Registration Number: | 2118113 | EKTELON       |
| Registration Number: | 2120034 | DURAFLEX      |
| Registration Number: | 2121513 | NEOS          |
| Registration Number: | 2082484 | POWER RING    |
| Registration Number: | 2102614 | THUNDER       |
| Registration Number: | 2015230 | P             |
| Registration Number: | 1992784 | PRINCE        |
| Registration Number: | 1656894 | ZEROVIBE      |
| Registration Number: | 1596440 | PRINCE        |
| Registration Number: | 1630967 | ENDURANCE     |
| Registration Number: | 1462052 | PRINCE        |
| Registration Number: | 1352974 | PRINCE        |
| Registration Number: | 1300735 | PROBLEND      |
| Registration Number: | 1290217 | PRINCE        |
| Registration Number: | 1290202 | PRINCE        |
| Registration Number: | 1307141 | P             |
| Registration Number: | 1284452 | PRINCE        |
| Registration Number: | 1233680 | PRINCE        |
| Registration Number: | 1210697 |               |
| Registration Number: | 1202163 | EKTELON       |
| Registration Number: | 1175337 | P             |
| Registration Number: | 1103956 | PRINCE        |
| Registration Number: | 1049720 | PRINCE        |
| Registration Number: | 0976308 | EKTELON       |

**CORRESPONDENCE DATA**

Fax Number: 7147558290

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*

**TRADEMARK**  
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|                         |             |
|-------------------------|-------------|
| ATTORNEY DOCKET NUMBER: | 053268-0002 |
| NAME OF SUBMITTER:      | Anna T Kwan |
| Signature:              | /atk/       |
| Date:                   | 08/12/2013  |

**Total Attachments: 91**

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
PRINCE SPORTS, INC., et al.,<sup>1</sup> ) Case No. 12-11439 (KJC)  
) (Jointly Administered)  
Debtors. )

**NOTICE OF (A) ENTRY OF ORDER CONFIRMING  
SECOND AMENDED PLAN OF REORGANIZATION FOR  
PRINCE SPORTS, INC., ET AL.; (B) EFFECTIVE DATE OF  
THE PLAN; (C) SUBSTANTIAL CONSUMMATION OF THE  
PLAN; AND (D) BAR DATES FOR PROFESSIONAL FEE CLAIMS,  
ADMINISTRATIVE CLAIMS AND REJECTION DAMAGE CLAIMS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

- 1. Notice of Entry of Final Order Confirming the Plan.** The debtors and debtors in possession in the above-captioned bankruptcy cases (together, the “Debtors”) hereby give notice that, on July 27, 2012 (the “Confirmation Date”), the Honorable Kevin J. Carey, United States Bankruptcy Judge, entered an order [Docket No. 326] (the “Confirmation Order”) confirming the *Second Amended Chapter 11 Plan of Reorganization*, [Docket No. 231], as amended, modified and supplemented (the “Plan”). Unless otherwise defined in this Notice, capitalized terms and phrases used herein have the meanings set forth in the Plan.
- 2. Effective Date.** Pursuant to the Confirmation Order, the Debtors hereby certify and give notice that the Plan became effective in accordance with its terms at 12:01 a.m. Eastern Daylight Time on **August 4, 2012** (the “Effective Date”).
- 3. Substantial Consummation.** The Debtors hereby give notice that, pursuant to Section 1101(2) of the Bankruptcy Code, the Plan has been substantially consummated.
- 4. Injunctions.** All injunctions provided for under the Plan and Confirmation Order are now in full force and effect.
- 5. Deadline for Filing Professional Fee Claims.** Any final application for allowance of a Professional Fee Claim for services rendered and costs incurred through the Effective Date must be filed with the Bankruptcy Court and served on counsel for the Debtors, the Reorganized Debtors, the Prepetition Lender, the DIP Lender, and Committee at the addresses listed in section 11.13 of the Plan and on the Office of the United States Trustee so that it is received no later than **September 18, 2012, which date is forty-five (45) days after the Effective Date**, unless otherwise extended by agreement of the Claimant and the Reorganized Debtors, or such Professional Fee Claim shall be forever barred and shall not be enforceable against the Debtors and their Estates, the Reorganized Debtors or their properties, and their successors and assigns. All such applications for final allowance of compensation and reimbursement of expenses will be subject to the authorization and approval of the Bankruptcy Court.

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<sup>1</sup> The Debtors in these Chapter 11 Cases and the last four digits of each Debtors’ federal tax identification numbers are: Prince Sports, Inc. (3936); Prince Sports Holdings, LLC (4436); Prince Sports Management Holdings, LLC (0407); and Prince Sports Acquisition Holdings Corporation (0819). The location of the Debtors’ headquarters and the service address for each of the Debtors is 1 Advantage Court, Bordentown NJ, 08505.

6. **Deadline for Filing Administrative Claims.** Each Holder of an Administrative Claim, other than the DIP Lender and Holders of Professional Fee Claims, must file an Administrative Expense Request requesting allowance and payment of such Administrative Claim with the Bankruptcy Court and serve such claim on the Debtors and their undersigned counsel by **not later than September 18, 2012, which date is forty-five days after the Effective Date** (the "**Administrative Expense Request Deadline**") for all Administrative Claims that are not subject to the Bar Date Order; provided, however, that any such Administrative Expense Request need not be filed with a hearing date; and provided, further, that the foregoing requirement to file an Administrative Expense Request shall not apply to Holders of Administrative Claims arising under §§ 503(b)(1)(B) or (C) or which have otherwise been required to be filed by the Bar Date.

7. **Deadline for Filing Rejection Damage Claims.** Except to the extent another bar date applies pursuant to an order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts under this Plan must be filed with the Bankruptcy Court or the Voting and Claims Agent at the applicable address below and served on the Debtors and their undersigned counsel and counsel to the Committee by **not later than September 18, 2012, which date is forty-five days after the Effective Date** (the "**Rejection Damages Claim Bar Date**"):

Epiq Bankruptcy Solutions, LLC  
FDR Station, P.O. Box 5285  
New York, NY 10150-5285  
(if by First-Class United States Mail)

OR

Epiq Bankruptcy Solutions, LLC  
757 Third Avenue, 3rd Floor  
New York, NY 10017  
(if by hand-delivery or overnight mail)

Any Entity asserting a Claim arising from the rejection of Executory Contracts that fails to file such Claim by the Rejection Damages Claim Bar Date or other applicable Bar Date shall be forever barred from asserting such Claim, shall not be entitled to a Distribution on account of such Claim and such Claim shall not be enforceable against the Debtors, their Estates, the Reorganized Debtors or any of their successors and their assigns.

8. **Copies of Plan and Confirmation Order.** Any party-in-interest who wishes to obtain a copy of the Plan, the exhibits to the Plan, or the Confirmation Order may view and download such documents at <http://www.deb.uscourts.gov> or may do so at the office of the Clerk, United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801.

Dated: August 4, 2012

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Laura Davis Jones

Laura Davis Jones (DE Bar No. 2436)  
David M. Bertenthal (CA Bar No. 167624)  
James E. O'Neill (DE Bar No. 4042)  
Joshua M. Fried (CA Bar No. 181541)  
919 North Market Street, 17<sup>th</sup> Floor  
P.O. Box 8705  
Wilmington, Delaware 19899-8705  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400

Counsel for the Debtors and Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
PRINCE SPORTS, INC., et al.,<sup>1</sup> ) Case No. 12-11439 (KJC)  
Debtors. ) (Jointly Administered)  
)

Related to Docket Nos. 231, 263, 299, 311

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER  
CONFIRMING DEBTORS' SECOND AMENDED  
PLAN OF REORGANIZATION (WITH TECHNICAL AMENDMENTS)**

A hearing was held before this Court (the "Bankruptcy Court" or the "Court") on July 27, 2012 (the "Confirmation Hearing")<sup>2</sup> to consider confirmation of the *Second Amended Chapter 11 Plan of Reorganization* [Docket No. 231] as modified or amended (the "Plan"), and as supplemented by the *Plan Supplement With Respect to Second Amended Chapter 11 Plan of Reorganization* [Docket No. 263] (the "First Plan Supplement") and the *Second Plan Supplement With Respect to Second Amended Chapter 11 Plan of Reorganization* [Docket No. 299] (the "Second Plan Supplement" and, together with the First Plan Supplement, the "Plan Supplement"). The Plan was proposed by the debtors and debtors-in-possession (the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"). A copy of the Plan (including the Plan Supplement) is annexed hereto as **Exhibit A.**<sup>3</sup>

<sup>1</sup> The Debtors in these Chapter 11 Cases and the last four digits of each Debtors' federal tax identification numbers are: Prince Sports, Inc. (3936); Prince Sports Holdings, LLC (4436); Prince Sports Management Holdings, LLC (0407); and Prince Sports Acquisition Holdings Corporation (0819). The location of the Debtors' headquarters and the service address for each of the Debtors is 1 Advantage Court, Bordentown NJ, 08505.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

<sup>3</sup> The Plan Supplement shall be deemed a part of the Plan.

The Court has reviewed the Plan, the *Second Amended Disclosure Statement in Support of Chapter 11 Plan of Reorganization* dated June 21, 2012 [Docket No. 233] (the “Disclosure Statement”), and other materials submitted in support of confirmation of the Plan (“Confirmation”).

The Court has examined the record compiled in these Chapter 11 Cases and has considered, among other things: (i) the *Notice of: (I) Entry of Order Approving Disclosure Statement; (II) Hearing to Confirm Plan; (III) Procedures Regarding Assumption and Rejection of Executory Contracts and Unexpired Leases; and (IV) Related Important Dates* [Docket No. 240] (the “Confirmation Notice”); (ii) the *Order (A) Approving the Adequacy of the Disclosure Statement; (B) Scheduling a Hearing to Confirm the Chapter 11 Plan of Reorganization; (C) Establishing Deadline for Filing Objections to Confirmation of Plan; (D) Approving Form of Ballots, Voting Deadline and Solicitation Procedures; and (E) Approving Form and Manner of Notice* [Docket No. 235] (the “Disclosure Statement Order”); (iii) the *Affidavit of Service* of the Disclosure Statement Order [Docket No. 239]; (iv) the *Affidavits of Service of Solicitation Materials* [Docket Nos. 242, 246, 291 ] (items iii and iv are collectively referred to herein as the “Notice Affidavits”); (v) the *Memorandum of Law of Debtors in Support of Confirmation of the Second Amended Chapter 11 Plan of Reorganization* [Docket No. 300 ]; (vi) the *Declaration of Stephenie Kjontvedt of Epiq Bankruptcy Solutions, LLC Regarding Voting on, and Tabulation of, Ballots Accepting and Rejecting the Second Amended Chapter 11 Plan of Reorganization* [Docket No. 292] and the *Supplemental Declaration of Stephenie Kjontvedt of Epiq Bankruptcy Solutions, LLC Regarding Voting on, and Tabulation of, Ballots Accepting and Rejecting the*



*Second Amended Chapter 11 Plan of Reorganization* [Docket No. 323] (the “Voting Certifications”) [Docket No. 292]; (vii) the *Declaration and Statement of Gordon Boggis in Support of Confirmation of Second Amended Chapter 11 Plan of Reorganization for Prince Sports, Inc., et al.* [Docket No. 301]; and (viii) the offers of proof, evidence admitted, and the arguments and representations of counsel at the Confirmation Hearing. Based upon the foregoing, and after due deliberation and sufficient cause appearing therefor:

IT IS HEREBY FOUND, DETERMINED, ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

The Court having:

- a. entered, on June 21, 2012, the Disclosure Statement Order;
- b. set July 27, 2012, at 10:00 a.m. prevailing Eastern Time as the date and time for the commencement of the hearing to consider Confirmation of the Plan (the “Confirmation Hearing”) pursuant to Bankruptcy Rules 3017 and 3018 and sections 1126, 1128, and 1129 of the Bankruptcy Code, as set forth in the Scheduling Order;
- c. reviewed the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Brief, the Confirmation Declaration, the Voting Certifications, the Notice Affidavits and all other filed pleadings, exhibits, and comments regarding Confirmation, including any objections, statements and reservations of rights;
- d. considered all oral representations and arguments, testimony, documents, filings and other evidence regarding Confirmation, including those made by parties-in-interest at the Confirmation Hearing;

e. taken judicial notice of all pleadings, orders and other documents filed, as well as all evidence and arguments presented in the Chapter 11 Cases; and

f. unless otherwise indicated, overruled any and all objections (to the extent not consensually resolved or withdrawn) to the Plan, the Plan Supplement, the Disclosure Statement and Confirmation Order.

NOW, THEREFORE, it appearing to the Court that notice of the Confirmation Hearing and the opportunity to object to Confirmation have been adequate and appropriate as to all parties, and that just cause exists for the relief granted herein; and after due deliberation and based on the record described above and good cause appearing therefor, the Court hereby makes and issues the following findings of fact, conclusions of law and order:

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED AND ORDERED THAT:

**A. Findings and Conclusions.** The findings and conclusions set forth herein and in the record of the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

**B. Jurisdiction, Venue, Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)).**

This Court has jurisdiction over the Chapter 11 Cases and confirmation of the Plan pursuant to 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C.

§ 157(b)(2)(A), (L) and (O) and this Court has jurisdiction to enter a final order with respect thereto. The Debtors are eligible to be debtors under section 109 of the Bankruptcy Code.

Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

**C. Chapter 11 Petitions.** On the Petition Date, each Debtor commenced with the Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases pursuant to section 1104 of the Bankruptcy Code. The Court has ordered the procedural consolidation and joint administration of the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b).

**D. Judicial Notice, Objections.** The Court takes judicial notice of (and deems admitted into evidence for Confirmation) the docket of the Chapter 11 Cases maintained by the Clerk of the Court, including all pleadings and other documents filed, all orders entered and all evidence and arguments made, proffered or adduced at the hearings held before the Court during the pendency of the Chapter 11 Cases. Any resolutions of objections to Confirmation explained on the record and approved at the Confirmation Hearing are hereby incorporated by reference. All unresolved objections, statements and reservations of rights to the extent not sustained at the Confirmation Hearing are overruled on the merits.

**E. Burden of Proof.** The Debtors have the burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence. Each Debtor has met such burden.

**F. Voting.** No party in interest has objected to the Voting Certifications. As evidenced by the Voting Certifications, votes to accept or reject the Plan have been solicited properly and tabulated fairly, in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable non-bankruptcy law, rule and regulation.

**G. Solicitation.** In accordance with the Disclosure Statement Order, the Plan, the Disclosure Statement, the ballots cast to accept or reject the Plan (the “Ballots”), and the Confirmation Notice, were transmitted and served in compliance with applicable non-bankruptcy law, the Bankruptcy Code, including sections 1125 and 1126 thereof, the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, the Local Rules and the Disclosure Statement Order.

The Plan, Disclosure Statement and the Ballots were transmitted to all Holders of Class 5 Claims (Prepetition Lender Secured Claims) and Holders of Class 6 Claims (General Unsecured Claims), in accordance with the Disclosure Statement Order. Pursuant to section 1126(f) of the Bankruptcy Code, the Debtors were not required to solicit votes from the Holders of Claims in the Classes listed in the chart below as each such Class is Unimpaired under the Plan and conclusively presumed to have accepted the Plan.

| <b>CLASS</b> | <b>DESIGNATION</b>    |
|--------------|-----------------------|
| Class 1      | Other Secured Claims  |
| Class 2      | Other Priority Claims |
| Class 3      | Intercompany Claims   |
| Class 4      | Subsidiary Interests  |

The Debtors also were not required to solicit votes from the Holders of Interests in Class 7 (Interests and Interest Related Claims) as this Class is not entitled to receive any

recovery under the Plan, is impaired and, therefore, is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

As described in and as evidenced by the Voting Certifications and the Notice Affidavits, the transmittal and service of the Plan, the Disclosure Statement, the Ballots, and the Confirmation Notice (all of the foregoing, the "Solicitation") was timely, adequate and sufficient under the circumstances and in accordance with the Disclosure Statement Order. The Solicitation of votes on the Plan (the "Solicitation Procedures") was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable rules, laws, and regulations.

**H. Notice.** As is evidenced by the Voting Certification and the Notice Affidavits, the service of the Plan, the Disclosure Statement and Ballots was adequate and sufficient under the circumstances and in accordance with the Disclosure Statement Order, and all parties required to be given notice of the Confirmation Hearing (including the deadline for filing and serving objections to Confirmation of the Plan) have been given due, proper, timely and adequate notice in accordance with the Disclosure Statement Order and in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable non-bankruptcy law, rule or regulation and such parties have had an opportunity to appear and be heard with respect thereto. No other or further notice is required.

**I. Plan Supplement.** The Debtors' Plan Supplement includes the following documents: (i) the form of Liquidating Trust Agreement; (ii) the Assumed Contracts Schedule

listing the executory contracts and unexpired leases that will be assumed by the Reorganized Debtors and/or assumed and assigned to Prince Americas, LLC, pursuant to sections 363 and 365 of the Bankruptcy Code, as applicable; (iii) the list of proposed directors and officers of the Reorganized Debtors and (iv) the commitment letter with respect to post-Confirmation, Effective Date funding.

**J. Plan Compliance With the Bankruptcy Code (11 U.S.C. § 1129(a)(1)).** The Plan complies with the applicable provisions of the Bankruptcy Code and, as required by terms of Bankruptcy Rule 3016, the Plan is dated and identifies the Debtors as proponents, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

**K. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)).** In addition to Administrative Claims (Section 3.2 of the Plan), DIP Facility Claims (Section 3.1 of the Plan), and Priority Tax Claims (Section 3.3 of the Plan), which need not be classified, Article IV of the Plan classifies seven Classes of Claims and Interests. The Claims or Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan and such Classes do not unfairly discriminate among Holders of Claims and Interests. The Plan therefore satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

**L. Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)).** Article IV of the Plan specifies that Claims listed in the chart below are unimpaired under the Plan within the

meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

| <b>CLASS</b> | <b>DESIGNATION</b>    |
|--------------|-----------------------|
| Class 1      | Other Secured Claims  |
| Class 2      | Other Priority Claims |
| Class 3      | Intercompany Claims   |
| Class 4      | Subsidiary Interests  |

**M. Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)).** Article IV of the Plan designates the Classes of Claims and Interests listed in the chart below as impaired and specifies the treatment of the Claims and Interests in those Classes within the meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

| <b>CLASS</b> | <b>DESIGNATION</b>                    |
|--------------|---------------------------------------|
| Class 5      | Prepetition Lender Secured Claims     |
| Class 6      | General Unsecured Claims              |
| Class 7      | Interests and Interest Related Claims |

**N. Same Treatment of Claims in a Particular Class (11 U.S.C. § 1123(a)(4)).** The Plan provides for the same treatment of each Claim or Interest in a particular class, as the case may be, unless the Holder thereof has agreed to a less favorable treatment with respect to such Claim or Interest. As a result thereof, the requirements of section 1123(a)(4) of the Bankruptcy Code have been satisfied.

**O. Implementation of the Plan (11 U.S.C. § 1123(a)(5)).** The Plan and the various documents and agreements set forth in the Plan Supplement provide adequate and proper means for the implementation of the Plan, thereby satisfying section 1123(a)(5) of the

Bankruptcy Code, including: (a) vesting of assets in the Reorganized Debtors, free and clear of all Liens, Claims, charges, or other encumbrances, all to the extent provided under the Plan and this Confirmation Order; (b) the assumption, assumption and assignment, and rejection of the Debtors' executory contracts and unexpired leases pursuant to sections 363 and 365 of the Bankruptcy Code as applicable; (c) generally allowing for all corporate action necessary to effectuate the Plan including alternate restructuring and vesting of assets in the Prepetition Lender and DIP Lender directly in order to minimize any adverse tax consequences and the appointment of the directors and officers of the Reorganized Debtors and the execution and entry into the documents in substantially the form included in the Plan Supplement; (d) the cancellation of all Interests; and (e) the identification of sources of consideration from which the Debtors and Reorganized Debtors will make distributions under the Plan.

**P. Non-Voting Equity Securities/Allocation of Voting Power (11 U.S.C. § 1123(a)(6)).** The applicable corporate documents and charters of the Reorganized Debtors, to the extent required, shall each be deemed amended to prohibit the issuance of non-voting equity securities, thereby satisfying section 1123(a)(6) of the Bankruptcy Code.

**Q. Designation of Officers and Directors (11 U.S.C. § 1123(a)(7)).** The Plan Supplement contains provisions with respect to the manner of selection of officers and directors of the Reorganized Debtors that are consistent with the interests of creditors, equity security holders and public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code.



**R. Impairment/Unimpairment of Classes of Claims and Interests (11 U.S.C. §**

**1123(b)(1)).** Pursuant to Article III of the Plan, the Classes of Claims listed in the chart below are impaired, as permitted by section 1123(b)(1) of the Bankruptcy Code.

| <b>CLASS</b> | <b>DESIGNATION</b>                    |
|--------------|---------------------------------------|
| Class 5      | Prepetition Lender Secured Claims     |
| Class 6      | General Unsecured Claims              |
| Class 7      | Interests and Interest Related Claims |

Pursuant to Article IV of the Plan the Classes of Claims and Interests listed in the chart below are unimpaired, as contemplated by section 1123(b)(1) of the Bankruptcy Code.

| <b>CLASS</b> | <b>DESIGNATION</b>    |
|--------------|-----------------------|
| Class 1      | Other Secured Claims  |
| Class 2      | Other Priority Claims |
| Class 3      | Intercompany Claims   |
| Class 4      | Subsidiary Interests  |

**S. Assumption and Rejection (11 U.S.C. § 1123(b)(2)).** Article VII of the

Plan governs the assumption, assumption and assignment, and rejection of contracts and unexpired leases pursuant to sections 363 and 365 of the Bankruptcy Code, as applicable.

The Debtors have exercised reasonable business judgment in determining to

(i) assume each of the Executory Contracts listed on **Exhibit B** hereto, including the assumption of the Executory Contracts listed in the *Debtors' Motion to Assume Certain Executory Contracts and Set Cure Amounts* [Docket No. 272] (the "Contract Assumption Motion") (the "Assumed Executory Contracts"), (ii) assume and assign to Prince Americas, LLC the Executory Contracts listed on **Exhibit C** hereto (the "Assigned Executory Contracts"), and (iii) reject the remaining Executory Contracts (the "Rejected Contracts") that are not (a) Assumed Executory Contracts,

(b) Assigned Executory Contracts, (c) Executory Contracts that are the subject of the Contract Assumption Motion, (d) Executory Contracts that were previously assumed or assumed and assigned by the Debtors through separate order and which have been replaced by the Contract Assumption Motion and the order thereon, (e) Executory Contracts that previously expired or terminated pursuant to their terms, or (f) Executory Contracts that are the subject of a motion to reject filed by the Debtors on or prior to the Confirmation Date. Each such assumption, assumption and assignment, or rejection, as the case may be of an Executory Contract, shall be legal, valid and binding upon the parties thereto.

To the extent required under section 365(b) of the Bankruptcy Code, the Debtors and Prince Americas, LLC have provided adequate assurance of future performance for the Assumed Executory Contracts and the Assigned Executory Contracts. To the extent required, the Debtors have cured or provided adequate assurance that the Reorganized Debtors will promptly cure all defaults arising under or relating to each such Assumed Executory Contract, and that Prince Americas, LLC will promptly cure all defaults arising under the Assigned Executory Contracts. All objections to the Debtors' (i) assumption of the Assumed Executory Contracts, (ii) assumption and assignment to Prince Americas, LLC of the Assigned Executory Contracts, and (iii) rejection of Rejected Contracts are overruled.

**T. Additional Plan Provisions (11 U.S.C. § 1123(b)(6)).** The provisions of the Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b)(6) of the Bankruptcy Code.

**U. The Debtors' Compliance with the Bankruptcy Code (11 U.S.C.**

**§ 1129(a)(2)).** The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically:

1. each of the Debtors is an eligible debtor under section 109 of the Bankruptcy Code and a proper proponent of the Plan under section 1121(a) of the Bankruptcy Code;
2. the Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Bankruptcy Court; and
3. the Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126, the Bankruptcy Rules, the Local Rules, any applicable non-bankruptcy law, rule and regulation, the Disclosure Statement Order and all other applicable law, in transmitting the Plan, the Plan Supplement, the Disclosure Statement, Ballots and related documents and notices and in soliciting and tabulating the votes on the Plan.

**V. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)).** The Debtors have proposed the Plan (including all documents necessary to effectuate the Plan) and the transactions contemplated in the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and record of the Chapter 11 Cases, the Disclosure Statement and the record of the Confirmation Hearing and other hearings held in the Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' Estates and to effectuate a successful reorganization of the Debtors. The Plan (including the Plan Supplement and all

documents necessary to effectuate the Plan) was negotiated at arm's-length among the Debtors, the Prepetition Lenders, DIP Lender, Committee and their respective professionals. Further, the Plan's classification, exculpation, release and injunction provisions have been negotiated in good faith and at arm's-length, are consistent with sections 105, 1122, 1123(b)(6), 1123(b)(3)(A), 1129 and 1142 of the Bankruptcy Code, are fair and reasonable and an essential part of the Plan, and each is necessary for the Debtors' successful reorganization because such exculpation, release and injunctions are the bargained-for consideration provided to each of the Released Parties and Exculpated Parties in the Plan.

**W. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)).** All amounts to be paid by the Debtors for services or expenses in the Chapter 11 Cases have been fully disclosed and approved as reasonable, pursuant to the terms of the Plan.

**X. Officers and Directors (11 U.S.C. § 1129(a)(5)).** The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the officers and directors of the Reorganized Debtors after the Effective Date have been fully disclosed to the extent available, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of Holders of Claims and with public policy. As set forth in the Plan Supplement, on the Effective Date, the initial board of directors of the Reorganized Debtors shall consist of the individuals identified in Exhibit 3 to the Plan Supplement and the officers set forth in Exhibit 3 of the Second Plan Supplement. Each such individual and each member will serve in accordance with the terms and subject to the conditions of the relevant corporate documents to be adopted by each of the Reorganized Debtors.

**Y. No Rate Changes (11 U.S.C. § 1129(a)(6)).** The Plan does not provide for rate changes by the Reorganized Debtors that may be subject to the jurisdiction of any governmental regulatory commission or authority. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable in the Chapter 11 Cases.

**Z. Best Interest of Creditors (11 U.S.C. § 1129(a)(7)).** The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The evidence, including the liquidation analysis provided in the Disclosure Statement, and otherwise submitted, proffered or adduced before or at the Confirmation Hearing (a) is reasonable, persuasive and credible, (b) has not been controverted by other evidence and (c) establishes that each Holder of an Impaired Claim or Interest has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

**AA. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)).** The Classes of Claims and Interests listed in the chart below are Classes of Unimpaired Claims and Interests that are conclusively presumed to have accepted the Plan in accordance with section 1126(f) of the Bankruptcy Code.

| <b>CLASS</b> | <b>DESIGNATION</b>    |
|--------------|-----------------------|
| Class 1      | Other Secured Claims  |
| Class 2      | Other Priority Claims |
| Class 3      | Intercompany Claims   |
| Class 4      | Subsidiary Interests  |

The Classes of Claims listed in the chart below have voted to accept the Plan in accordance with sections 1126(b) and (c) of the Bankruptcy Code, and such Classes do not include insiders of the Debtors (as that term is defined in section 101(31) of the Bankruptcy Code).

| <b>CLASS</b> | <b>DESIGNATION</b>                |
|--------------|-----------------------------------|
| Class 5      | Prepetition Lender Secured Claims |
| Class 6      | General Unsecured Claims          |

The Class of Interests listed in the chart below is impaired by the Plan and is not entitled to receive or retain any property under the Plan and, therefore, is deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

| <b>CLASS</b> | <b>DESIGNATION</b>                    |
|--------------|---------------------------------------|
| Class 7      | Interests and Interest Related Claims |

While the Plan does not satisfy section 1129(a)(8) of the Bankruptcy Code, the Plan is confirmable because it satisfies sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

**BB. Treatment of Administrative Claims, Priority Tax Claims, and Priority Claims (11 U.S.C. § 1129(a)(9)).** The treatment of Administrative Claims pursuant to Section 3.2 of the Plan and DIP Facility Claims pursuant to Section 3.1 of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Priority Tax Claims pursuant to Section 3.3 of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

**CC. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)).** As evidenced by the Voting Certifications, the Classes of Claims listed in the chart below voted to accept the Plan by the requisite numbers and amounts, determined without including any acceptance of the Plan

by any insider (as that term is defined in section 101(31) of the Bankruptcy Code), thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.

| <b>CLASS</b> | <b>DESIGNATION</b>                |
|--------------|-----------------------------------|
| Class 5      | Prepetition Lender Secured Claims |
| Class 6      | General Unsecured Claims          |

**DD. Feasibility (11 U.S.C. § 1129(a)(11)).** The information in the Disclosure Statement, the Confirmation Declaration and the evidence proffered or adduced at the Confirmation Hearing (a) is reasonable, persuasive and credible, (b) has not been controverted by other evidence and (c) establishes that the Plan is feasible and that there is a reasonable prospect of the Reorganized Debtors being able to meet their financial obligations under the Plan and in their business in the ordinary course, and that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

**EE. Payment of Fees (11 U.S.C. § 1129(a)(12)).** As set forth in Section 11.2 of the Plan, all fees payable under section 1930 of title 28, United States Code, as determined by the Bankruptcy Code, have been or will be paid on or before the Effective Date, thereby satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code.

**FF. Continuation of Employee and Retiree Benefits (11 U.S.C. § 1129(a)(13)).** The Debtors do not have any retiree benefits pursuant to Section 1129 (a)(13) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code.

**GG. No Domestic Support Obligations (11 U.S.C. § 1129(a)(14)).** The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. Accordingly, section 1129(a)(14) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

**HH. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)).** The Debtors are not individuals, and accordingly, section 1129(a)(15) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

**II. No Applicable Non-Bankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)).** The Debtors are each a moneyed, business or commercial corporation, and accordingly, section 1129(a)(16) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

**JJ. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)).** No Class of Claims voted to reject the Plan. The Class of Interests listed in the chart below is deemed to have rejected the Plan.

| <b>CLASS</b> | <b>DESIGNATION</b>                    |
|--------------|---------------------------------------|
| Class 7      | Interests and Interest Related Claims |

Based upon the evidence proffered, adduced and presented by the Debtors at the Confirmation Hearing, the Plan does not discriminate unfairly and is fair with respect to Class 7, as required by sections 1129(c)(2) of the Bankruptcy Code; has been proposed in good faith, is reasonable and meets the requirement that no Holder of any Interest that is junior to such Class will receive or retain any property under the Plan on account of such junior Interest.



Accordingly, the Plan may be confirmed notwithstanding the deemed rejection of the Plan by Class 7.

**KK. Only One Plan (11 U.S.C. § 1129(c)).** The Plan is the only plan filed in each of the Chapter 11 Cases, and accordingly, section 1129(c) of the Bankruptcy Code is inapplicable.

**LL. Principal Purpose of the Plan (11 U.S.C. § 1129(d)).** The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act. Accordingly, the Plan satisfies the requirements of section 1129(d) the Bankruptcy Code.

**MM. Exemption from Securities Laws (11 U.S.C. § 1145).** Pursuant to the Plan, any securities issued and any subsequent sales, resales, transfers, or other distributions of any such securities shall be exempt from any federal or state securities laws registration requirements, including section 5 of the Securities Act, to the fullest extent permitted by section 1145 of the Bankruptcy Code.

**NN. Exemption from Transfer Taxes (11 U.S.C. § 1146(a)).** All transactions contemplated by the Plan, and the purchase and sale and assignment and licensing transactions under the Plan are not subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, sales or use tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment. Such exemption specifically applies, without limitation, to (i) all actions, agreements and documents necessary to evidence and implement the provisions of and

the distributions to be made under this Plan, (ii) the issuance of New Equity Interests, (iii) the maintenance or creation of security or lien as contemplated under Section 6.12 of the Plan with respect to funding under the Plan; and (iv) assignments executed in connection with any transaction occurring under the Plan.

**OO. Modifications to the Plan.** Any modifications to the Plan made in the Plan Supplement and the *Motion for Entry of an Order Approving Technical Modifications to the Debtors' Second Amended Plan of Reorganization* [Docket No. 311] (the "Plan Modification Motion") and/or set forth herein constitute technical changes or do not materially adversely affect or change the treatment of any Claims or Interests of any Holder and are in compliance with section 1127 of the Bankruptcy Code. Accordingly, pursuant to Bankruptcy Rule 3019, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that Holders of Claims or Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

**PP. Satisfaction of Confirmation Requirements.** Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

**QQ. Implementation.** All documents necessary to implement the Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arm's-length and represent the exercise of the Debtors' reasonable business judgment and shall, upon the completion of all requisite documentation and

execution, be valid, binding and enforceable agreements and shall not be in conflict with or violate any federal or state law.

**RR. Injunction, Exculpation and Releases.** The Court has jurisdiction under sections 1334(a) and (b) of title 28 of the United States Code to approve the exculpation, releases and injunction set forth in Sections 9.4, 9.6, 9.7, 9.8, and 9.9 of the Plan. Section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the exculpation and unopposed releases set forth in Sections 9.4, 9.6, 9.7, 9.8, and 9.9 of the Plan, when, as has been established here based upon the record in the Chapter 11 Cases and the evidence presented at the Confirmation Hearing, such provisions (a) were integral to the agreement among various parties in interest and are essential to the formulation and implementation of the Plan, as provided in section 1123 of the Bankruptcy Code, (b) confer substantial benefits on the Debtors' Estates, (c) are fair and reasonable and (d) are in the best interests of the Debtors, their Estates and other parties-in-interest and in exchange for substantial consideration. Further, the exculpation provision in Section 9.6 of the Plan does not relieve any party of liability for an act or omission to the extent such act or omission is determined by a Final Order to have constituted gross negligence or willful misconduct. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the releases, exculpation and injunction set forth in the Plan and granted and implemented by the Confirmation Order are supported by adequate consideration and are equitable, reasonable and in the best interests of the Debtors, the Reorganized Debtors, and Estates, creditors and equity holders (provided, however, the exculpation has been modified as set forth herein). The releases of non-Debtors in Section 9.8 of the Plan are fair to Holders of

Claims because they (1) are voluntary, (2) only apply to creditors in Class 6 (General Unsecured Claims) who voted to accept the Plan and who “opted in” to grant such releases by checking the applicable “opt in” box in their respective Ballots, and (3) are supported by the consideration provided in the Plan to those parties who elected to grant such releases. Such releases are given in exchange for and are supported by fair, sufficient and adequate consideration provided by each and all of the Debtor releasees and the third party releasees. The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the releases, exculpation and injunction provided for in Sections 9.4, 9.6, 9.7, 9.8, and 9.9 of the Plan. Accordingly, based upon the record of the Chapter 11 Cases, the representations and/or the evidence proffered, adduced and/or presented at the Confirmation Hearing, the Court finds that the exculpation, releases and injunction set forth in Sections 9.4, 9.6, 9.7, 9.8, and 9.9 of the Plan are consistent with the Bankruptcy Code and applicable law.

**SS. Good Faith.** The Debtors and Reorganized Debtors and the parties granting the releases pursuant to Section 9.9 of the Plan and their respective affiliates, agents, directors, members, partners, officers, employees, advisors, attorneys, related persons and other professionals, will be acting in good faith if they proceed to (a) consummate and implement the Plan, the Plan Supplement and the agreements, settlements, transactions and transfers contemplated thereby, and (b) take the actions authorized by the Confirmation Order.

**TT. Retention of Jurisdiction.** The Court may properly, and upon the Effective Date shall, retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases,

including the matters set forth in Section 11.1 of the Plan and section 1142 of the Bankruptcy Code.

**ORDER**

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED AND DETERMINED THAT:

1. **Findings of Fact and Conclusions of Law.** The above-referenced findings of fact and conclusions of law are each hereby incorporated by reference as though fully set forth herein and shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable herein by Bankruptcy Rule 9014. Each finding of fact, to the extent it is or may be deemed a conclusion of law, shall also constitute a conclusion of law. Each conclusion of law, to the extent it is or may be deemed a finding of fact, shall also constitute a finding of fact.
2. **Notice of the Confirmation Hearing.** Notice of the Confirmation Hearing complied with the terms of the Disclosure Statement Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable non-bankruptcy law, and no further or additional notice was necessary or required.
3. **Solicitation.** The pre-petition solicitation of votes on the Plan was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, and was in compliance with the provisions of the Disclosure Statement Order, Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable non-bankruptcy law.

4. **Confirmation of the Plan.** The Plan and each of its provisions shall be, and hereby are, approved and CONFIRMED under section 1129 of the Bankruptcy Code. The documents contained in the Plan Supplement, including exhibits and attachments thereto, and the execution, delivery and performance thereof, are authorized and approved. The terms of the Plan, including the Plan Supplement and their respective exhibits, are incorporated by reference into and are an integral part of the Confirmation Order, and shall be effective and binding as of the Effective Date of the Plan.

5. **Objections.** All objections, responses to, and statements and comments, if any, in opposition to, the Plan and/or the Disclosure Statement, respectively, other than those withdrawn with prejudice in their entirety prior to, or on the record at, the Confirmation Hearing, shall be, and hereby are, overruled in their entirety.

6. **No Action Required.** Pursuant to the appropriate provisions of the Delaware General Corporation Law, including section 303 thereof, and the comparable provisions of the Delaware Limited Liability Company Act, and the applicable provisions of the laws of the other states in which the Debtors are organized, and section 1142(b) of the Bankruptcy Code, no action of the respective directors, stockholders, managers, or members of the Debtors or Reorganized Debtors, as applicable, shall be required to authorize the Debtors or Reorganized Debtors, as applicable, to enter into, execute, deliver, file, adopt, amend, restate, consummate or effectuate, as the case may be, the Plan and any contract, instrument or other document to be executed, delivered, adopted or amended in connection with the implementation of the Plan or the Plan Supplement.

7. **Binding Effect.** On or after entry of the Confirmation Order and subject to the occurrence of the Effective Date, the provisions of the Plan and the Confirmation Order shall bind the Debtors, Reorganized Debtors, all Holders of Claims and Interests (irrespective of whether such Claims or Interests are Impaired under the Plan or whether the Holders of such Claims or Interests accepted or are deemed to have accepted the Plan), all entities that are parties to or are subject to settlements, compromises, releases, discharges and injunctions described in the Plan or herein, any and all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, any other party in interest in the Chapter 11 Cases and the respective heirs, executors, administrators, successors or assigns, if any, of any of the foregoing. All agreements, instruments and other documents filed in connection with the Plan or included in the Plan Supplement (as they may be amended or modified pursuant to the terms of the Plan) including, without limitation, the Commitment Letter, are hereby approved.

8. **Free and Clear.** Except as otherwise provided in the Plan or in this Confirmation Order, on the Effective Date the Reorganized Debtors shall be vested with all property of the Estates, free and clear of all Claims, Liens, encumbrances, charges and other interests of Holders of Claims or Interests in accordance with the terms of the Plan; provided, however, the Reorganized Debtors shall be obligated to fund the second deposit of the Released Parties Contributions of \$2 million on or before January 3, 2013. Further, except as otherwise provided the Plan or in the Confirmation Order, on and after the Effective Date, the Liquidating Trust shall be vested with the Released Parties Contribution and the Avoidance Actions, free and clear of all Claims, Liens, encumbrances, charges and other interests of Holders of Claims or

Interests in accordance with the terms of the Plan. From and after the Effective Date, the Reorganized Debtors may operate their business and use, acquire or dispose of assets free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Court, or the Office of the U.S. Trustee (except for quarterly operating reports and fees associated therewith) pursuant to the terms of the Plan. In addition, on and after the Effective Date, the Reorganized Debtors may engage in any other transactions in furtherance of the Plan and Plan Supplement. In addition, prior to the Effective Date, one or more Debtors may convert into a pass through or corporate form or structure for tax purposes and on the Effective Date the Prepetition Lender may be deemed to exchange its Claim for equity in any Reorganized Debtor or certain the interests in the Reorganized Debtors or assets vesting in the Reorganized Debtors may be deemed transferred to the Prepetition Lender in exchange for its Claims, in whole or in part, as more fully set forth and described in the Plan.

9. **Authorizations to Take Acts Necessary to Implement Plan.** The Debtors or the Reorganized Debtors as applicable, and their officers, agents, or boards of directors may take any and all actions necessary to execute, deliver, file or record such contracts, instruments, releases, leases and other agreements or documents, including the Plan Supplement, and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan without the need for any further notice to or action, order or approval of the Bankruptcy Court, or other act or action under applicable law, regulation, order or rule except for those expressly required pursuant to the Plan. Each of the Debtors or the Reorganized Debtors, as applicable, has the corporate or limited liability company power to execute, deliver



and perform under each of the Plan Supplement documents to which it is a party. All matters provided for pursuant to the Plan or this Confirmation Order that would otherwise require approval of the shareholders, directors, managers or members of the Debtors or the Reorganized Debtors shall be deemed to have been so approved and authorized and shall be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of further action by the shareholders, directors, managers or members of the Debtors, or the need for any approvals, authorizations, actions or consents except as otherwise expressly required pursuant to the Plan.

10. **Effectiveness of All Actions.** Except as set forth in the Plan, all actions authorized to be taken pursuant to the Plan shall be effective on, prior to or after the Effective Date pursuant to the Confirmation Order, without the need for any further notice to or action, order or approval of the Bankruptcy Court, or other act or action under applicable law, regulation, order or rule except those expressly required pursuant to the Plan.

11. **Officers and Directors.** The structure and composition of the board of directors of the Reorganized Debtors shall be as set forth in the Plan and Plan Supplement. Each director and officer thereof shall serve from and after the Effective Date pursuant to the terms of the organizational documents of the Reorganized Debtors. Pursuant to section 1129(a)(5)(A)(ii) of the Bankruptcy Code, the Court approves as consistent with the interests of Holders of Claims and Interests and with public policy the selection, election and/or continuance, as the case may be, of these individuals; provided that nothing set forth herein shall prevent any of the foregoing individuals from resigning or from being removed or replaced as an officer or director without

further order of the Court in accordance with the terms of the Reorganized Debtors' organizational documents, as applicable. On the Effective Date, the adoption and filing (as necessary) of any of the Reorganized Debtors' organizational documents not otherwise specifically set forth in the Confirmation Order or the Plan, as the case may be, and all other approvals and corporate actions contemplated by the Plan and the Confirmation Order and not otherwise specifically enumerated in the Confirmation Order shall be authorized and approved in all respects, subject to the provisions hereof and in the Plan, and any other applicable law.

12. **Exemptions from Securities Law.** The issuance of the New Equity Interests and any subsequent sales, resales or transfers, or other distributions of any such securities shall be exempt from any federal or state securities laws registration requirements, including section 5 of the Securities Act, to the fullest extent permitted by section 1145 of the Bankruptcy Code.

13. **Cancellation of Existing Securities and Agreements.** On the Effective Date, all notes, stock, instruments, certificates, agreements and other documents evidencing the DIP Facility Claims will be canceled, and the obligations of the Debtors thereunder or in any way related thereto will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person; provided, however, notwithstanding the occurrence of the Effective Date, any such agreement that governs the rights of the holder of a Claim or Interest shall

continue in effect solely for purpose of allowing such holders to receive distributions or treatment under the Plan.

14. **Corporate Actions.** Each of the Debtors and the Reorganized Debtors, as applicable, may take any and all actions to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan, including, without limitation, the distribution or deemed distribution of the securities to be issued pursuant hereto in the name of and on behalf of the Reorganized Debtors and in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers or directors of the Debtors or the Reorganized Debtors and as applicable or by any other Person (except for those expressly required pursuant to the Plan).

Prior to, on or after the Effective Date, all matters provided for pursuant to the Plan that would otherwise require approval of the stockholders, directors or members of any Debtor (as of prior to the Effective Date) will be deemed to have been so approved and authorized and will be in effect prior to, on or after the Effective Date pursuant to applicable law and without any requirement of further action by the stockholders, directors, managers or partners of such Debtors, or the need for any approvals, authorizations, actions or consents of any Person.

All matters provided for in the Plan involving the legal or corporate structure of any Debtor or any Reorganized Debtors, as applicable, and any legal or corporate action required

by any Debtor or any Reorganized Debtor as applicable, in connection with the Plan, will be deemed to have occurred and will be in full force and effect in all respects, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers or directors of any Debtor or any Reorganized Debtors, as applicable, or by any other Person.

15. **Release of Liens.** Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all Liens, Claims, Interests, mortgages, deeds of trust, or other security interests against the property of the Estates will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity except for any DIP Facility Claims or any exit financing provided by the DIP Lender.

16. **Compromise of Controversies.** In consideration for the distributions and other benefits, including releases, provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Claims and controversies resolved under the Plan and the entry of the Confirmation Order constitutes approval of such compromise and settlement under Bankruptcy Rule 9019.

17. **Assumption or Rejection of Contracts and Leases.** The Assumed Executory Contracts listed on **Exhibit B** hereto are hereby assumed by Prince Sports, Inc. and shall vest in Prince Sports, Inc. as a Reorganized Debtor pursuant to sections 363 and 365 of the Bankruptcy Code.

18. The Assigned Executory Contracts listed on **Exhibit C** hereto are hereby assumed by Prince Sports, Inc. and assigned to Prince Americas, LLC pursuant to sections 363 and 365 of the Bankruptcy Code. The Debtors and their Estates are hereby relieved of any obligations or liabilities for any Assigned Executory Contract pursuant to section 365(k) of the Bankruptcy Code for any breach of any such Assigned Executory Contract occurring after the assignment.

19. Except as otherwise provided in the Plan and this Confirmation Order, any order entered by the Court, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date (or such earlier date as applicable), the Rejected Contracts are hereby rejected pursuant to section 365 of the Bankruptcy Code. For avoidance of doubt, nothing in the Plan or this Order shall be deemed to construe that any Executory Contract constitutes an unexpired lease of real property or executory contract pursuant to Bankruptcy Code Section 365(b) and the Reorganized Debtors reserve any and all rights in connection therewith.

20. The assumption of the Assumed Executory Contracts, the assumption and assignment pursuant to section 363 and 365 of the Bankruptcy Code of the Assigned Executory Contracts, and the rejection of the Rejected Contracts are hereby approved as of the Effective

Date pursuant to sections 365(b) and 1123(b) of the Bankruptcy Code and all objections thereto, if any, are overruled; provided, however, that a certain employment offer letter between Prince Sports, Inc. and Jessica Giat (the "Contract"), which is the subject of the Debtors' *Motion for Entry of an Order Authorizing Rejection of Certain Executory Contract* [Docket No. 247] (the "Giat Motion"), shall not be rejected by entry of this Confirmation Order or occurrence of the Effective Date but determination on the Contract shall be deferred until the Court enters an Order on the Giat Motion or the parties otherwise agree. The hearing on the Giat Motion has been continued to a date to be determined by the applicable parties.

21. **Resolution of Contingent, Unliquidated and Disputed Claims.** Except as otherwise set forth herein or by order of the Bankruptcy Court, the Reorganized Debtors shall have exclusive authority to file objections to, and settle, compromise, withdraw or litigate to judgment objections to any and all Claims as provided under the Plan.

22. **Authorization to Consummate.** The Debtors are authorized to consummate the Plan at any time after the entry of the Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to consummation of the Plan set forth in Article X of the Plan.

23. **Rejection Damage Claims Bar Date.** All claims arising from any Rejected Contract shall be filed with the Bankruptcy Court and served on counsel for the Debtors and counsel to the Committee **no later than 45 days after the Effective Date**, or such claims will be forever barred, and not entitled to any distributions under the Plan from the Debtors or Reorganized Debtors, the Debtors' estates or any of their successors or assigns.

24. **Professional Compensation.** Professionals or other Entities asserting a Professional Fee Claim for services rendered before the Confirmation Date must file and serve on the Debtors, the Office of the U.S. Trustee, and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court an application for final allowance of such Professional Fee Claim **no later than 45 days after the Effective Date.**

25. **Administrative Claims and Bar Date.** The Debtors shall pay each Holder of an Allowed Administrative Claim against the Debtor (excluding Professional Fee Claims) the full amount of such Allowed Administrative Claim, without interest, in Cash, on the later to occur of (i) the Effective Date, and (ii) within ten (10) days after the date such Claim becomes Allowed Claim, and (iii) when such Allowed Administrative Claim first becomes due and payable in the ordinary course after the Effective Date. Notwithstanding anything herein to the contrary, a Holder of an Allowed Administrative Claim against any Debtor may be paid on such other date or dates and upon such other terms as may be agreed upon by such Holder and Debtors or Reorganized Debtors.

26. **Bar Date for Administrative Claims.** Each Holder of an Administrative Claim, other than the DIP Lender Claims and Holders of Professional Fee Claims, must file an Administrative Expense Request requesting allowance and payment of such Administrative Claim with the Bankruptcy Court by **no later than 45 days from the Effective Date**; *provided, however,* that any such Administrative Expense Request need not be filed with a hearing date; and *provided, further,* that the foregoing requirement to file an Administrative Expense Request

shall not apply to Holders of Administrative Claims arising under sections 503(b)(1)(B) or (C) of the Bankruptcy Code or which have otherwise been required to be filed by the Bar Date.

27. **DIP Facility Claims.** On the Effective Date, all DIP Claims shall be Allowed in an amount asserted by the Holders of DIP Claims, and all obligations of the Debtors under the DIP Facility shall be paid in full in Cash or otherwise satisfied in a manner acceptable to the Holders of DIP Claims in accordance with the terms of the DIP Facility.

28. **Discharge.** As of the Effective Date, except as otherwise provided in the Plan and effective as of the Effective Date: (i) the rights afforded herein and the treatment of all Claims and Interests will be in exchange for and in complete satisfaction, settlement, discharge, and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property, or Estates; (ii) the Plan will bind all Holders of Claims and Interests, notwithstanding whether any such Holders abstained from voting to accept or reject the Plan or voted to reject the Plan; (iii) all Claims and Interests will be satisfied, discharged, and released in full, and the Debtors' liability with respect thereto will be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (iv) all Entities will be precluded from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, each of their successors and assigns, and each of their assets and properties, any other Claims or Interests based upon any documents, instruments or any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.



29. **Substantive Consolidation for Plan Purposes.** The Debtors' Estates shall be deemed substantively consolidated solely for purposes of classifying and treating all Claims under the Plan, including for voting, confirmation, and distribution purposes.

Substantive consolidation will not (i) alter the state of incorporation of any Debtor for purposes of determining applicable law of any of the Causes of Action, (ii) alter or impair the legal and equitable rights of the Debtors to enforce any of the Causes of Action, or (iii) otherwise impair, release, discharge, extinguish or affect any of the Causes of Action or issues raised as a part thereof.

30. **Releases, Injunction, Exculpation, and Related Provisions Under the Plan.** The releases, injunctions, exculpations and related provisions set forth in Sections 9.4, 9.6, 9.7, 9.8, and 9.9 of the Plan are hereby approved and authorized in their entirety.

31. **Injunction.** Except as otherwise provided in the Plan, from and after the Effective Date, all entities are permanently enjoined from taking any of the following actions either (i) against the Debtors, Reorganized Debtors, the Holders of the New Equity Interests, or their property on account of all or such portion of any such Claims, Interests, debts, or liabilities that are stayed, Impaired, or terminated, or (ii) against any Person with respect to any right of action or any objection to a Claim or Interest, which right of action or objection, under the Plan, is waived, released, assigned or exclusively retained by any of the Debtors: (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order, (c) creating, perfecting, or enforcing any lien or encumbrance; (d) asserting a setoff, right of

subrogation or recoupment of any kind against any debt, liability, or obligation due; and (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan. To avoid any doubt, except as otherwise expressly noted in the Plan, nothing in the Plan or herein shall be construed or is intended to affect, enjoin, modify, release, or waive any claims, rights, and actions that a third party may have against a person other than the Debtors, or Reorganized Debtors provided that such claims, rights, and actions are wholly separate and exist independently from any claims, rights, and actions of the Estates.

32. **Payment of Statutory Fees.** All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid as and when due or otherwise pursuant to an agreement between the Reorganized Debtors and the United States Department of Justice, Office of the U.S. Trustee, until such time as a chapter 11 case for a Debtor shall be closed and the Reorganized Debtors shall pay any such fees as if no substantive consolidation has occurred for purposes of the Plan.

33. **Exemption from Transfer Taxes.** To the extent permitted by applicable law, pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp or similar tax (the "Stamp Taxes") or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate federal, state or local governmental officials or agents or taxing authority to forgo the collection of any such Stamp Taxes or governmental assessments and to accept for filing and recordation

instruments or other documents pursuant to such transfers of property without the payment of any such Stamp Taxes or governmental assessments.

34. **Reversal/Stay/Modification/Vacatur of Confirmation Order.** Except as otherwise provided in the Confirmation Order, if any or all of the provisions of the Confirmation Order are hereafter reversed, modified, vacated or stayed by subsequent order of the Court, or any other court, such reversal, stay, modification or vacatur shall not affect the validity or enforceability of any act, obligation, indebtedness, liability, priority or lien incurred or undertaken by the Debtors or the Reorganized Debtors, prior to the effective date of any such reversal, stay, modification or vacatur, including, without limitation the validity of any obligation, indebtedness or liability incurred by the Reorganized Debtors. Notwithstanding any such reversal, stay, modification or vacatur of the Confirmation Order, any such act or obligation incurred or undertaken pursuant to, or in reliance on, the Confirmation Order prior to the effective date of such reversal, stay, modification or vacatur shall be governed in all respects by the provisions of the Confirmation Order and the Plan or any amendments or modifications thereto. Specifically, notwithstanding any such reversal, stay, modification or vacatur of the Confirmation Order, any obligation, indebtedness or liability incurred by the Debtors or the Reorganized Debtors shall be governed in all respect by the provisions of the Confirmation Order and the Plan or any amendments or modifications thereto.

35. **Continued Effect of Stays and Injunction.** All injunctions or stays provided in, or in connection with, the Chapter 11 Cases, whether pursuant to sections 105 or 362 of the Bankruptcy Code, or any other applicable law or court order, in effect immediately

prior to the Confirmation of the Plan, shall remain in full force and effect thereafter, except as otherwise provided by the Confirmation Order, the Plan or their own terms. Nothing herein shall bar the taking of such other actions as are necessary to effectuate the transactions specifically contemplated by the Plan or by the Confirmation Order.

36. **Preservation of Causes of Action.** Any Causes of Action that the Debtors may hold against any Entity are hereby preserved in accordance with Section 6.13 of the Plan.

37. **Retention of Jurisdiction.** Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, pursuant to sections 105 and 1142 of the Bankruptcy Code, the Court, except as otherwise provided in the Plan or herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases to the fullest extent as is legally permissible, including jurisdiction over the matters set forth in Section 11.1 of the Plan.

38. **Provisions of Plan and Confirmation Order Nonseverable and Mutually Dependent.** The provisions of the Plan and the Confirmation Order, including the findings of fact and conclusions of law set forth herein, are intended to be fully and intentionally unequivocally integrated into a single nonseverable transaction and mutually dependent.

39. **Modifications.** The Plan Modification Motion is granted. Without need for further order or authorization of the Court, the Debtors or the Reorganized Debtors are authorized and empowered to make any and all alteration, amendments or modifications to the Plan or any and all documents included as part of the Plan Supplement, and any other documents

that are necessary to effectuate and implement the Plan, that do not materially modify the terms of such documents and are consistent with the Plan. A Holder of a Claim or Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim or Equity Interest of such Holder. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, each of the Debtors expressly reserves its respective rights to revoke or withdraw, or to alter, amend or modify materially the Plan and the Plan Supplement with respect to such Debtor, one or more times, after confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order in such matters as may be necessary to carry out the purposes and intent of the Plan. Except as provided in the first sentence of this paragraph, any such modification or supplement to the Plan shall be considered a technical modification of the Plan and shall be made in accordance with Section 11.12 of the Plan. Entry of the Confirmation Order means that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

40. **Governing Law.** Except to the extent that the Bankruptcy Code or other federal law is applicable, the rights, duties and obligations arising under the Plan shall be

governed by, and construed and enforced in accordance with, the laws of the State of Delaware without giving effect to the principles of conflict of laws.

41. **Applicable Non-Bankruptcy Law.** Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of the Confirmation Order, the Plan and related documents or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

42. **Waiver of Filings.** Any requirement under section 521 of the Bankruptcy Code or Bankruptcy Rule 1007 obligating the Debtors to file any list, schedule or statement with the Court or the Office of the U.S. Trustee is hereby waived as to any such list, schedule or statement not filed as of the Confirmation Date.

43. **Governmental Approvals Not Required.** The Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any state or other governmental authority with respect to the implementation or consummation of the Plan and Disclosure Statement, any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in, or contemplated by, the Plan and the Disclosure Statement.

44. **Resolution of Objection of Internal Revenue Service.** Notwithstanding any provision to the contrary in the Plan, this Order confirming the Plan, and any implementing Plan documents, nothing shall: (1) affect the ability of the Internal Revenue Service ("IRS") to pursue, to the extent allowed by non-bankruptcy law, any non-debtors for any liabilities that may be related to any federal tax liabilities owed by the Debtors or the Debtors' Estates; (2) affect the

rights of the IRS to assert setoff and recoupment and such rights are expressly preserved, or affect the rights of the Debtors, the Reorganized Debtors or the Liquidating Trustee to object to any asserted setoff or recoupment actions; (3) discharge any claim of the IRS described in 11 U.S.C. Section 1141(d)(6); or (4) require the IRS to file a request for payment of an administrative expense described in subparagraph (B) or (C) of 11 U.S.C. Section 503(b)(1) as a condition of its being an allowed administrative expense. IRS administrative expense claims allowed pursuant to Section 503 of the Bankruptcy Code shall accrue interest and penalties as provided by non-bankruptcy law until paid in full. The Bankruptcy Court may retain jurisdiction, but not exclusive jurisdiction, over IRS claims and issues arising therefrom to the extent allowed by applicable federal law. The Debtors agree to file their 2011 federal corporate income tax return for Prince Sports Acquisition Holdings Corporation and the 2011 partnership return for Prince Sports Management Holdings on or prior to 60 days from the Effective Date. The Debtors, the Reorganized Debtors and the Liquidating Trustee reserve any and all of their respective rights to object to any claims asserted by the IRS and further reserve their rights to recover any refunds in accordance with the provisions of the Internal Revenue Code.

**45. Resolution of Objection of Michigan Department of Treasury.**

Notwithstanding any provision to the contrary in the Plan, this Order confirming the Plan, and any implementing Plan documents, nothing shall: (a) affect the ability of the Michigan Department of Treasury ("MDOT") to pursue, to the extent allowed by non-bankruptcy law, any non-debtors for any liabilities that may be related to any tax liabilities owed by the Debtors or the Debtors' Estates to the MDOT; (b) affect the rights of the MDOT to assert setoff and

recoupment and such rights are expressly preserved, or affect the rights of the Debtors, the Reorganized Debtors or the Liquidating Trustee to object to any asserted setoff or recoupment actions.

46. **Resolution of Reservation of Rights of TSA Stores, Inc.** Nothing in the Disclosure Statement, the Plan or this Order, shall preclude TSA Stores, Inc. (“TSA”) from exercising credits or allowances to which it is entitled under agreements pursuant to which TSA has purchased product from the Debtors prior to the Effective Date.

47. **Resolution of Objection of ACE American Insurance Company.** Notwithstanding any other term or provision in the Plan or this Order, nothing in the Plan or this Order (i) will prejudice any of the rights, claims or defenses of the ACE American Insurance Company (and any ACE-affiliated companies) (the “ACE Insurers”) under any insurance policies under which Debtors, Reorganized Debtors and/or Liquidating Trust, or any current or former officer or director of any of the foregoing, seek(s) coverage (the “Policies”) or any agreements related to the Policies, including but not limited to agreements of indemnity and letters of credit (together, with the Policies, the “Insurance Agreements”); (ii) will modify any of the terms, conditions, limitations and/or exclusions contained in the Insurance Agreements which shall remain in full force and effect; (iii) shall be deemed to create any insurance coverage that does not otherwise exist, if at all, under the terms of the Insurance Agreements, or create any right of action against the ACE Insurers that does not otherwise exist under applicable non-bankruptcy law; (iv) shall be deemed to prejudice any of the respective rights and/or defenses of the ACE Insurers, the Debtors, the Reorganized Debtors, or the Liquidating Trust, or the



respective rights and/or defenses of any current or former officer or director of any of the foregoing, in any pending or subsequent litigation in which the ACE Insurers, Debtors, Reorganized Debtors, and/or Liquidating Trust, or any current or former officer or director of any of the foregoing, may seek any declaration regarding the nature and/or extent of any insurance coverage under the Insurance Agreements; (v) shall be deemed to alter the continuing duties and obligations of any insured, principal and/or indemnitor under the Insurance Agreements (including the issuer of any letter of credit); or (vi) shall be construed as an acknowledgement that the Insurance Agreements cover or otherwise apply to any claims or that any claims are eligible for payment under any of the Insurance Agreements.]

48. **Notice of Confirmation Order.** In accordance with Bankruptcy Rules 2002 and 3020(c), as soon as reasonably practicable after the Effective Date, the Debtors shall serve notice of the entry of the Confirmation Order, substantially in the form annexed hereto as **Exhibit D**, to all parties who hold a Claim or Equity Interest in the Chapter 11 Cases, including those parties who have requested service of papers under Bankruptcy Rule 2002 and the U.S. Trustee. Such notice is hereby approved in all respects and shall be deemed good and sufficient notice of entry of the Confirmation Order.

49. **Substantial Consummation.** On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

50. **Waiver of Stay.** The Stay of Confirmation Order provided by any Bankruptcy Rule (including Bankruptcy Rules 3020(e), 6004(h), 6006(d), and 7062(a), whether

fourteen (14) days or otherwise, is hereby waived, and the Confirmation Order shall be effective and enforceable immediately upon its entry by the Court.

51. **References to Plan Provisions.** References to Articles of the Plan are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan except as specifically provided herein. The failure to specifically include or to refer to any particular article, section or provision of the Plan or any related document in the Confirmation Order shall not diminish or impair the effectiveness of such article, section or provision, it being the intent of the Bankruptcy Court that the Plan and any related documents be continued in their entirety.

52. **Headings.** Headings utilized herein are for convenience and reference only, and shall not constitute a part of the Plan, the Plan Supplement or the Confirmation Order for any other purpose.

53. **Effect of Conflict Between the Plan and Confirmation Order.** If there is any inconsistency between the terms of the Plan and the terms of the Confirmation Order, the terms of the Confirmation Order shall govern and control.

54. **No Waiver.** The failure to specifically include any particular provision of the Plan in the Confirmation Order will not diminish the effectiveness of such provision nor constitute a waiver thereof, it being the intent of the Court that the Plan is confirmed in its entirety and incorporated herein by this reference.

55. **Successors and Assigns.** The Plan is and shall be binding upon and inure to the benefit of the Debtors and their respective successors and assigns. The rights, benefits and

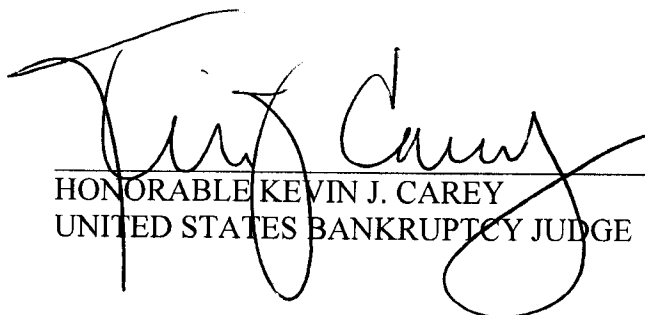
obligations of any Person or Entity named or referred to in the Plan is and shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Person or Entity.

56. **Appeals.** The reversal or modification on appeal of the authorizations provided herein for the Debtors to enter into, execute, issue, transfer, convey or distribute the Plan and/or this Confirmation Order or otherwise comply with and implement the Plan shall not affect the validity of such execution, issuance, transfer, conveyance or distribution or compliance or implementation, as applicable, unless such authorization and such actions had been duly stayed pending such appeal.

57. **Separate Confirmation Orders.** This Confirmation Order shall be deemed to be a separate confirmation order with respect to each Debtor and it shall be sufficient for the purposes thereof that the Clerk of this Court enters this Confirmation Order in the docket of the jointly administered case.

58. **Final Order.** The Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

Dated: July 27, 2012

  
HONORABLE KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT A**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
PRINCE SPORTS, INC., et al.,<sup>1</sup> )  
Debtors. ) Case No. 12-11439 (KJC)  
) (Jointly Administered)

**SECOND AMENDED CHAPTER 11 PLAN OF REORGANIZATION**

June 21, 2012

**PACHULSKI STANG ZIEHL & JONES LLP**

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Attorneys for the Debtors and Debtors-in-Possession

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<sup>1</sup> The Debtors in these Chapter 11 Cases and the last four digits of each Debtors' federal tax identification numbers are: Prince Sports, Inc. (3936); Prince Sports Holdings, LLC (4436); Prince Sports Management Holdings, LLC (0407); and Prince Sports Acquisition Holdings Corporation (0819). The location of the Debtors' headquarters and the service address for each of the Debtors is 1 Advantage Court, Bordentown NJ, 08505.  
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## ARTICLE I INTRODUCTION

### 1.1 *Introduction*

Prince Sports, Inc., Prince Sports Acquisition Holdings Corporation, Prince Sports Holdings, LLC and Prince Sports Management Holdings, LLC, as debtors and debtors in possession in these Chapter 11 Cases (the "Debtors"), respectfully propose the following *Second Amended Chapter 11 Plan of Reorganization*.<sup>1</sup> This Plan is proposed by the Debtors as a consolidated plan under chapter 11 of the Bankruptcy Code. Reference is made to the Disclosure Statement accompanying the Plan, including the exhibits thereto, for a discussion of the Debtors' history, results of operations, historical financial information and properties, a summary and analysis of the Plan, a summary of the procedures and voting requirements necessary for Confirmation of the Plan and a discussion of certain alternatives to the Plan in the event that the Plan is not confirmed. All holders of Claims against a Debtor are encouraged to read the Plan and the Disclosure Statement in their entirety and consult with counsel and other applicable professionals before voting to accept or reject the Plan.

As more fully described in the Disclosure Statement, the Plan must be approved by the requisite number of Creditors, and the Bankruptcy Court must find that the Plan meets the applicable legal standards before it can be confirmed.<sup>2</sup> If the Plan is not confirmed, the Bankruptcy Court may order the case dismissed, or converted to a liquidating case under Chapter 7 of the Bankruptcy Code, or the Debtors or other parties in interest may propose a different plan.

The Plan is the result of extensive multi-party negotiations among the Committee, the Debtors, the Prepetition Lender and the DIP Lender. Under the circumstances of these Chapter 11 Cases, the Committee, the Debtors, the Prepetition Lender and the DIP Lender all believe that the Plan provides the best possible recoveries to Holders of Allowed Claims and Allowed Interests and that the Plan's acceptance is in the best interest of such Holders.

### 1.2 *Classification of Claims and Interests*

This Plan constitutes a chapter 11 plan of reorganization for each of the Debtors, which provides for the terms and conditions of (i) the reorganization and emergence from bankruptcy of each of Prince Sports, Inc. and Prince Sports Acquisition Holdings Corporation, and (ii) the dissolution of each of Prince Sports Holdings, LLC and Prince Sports Management Holdings, LLC. In accordance with § 1123(a)(1), the Debtors have not classified Administrative Claims or Priority Tax Claims. Therefore, except for Administrative Claims and Priority Tax Claims, all Claims against and Interests in each Debtor are placed in the Classes described below.

The table below classifies Claims against and Interests in each of the Debtors for all purposes, including voting, confirmation and Distribution pursuant hereto and pursuant to §§ 1122 and 1123(a)(1) and provides for substantive consolidation of the Debtors' Estates only for purposes of voting, confirmation and Distribution. The Plan deems a Claim or Interest to be

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in Article 2 of this Plan.

<sup>2</sup> Except for Holders of Subsidiary Interests which are Unimpaired under the Plan, Interest Holders will receive nothing under the Plan, and therefore, the Class of Interests is deemed to have rejected the Plan. Accordingly, acceptances are not being solicited from Interest Holders.

classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and a Claim or Interest shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

| <u>CLASS</u>                                   | <u>STATUS</u> | <u>ENTITLED TO VOTE</u> |
|--|---------------|-------------------------|
| Class 1: Other Secured Claims                  | Unimpaired    | No                      |
| Class 2: Other Priority Claims                 | Unimpaired    | No                      |
| Class 3: Intercompany Claims                   | Unimpaired    | No                      |
| Class 4: Subsidiary Interests                  | Unimpaired    | No                      |
| Class 5: Prepetition Lender Secured Claims     | Impaired      | Yes                     |
| Class 6: General Unsecured Claims              | Impaired      | Yes                     |
| Class 7: Interests and Interest Related Claims | Impaired      | No                      |

## ARTICLE II DEFINITIONS

### 2.1 *Defined Terms*

For the purposes of this Plan, the following terms (which appear in this Plan in capitalized form) shall have the meanings set forth below, and such meanings shall be equally applicable to the singular and to the plural form of the terms defined, unless the context otherwise requires. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. Unless otherwise provided in this Plan, all terms used herein shall have the meanings assigned to such terms in the Bankruptcy Code or the Bankruptcy Rules. Unless otherwise noted herein, section (§) references are to the Bankruptcy Code.

**“Administrative Claim”** shall mean any Claim for costs and expenses of administration of these Chapter 11 Cases incurred or accrued during the period from and after the Petition Date up to and including the Effective Date with priority under § 507(a)(2), including costs and expenses allowed under § 503(b), the actual and necessary costs and expenses of preserving the Estates of the Debtors, any Claim arising under § 503(b)(9), any Claim relating to the right of reclamation to the extent afforded such priority under the Bankruptcy Code, any Professional Fee Claim, the Superpriority Claim and Adequate Protection Superpriority Claim, both as provided for in the DIP Orders, and any fees or charges assessed against the Estates of the Debtors under 28 U.S.C. § 1930, with respect to which an Administrative Expense Request was filed on or prior to the Bar Date established for Claims or the Administrative Expense Request Deadline, as applicable.

**“Administrative Expense Request”** shall mean a request or application for allowance or payment of an Administrative Claim.

**“Administrative Expense Request Deadline”** shall mean the date set forth in the Confirmation Order as the deadline for filing Administrative Expense Requests (excluding Professional Fee Claims and any fees or charges assessed against the Estates of the Debtors under 28 U.S.C. § 1930) that are not subject to the Bar Date Order, which deadline shall be forty-five (45) days after the Effective Date unless otherwise ordered by the Bankruptcy Court.

“**Affiliate**” has the meaning set forth in § 101(2).

“**Allowed**” shall mean, when used with respect to a Claim or Interest, any Claim or Interest that: (a) has been allowed by a Final Order of the Bankruptcy Court; (b) has been Scheduled in a liquidated amount, other than a Claim that is scheduled as disputed, contingent or unliquidated; (c) is the subject of a timely Proof of Claim that has been filed in a liquidated amount as of the relevant Bar Date and no objection thereto, or motion or proceeding to subordinate, disallow or otherwise limit recovery, has been filed; or (d) is the subject of a timely Proof of Claim that has been filed in a liquidated amount as of the relevant Bar Date and (i) any objection or motion or proceeding to subordinate, disallow or otherwise limit recovery that has been filed has been resolved by a Final Order or (ii) the Debtors or Reorganized Debtors, as applicable, have reviewed the Claim and determined that the Claim is valid and no objection to such Claim will be filed. An Allowed Claim shall not include post-petition interest on the amount of any Claim except (i) with respect to an Allowed Claim filed pursuant to § 506(b), (ii) as specifically provided in this Plan, or (iii) as provided by Final Order of the Bankruptcy Court. If the Debtors object to any Claim in accordance with § 502(d), such Claim shall not be an Allowed Claim until the avoidable transfer is returned, a Final Order has been entered that no avoidable transfer exists, or an agreement or settlement is reached that is approved by the Bankruptcy Court or pursuant to provisions in the Plan.

“**Assumed Contracts Causes of Action**” shall have the meaning set forth in section 7.6 of the Plan.

“**Assumed Contracts Schedule**” shall mean the list of Executory Contracts to be assumed on the Effective Date, which list is included in the Plan Supplement as Exhibit [·], and shall include any Executory Contracts previously assumed by the Debtors by order of the Bankruptcy Court.

“**Avoidance Action**” shall mean any claim or Cause of Action arising under chapter 5 of the Bankruptcy Code or similar other applicable law.

“**Avoidance Action Net Proceeds**” shall mean the proceeds recovered by the Liquidating Trust from and on account of the Avoidance Actions, less any and all costs to be paid in accordance with the Liquidating Trust Agreement.

“**Bankruptcy Code**” shall mean the Bankruptcy Reform Act of 1978, as amended and codified in Title 11 of the United States Code, as in effect on the Petition Date or thereafter amended and applicable to the Chapter 11 Cases.

“**Bankruptcy Court**” shall mean the United States District Court for the District of Delaware with jurisdiction over the Chapter 11 Cases, the Debtors and their Estates and, to the extent of any reference made pursuant to 28 U.S.C. § 157, the United States Bankruptcy Court for the District of Delaware, or any court having competent jurisdiction to enter the Confirmation Order.

“**Bankruptcy Rules**” shall mean the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, effective in accordance with the provisions of 28 U.S.C. § 2075, as in effect on the Petition Date or thereafter amended and applicable to the Chapter 11 Cases, as the case may be.

“**Bar Date**” shall mean June 11, 2012 prevailing Eastern time, and such other date(s)

fixed by order(s) of the Bankruptcy Court, by which all Persons, excluding governmental units, asserting a Claim must have filed a Proof of Claim or be forever barred from asserting such Claim. On June 6, 2012, the Bankruptcy Court entered an order extending the Bar Date for Claims arising as of the Petition Date and requests for payment of Administrative Expenses arising under § 503(b)(9) that are filed after the Bar Date and providing that they shall be deemed timely filed for purposes of Allowance if they are filed on or before July 17, 2012.

**“Bar Date Order”** shall mean that certain order of the Bankruptcy Court dated as of May 4, 2012, establishing June 11, 2012 prevailing Eastern time as the Bar Date for filing Proofs of Claim, with only those exceptions permitted thereby.

**“Budget”** shall mean budget or budgets in effect pursuant to the DIP Orders.

**“Business Day”** shall mean a day other than Saturday, Sunday, a legal holiday as defined in Bankruptcy Rule 9006(a) or other day on which the Bankruptcy Court is authorized or required by law to close.

**“Cash”** shall mean cash and cash equivalents (including, but not limited to, bank deposits, security deposits paid by any Debtor that are maintained in a segregated or ear-marked account, checks, similar items and securities or instruments of the type permitted under § 345) in certified or immediately available funds.

**“Causes of Action”** shall mean any and all actions, proceedings, causes of action, obligations, suits, judgments, damages, demands, debts, accounts, controversies, agreements, promises, liabilities, powers to avoid transfers, legal remedies, equitable remedies, and claims (and any rights to any of the foregoing) belonging to a Debtor, a Reorganized Debtor or an Estate, whether core or non-core, known, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, known or unknown, foreseen or unforeseen, fixed, contingent, matured, unmatured, disputed, undisputed, then existing or thereafter arising, secured or unsecured, whether asserted or assertable directly or derivatively or as a defense, counterclaim or cross-claim, in law, equity or otherwise including any recharacterization, subordination, avoidance or other claim, power or right arising under or pursuant to § 105 or chapter 5 of the Bankruptcy Code, any declaratory judgment action with respect thereto, or under any other similar provisions of applicable state or federal law.

**“Chapter 11 Cases”** shall mean the above-captioned chapter 11 cases of the Debtors pending in the Bankruptcy Court and jointly administered under Case No. 12-11439.

**“Claim”** shall have the meaning set forth in § 101(5).

**“Class”** shall mean each category of Holders of Claims or Interests specified in Article III of this Plan.

**“Committee”** shall mean the Official Committee of Unsecured Creditors of the Debtors appointed by the United States Trustee in the Chapter 11 Case, as its composition may change from time to time.

**“Confirmation Date”** shall mean the date on which the Confirmation Order is entered on the docket in the Chapter 11 Cases by the Bankruptcy Court.

**“Confirmation Hearing”** shall mean the hearing at which the Bankruptcy Court

considers confirmation of this Plan.

**“Confirmation Order”** shall mean the order of the Bankruptcy Court confirming this Plan and approving the transactions contemplated herein, pursuant to § 1129.

**“Creditor”** shall have the meaning set forth in § 101(10).

**“Cure Amount”** shall mean, with respect to any Executory Contract, the amount, if any, that must be paid in connection with the assumption of such contract or lease to satisfy the requirements of § 365(b)(1)(A).

**“Debtors”** shall mean, collectively, Prince Sports, Inc., Prince Sports Acquisition Holdings Corporation, Prince Sports Holdings, LLC and Prince Sports Management Holdings, LLC.

**“DIP Borrower”** shall mean Prince Sports, Inc.

**“DIP Claim”** shall mean the DIP Obligations, as defined in the DIP Orders, and all Claims of the DIP Lender against the Debtors and their Estates, jointly and severally, arising from or relating to the DIP Facility.

**“DIP Collateral”** shall mean all of the property of the Estates encumbered by the DIP Liens in favor of the DIP Lender to secure the DIP Claims and the DIP Facility pursuant to the DIP Orders.

**“DIP Facility”** shall mean that certain debtor-in-possession financing and security agreement described more fully in the DIP Orders, as such facility may be amended from time to time.

**“DIP Lender”** shall mean the Prepetition Lender, in its capacity as a DIP Lender, and any other lenders identified in the DIP Facility.

**“DIP Orders”** shall mean the interim order [D.I. 36] granting Debtors’ motion seeking authority to incurred post-petition secured financing [D.I. 17].

**“Disallowed”** shall mean, when used with respect to any Claim, a Claim or any portion thereof that (a) has been disallowed by a Final Order, (b) is Scheduled as zero or as contingent, disputed or unliquidated and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court, (c) is not Scheduled and as to which no Proof of Claim or Administrative Expense Request (to the extent applicable) in a liquidated amount has been timely filed or deemed timely filed with the Bankruptcy Court, (d) has been withdrawn by agreement of the Holder thereof and the Debtors or Reorganized Debtors, or (e) has been withdrawn by the Holder thereof. However, pursuant to the Court’s order dated June 6, 2012 modifying the deadline to file a Proof of Claim or assert an Administrative Claim [D.I. 180], the Bar Date Order shall remain in full force and effect; provided, however, that Proofs of Claim (including Proofs of Claim asserting Claims arising under Section 503(b)(9) of the Bankruptcy Code) filed after the June 11, 2012 Claims Bar Date shall be deemed timely filed for purposes of allowance of such claims, if otherwise filed on or before July 17, 2012 in accordance with the Corrected Notice of Bar Dates For Filing proofs of Claim And Certain Administrative Expense Requests [D.I. 78].

**“Disbursing Agent”** shall mean the Reorganized Debtors, unless another Person is

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designated to be the Disbursing Agent by the Reorganized Debtors.

**“Disclosure Statement”** shall mean the *Disclosure Statement in Support of the Chapter 11 Plan of Reorganization*, dated May 1, 2012 and filed in connection with the Plan pursuant to § 1125 and approved by the Bankruptcy Court, including all exhibits thereto.

**“Disputed”** shall mean, when used with respect to any Claim, a Claim or any portion thereof that is neither an Allowed Claim nor a Disallowed Claim, including any Claim that (i) has been Scheduled as contingent, unliquidated, disputed or in an amount equal to zero or an unknown or unliquidated amount, and no Proof of Claim in a liquidated amount has been filed with respect to such Claim, or (ii) is the subject of an objection, Cause of Action or other challenge filed with the Bankruptcy Court, which has not been withdrawn or overruled by a Final Order of the Bankruptcy Court; provided, however, that a Claim shall not be a Disputed Claim to the extent it becomes an Allowed Claim or a Disallowed Claim.

**“Dissolving Debtors”** shall mean Prince Sports Holdings, LLC and Prince Sports Management Holdings, LLC.

**“Distribution”** shall mean any disbursement or transfer of Cash or other property in accordance with this Plan, or the Cash or other property as distributed.

**“Effective Date”** shall mean the date that the Debtors file a notice with the Bankruptcy Court indicating that all conditions precedent to the Plan becoming effective have been satisfied or waived and that such date shall be the Effective Date.

**“Estates”** shall mean the estates of the Debtors created by § 541.

**“Exculpated Party”** shall mean the Debtors, the Estates, the Debtors’ current shareholders, directors, officers, employees, partners, principals, members, managers, agents, attorneys, accountants, advisors, investment bankers, consultants, Professionals, or other representatives, the Committee and its members, advisors, attorneys, and Professionals, the Liquidating Trustee and its advisors, attorneys, and Professionals.

**“Executory Contract”** shall mean any executory contract or unexpired lease subject to § 365, as to which one or more of the Debtors is a party.

**“Face Amount”** shall mean (a) when used in reference to a Disputed or Disallowed Claim, the full stated amount, not including prepetition or postpetition interest, claimed by the Holder of such Claim in any Proof of Claim timely filed with the Voting and Claims Agent or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and (b) when used in reference to an Allowed Claim, the amount of such Allowed Claim.

**“Final Decree”** shall mean the decree contemplated under Bankruptcy Rule 3022.

**“Final Order”** shall mean an order or judgment of the Bankruptcy Court as entered on the docket of the Chapter 11 Cases that has not been reversed, stayed, modified or amended and as to which the time to appeal, petition for certiorari, or to seek reargument, reconsideration, amended findings or conclusions, or rehearing has run or as to which any right to appeal, reargue, petition for certiorari or to seek rehearing, reconsideration, amended findings or conclusions, has been waived in writing or, if an appeal, petition for certiorari, request for

reargument, reconsideration, amended findings or conclusions, or rehearing thereof has been pursued or granted then such appeal, reargument, reconsideration, request for amended findings or conclusions, petition for certiorari or rehearing has been denied or dismissed, and the time to take any further appeal or to seek certiorari or further reargument, reconsideration, amended findings or conclusions, or rehearing has expired. Notwithstanding, and in lieu of the foregoing, insofar as the Confirmation Order confirming this Plan is concerned, Final Order means the Confirmation Order with respect to which no stay is in effect.

**“General Unsecured Claim”** shall mean any Claim that is not a DIP Claim, Administrative Claim, Priority Tax Claim, Other Secured Claim, Other Priority Claim, Intercompany Claim and Prepetition Lender Secured Claim; provided that General Unsecured Claims shall include Prepetition Lender Deficiency Claims.

**“General Unsecured Claim Fund”** shall mean the sum of (a) the Released Parties Contribution, and (b) Avoidance Action Net Proceeds.

**“Holder”** shall mean the owner or holder of any Claim or Interest.

**“Impaired”** shall have the meaning set forth in § 1124.

**“Intellectual Property”** shall mean collectively, patents, copyrights, trademarks, service marks, tradenames, trademark registrations, service mark registrations, licenses and know-how and the right to use any of the Debtors’ names.

**“Intercompany Claim”** shall mean a Claim of any Debtor against any other Debtor, any Affiliate of a Debtor, any member of a Debtor, any partner of a Debtor or any direct or indirect holder of an interest in any Debtor or its Affiliate regardless of whether such Claim arose before, on or after the Petition Date (subject to any releases provided herein).

**“Interest”** shall mean any “equity security” in a Debtor, as such term is defined in § 101(16), including any stock, partnership, membership interest, warrants, options or other rights to purchase or acquire any equity interest in a Debtor.

**“Interest Related Claim”** shall mean any Claim, including pursuant to § 510(b), against a Debtor arising from the purchase or sale of an Interest in such Debtor, or any Claim against a Debtor by a Person that asserts equitable or contractual rights of reimbursement, contribution or indemnification arising from such Claim.

**“Lien”** shall mean any lien, mortgage, hypothecation, charge, security interest, right of first refusal, option, nonexecutory purchase agreement, pledge or other encumbrance against or interest in property to secure payment or performance of a claim, debt or litigation.

**“Liquidating Trust”** shall mean a trust established following the Effective Date pursuant to the terms, and with the rights, powers and responsibilities set forth in the Plan Supplement. Among other things, the Liquidating Trust shall be empowered to investigate and pursue to judgment or settlement the Avoidance Actions following the Effective Date.

**“Liquidating Trust Agreement”** shall mean the agreement included in the Plan Supplement and agreed to by the Debtors, the Committee and consented to by the Prepetition Lender and the DIP Lender with consent not to be unreasonably withheld.

**“Liquidating Trust Contribution”** shall mean that portion, if any, of the General

Unsecured Claim Fund which the Committee, at its option and by the Effective Date, directs to be contributed to the Liquidating Trust Expense Fund.

“**Liquidating Trust Expense Fund**” shall have the meaning ascribed to such term in the Liquidating Trust Agreement.

“**Liquidating Trustee**” shall mean the person appointed by the Committee to manage the Liquidating Trust pursuant to the terms, and with the rights, powers and responsibilities set forth in the Plan Supplement.

“**New Boards**” shall mean the boards of directors of the Reorganized Debtors.

“**New Equity Interest**” shall mean the new common stock, par value \$.01 per share, of Reorganized Prince Sports Acquisition Holdings Corporation.

“**Office of the U.S. Trustee**” shall mean Region III, Office of the United States Trustee for the United States Bankruptcy Court for the District of Delaware.

“**Other Priority Claim**” shall mean a Claim entitled to priority pursuant to section 507(a) of the Bankruptcy Code other than a Priority Tax Claim or an Administrative Claim.

“**Other Secured Claims**” shall mean Claims other than the DIP Claims or the Prepetition Lender Claims that are secured by a Lien on property in which the Debtors have an interest, which Liens are valid, perfected and enforceable under applicable law or by reason of a Final Order of the Bankruptcy Court, or that are subject to setoff under § 553, to the extent of the value of the Claim Holder’s interest in the Debtors’ interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to § 506(a).

“**Person**” shall have the meaning set forth in § 101(41).

“**Petition Date**” shall mean May 1, 2012, the date the Debtors commenced the Chapter 11 Cases.

“**Plan**” shall mean this *Second Amended Chapter 11 Plan of Reorganization* (as the same may be modified or amended in accordance with the Bankruptcy Code and the Bankruptcy Rules), the Plan Supplement and any exhibits hereto and any documents incorporated herein by reference.

“**Plan Supplement**” means the supplement or supplements to the Plan containing certain documents, schedules and disclosures relevant to confirmation, consummation and implementation of the Plan.

“**Prepetition Collateral**” shall mean the property of the Debtors as of the Petition Date encumbered by a Lien in favor of the Prepetition Lender to secure the Prepetition Lender Claims and the Prepetition Obligations, as defined in the DIP Orders, as such property is described in the Prepetition Facility.

“**Prepetition Facility**” shall mean Amended and Restated Credit Agreement dated June 14, 2011, as amended, and the other loan and security documents executed in connection therewith.

“**Prepetition Lender**” shall mean ABG-Prince, LLC, in such capacity.



**“Prepetition Lender Claims”** shall mean all of the Claims of the Prepetition Lender arising under or pursuant to the Prepetition Facility.

**“Prepetition Lender Deficiency Claims”** shall mean the amount of Prepetition Lender Claims in excess of the Prepetition Lender Secured Claims.

**“Prepetition Lender Secured Claims”** shall mean the secured portion of the Prepetition Lender Claims under section 506(a) of the Bankruptcy Code.

**“Prepetition Secured Lender Plan Distribution”** shall mean the New Equity Interests.

**“Priority Claim”** shall mean any Claim entitled to priority pursuant to § 507 that is not an Administrative Claim or a Priority Tax Claim.

**“Priority Tax Claim”** shall mean any Claim of the kind specified in § 507(a)(8) or a tax Claim afforded secured status pursuant to § 506.

**“Professional”** shall mean any Entity (a) retained pursuant to a Final Order in accordance with §§ 327, 363 or 1103 and to be compensated for services rendered before or on the Effective Date in accordance with §§ 328, 329, 330, 331 and 363, or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to § 503(b)(4). This term excludes Persons that may be selected and employed by the Reorganized Debtors on and after the Effective Date.

**“Professional Fee Claim”** shall mean any Claim asserted by a Professional or other Entity for compensation for legal, financial advisory, accounting and other services and reimbursement of expenses Allowed pursuant to §§ 328, 330(a), 331, 363, 503(b) or 1103 or otherwise for the period commencing on the Petition Date and through the Effective Date, including any Claim by a Professional for fees or expenses incurred subsequent to the Effective Date in connection with the prosecution or resolution of any dispute or objection, of any final application for fees and expenses.

**“Proof of Claim”** shall mean a proof of claim filed in the Chapter 11 Cases pursuant to § 501 or any order of the Bankruptcy Court, together with supporting documents.

**“Quarterly Distribution Date”** shall mean the last Business Day of the month following the end of any calendar quarter after the Effective Date; provided however that if the Effective Date is within 30 days of the end of a calendar quarter, the first Quarterly Distribution Date shall be the last Business Day of the month following the end of the first calendar quarter after the calendar quarter in which the Effective Date falls.

**“Released Party”** means each of (in each case solely in their respective capacities) (a) the Debtors and the Debtors’ officers, directors, members and shareholders as of the Effective Date or who had served in such capacities during the Chapter 11 Cases; (b) the DIP Lender; (c) the Prepetition Lender; (d) the Committee and the current and former members thereof (in such capacity); and (e) the Debtors’ agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners and representatives; and (f) with respect to each of the foregoing entities in clauses (a) through (d), such entities’ subsidiaries, affiliates, members, officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners and representatives, in each case, only in their capacity as such.

**“Released Parties Contributions”** means the sum of Four Million dollars (\$4,000,000), of which Two Million dollars (\$2,000,000) shall be funded on the Effective Date and Two Million dollars (\$2,000,000) shall be funded on or before January 3, 2013.

**“Reorganized Debtors”** shall mean the Debtors, in each case, or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

**“Reorganized Prince Sports Acquisition Holdings Corporation”** shall mean Prince Sports Acquisition Holdings Corporation, as reorganized under and pursuant to the Plan, or a successor thereto, by merger, consolidation, transfer of substantially all assets or otherwise, on or after the Effective Date.

**“Restructuring Transactions”** shall have the meaning set forth in Section 6.7 of this Plan.

**“Scheduled”** with respect to any Claim, shall mean listed on the Schedules.

**“Schedules”** shall mean the *Statements of Financial Affairs and Schedules of Assets and Liabilities* filed by the Debtors with the Bankruptcy Court in the Chapter 11 Cases under Bankruptcy Rule 1007, as such Statements of Financial Affairs and Schedules of Assets and Liabilities have been or may be amended or supplemented from time to time.

**“Secretary of State”** shall mean the Secretary of State of the State of Delaware.

**“Subsidiary Debtor”** shall mean Prince Sports, Inc.

**“Subsidiary Interests”** shall mean, collectively, all of the issued and outstanding shares of stock, membership interests, other equity interests or other instruments evidencing an ownership interest in a Subsidiary Debtor as of the Effective Date, and all options, warrants and rights (whether fixed or contingent, matured or unmatured, disputed or undisputed), contractual, legal, equitable or otherwise, to acquire shares of stock, membership interests or other equity interests in a Subsidiary Debtor, as of the Effective Date.

**“Unimpaired”** shall mean a Claim or Interest that is not Impaired.

**“Voting and Claims Agent”** shall mean Epiq Bankruptcy Solutions, LLC, the claims, noticing and balloting agent appointed by the Bankruptcy Court in the Chapter 11 Cases.

## 2.2 *Rules of Interpretation*

For purposes of the Plan, (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document to be executed and delivered following the Confirmation Date being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise specified, all references herein to “Article \_\_\_” and “Section \_\_\_” are references to articles or sections hereof or hereto; (e) unless otherwise stated, the words “herein,” “hereof” and

“hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) captions and headings to articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in § 102 shall apply; and (h) any immaterial effectuating provisions may be interpreted by the Debtors in a manner that is consistent with the overall purpose and intent of the Plan all without further Bankruptcy Court order.

### 2.3 *Computation of Time*

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

### 2.4 *Exhibits*

All Exhibits to this Plan and the Plan Supplement are incorporated by reference into and are made a part of this Plan as if set forth in full herein.

## ARTICLE III TREATMENT OF CERTAIN UNCLASSIFIED CLAIMS

As provided in § 1123(a)(1), Administrative Claims and Priority Tax Claims shall not be classified for the purposes of voting or receiving Distributions under this Plan. Rather, all such Claims shall be treated separately as unclassified Claims in accordance with the terms set forth in this Article III.

### 3.1 *DIP Facility Claims*

On the Effective Date, all DIP Claims shall be Allowed in an amount asserted by the Holders of DIP Claims, and all obligations of the Debtors under the DIP Facility shall be paid in full in Cash or otherwise satisfied in a manner acceptable to the Holders of DIP Claims in accordance with the terms of the DIP Facility.

### 3.2 *Administrative Claims*

(a) General. The Debtors shall pay each Holder of an Allowed Administrative Claim against any Debtor (excluding Professional Fee Claims) the full amount of such Allowed Administrative Claim, without interest, in Cash, on the later to occur of (i) the Effective Date and (ii) within ten (10) days after the date such Claim becomes an Allowed Claim and (iii) when such Allowed Administrative Claim first becomes due and payable in the ordinary course after the Effective Date. Notwithstanding anything herein to the contrary, a Holder of an Allowed Administrative Claim against any Debtor may be paid on such other date or dates and upon such other terms as may be agreed upon by such Holder and the Debtors or Reorganized Debtors.

(b) Statutory Fees. All outstanding fees payable to the Office of the United States Trustee under 28 U.S.C. §1930 that have not been paid as of the Effective Date shall be paid by the Reorganized Debtors no later than thirty (30) days after the Effective Date or when due in the ordinary course.

(c) Bar Date for Administrative Claims. Each Holder of an Administrative Claim, other than the DIP Lender and Holders of Professional Fee Claims, must file an Administrative Expense Request requesting allowance and payment of such

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Administrative Claim with the Bankruptcy Court by no later than the Administrative Expense Request Deadline for all Administrative Claims that are not subject to the Bar Date Order; provided, however, that any such Administrative Expense Request need not be filed with a hearing date; and provided, further, that the foregoing requirement to file an Administrative Claim Request shall not apply to Holders of Administrative Claims arising under §§ 503(b)(1)(B) or (C) or which have otherwise been required to be filed by the Bar Date.

(d) Professional Fee Claims.

(i) The Reorganized Debtors shall pay Professionals who are entitled to reimbursement or allowance of fees and expenses from the Debtors' Estates pursuant to §§ 327-331 and 503(b)(2)-(b)(6), in Cash, subject to the Budget for fees and expenses incurred by Professionals post-petition, as defined in the DIP Orders, in the amount awarded to such Professionals by interim fee application order or Final Order of the Bankruptcy Court, as soon as practicable after the Effective Date in accordance with the terms of any order entered by the Bankruptcy Court governing the payment of fees and expenses during the course of the Chapter 11 Cases or in accordance with any trial order issued by the Bankruptcy Court, but in any event within five (5) Business Days of the Bankruptcy Court's approval of such fees and expenses following the Effective Date; provided, however, a Professional may request that the DIP Lender consent to an increase in the amount set aside in the Budget for such Professional's fees and expenses (such consent not to be unreasonably withheld).

(ii) Any final application for allowance of a Professional Fee Claim for services rendered and costs incurred through the Effective Date must be filed with the Bankruptcy Court and served on counsel for the Debtors, the Reorganized Debtors, the Prepetition Lender, the DIP Lender, and Committee at the addresses listed in section 11.13 of the Plan and on the Office of the United States Trustee so that it is received no later than forty-five (45) days after the Effective Date, unless otherwise extended by agreement of the Claimant and the Reorganized Debtors, or such Professional Fee Claim shall be forever barred and shall not be enforceable against the Debtors and their Estates, the Reorganized Debtors or their properties, and their successors and assigns. All such applications for final allowance of compensation and reimbursement of expenses will be subject to the authorization and approval of the Bankruptcy Court.

### 3.3 *Priority Tax Claims*

The Reorganized Debtors shall pay each Holder of an Allowed Priority Tax Claim against any Debtor (i) in full in Cash within ten (10) days after the later to occur of (a) the Effective Date and (b) the date such Claim becomes an Allowed Claim or (ii) in full in Cash in equal quarterly installments with interest as provided in §§ 511 and 1129(a)(9)(C) over a period not to exceed 60 months from the date such Allowed Priority Tax was assessed. All Allowed Priority Tax Claims against the Debtors which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof. The Reorganized Debtors can prepay any Allowed Priority Tax Claim at any time after the Effective Date without any penalty or charge.

## ARTICLE IV TREATMENT OF CLAIMS AND INTERESTS

The categories of Claims and Interests listed below classify Claims and Interests in or against the Debtors for all purposes, including voting, confirmation, and Distribution, pursuant to the Plan and pursuant to §§ 1122 and 1123(a)(1). A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and the remaining portion of such Claim or Interest, if any, shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest is Allowed in that Class and has not been paid or otherwise satisfied prior to the Effective Date.

### 4.1 Class 1 - *Other Secured Claims*

(a) Class 1 consists of Other Secured Claims against each of the Debtors.

(b) Except to the extent a Holder of an Other Secured Claim has been paid by the Debtors prior to the Effective Date or the Holder of an Allowed Other Secured Claim agrees otherwise, each Holder of an Allowed Other Secured Claim shall receive in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Other Secured Claim, in the discretion of the Debtors, with the consent of the Prepetition Lender and DIP Lender, one of the following treatments: (i) payment of the Allowed Other Secured Claim in full in Cash on the later of (x) the Effective Date, and (y) the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, (ii) delivery to the Holder of the Allowed Other Secured Claim the collateral securing such Allowed Other Secured Claim or (iii) the Holder shall retain its Lien on such property and such Allowed Other Secured Claim shall be reinstated pursuant to section 1129 of the Bankruptcy Code. Notwithstanding the foregoing, at the discretion of the Reorganized Debtors any Allowed Other Secured Claim that is a Claim for taxes by a governmental unit may be treated in accordance with section 3.3 of this Plan pursuant to §1129(a)(9)(D).

(c) Class 1 is Unimpaired. Holders of Claims in Class 1 are conclusively deemed to have accepted the Plan pursuant to §1126(f), and therefore Holders of Claims in Class 1 are not entitled to vote to accept or reject this Plan.

### 4.2 Class 2 - *Other Priority Claims*

(a) Class 2 consists of Other Priority Claims against each of the Debtors.

(b) Each Holder of an Allowed Other Priority Claim shall receive on or as soon as practicable after the Effective Date, or when otherwise due in the ordinary course, one of the following treatments at the option of the Debtors: (a) Cash in an amount equal to the amount of such Allowed Other Priority Claim; (b) with the Consent of the Prepetition Lender and DIP Lender, such other treatment as may be agreed upon by such Holder and the Debtors or otherwise determined by order of the Bankruptcy Court; or (c) such other treatment as may leave such Allowed Other Priority Claim Unimpaired.

(c) Class 2 is Unimpaired. Holders of Claims in Class 2 are conclusively deemed to have accepted the Plan pursuant to § 1126(f), and therefore Holders of Claims in Class 2 are not entitled to vote to accept or reject this Plan.

4.3 Class 3 – *Intercompany Claims*

(a) Class 3 consists of Intercompany Claims against each of the Debtors.

(b) Intercompany Claims against each of the Debtors will be, in the discretion of the applicable Reorganized Debtor holding such Claim, (i) released, waived and discharged as of the Effective Date, or (ii) remain unimpaired. Intercompany Claims are not entitled to share in the Released Parties Contributions or the Avoidance Action Net Proceeds. However, except for such Claims against a Released Party (to the extent released pursuant to the provisions of Article 9, below), the Debtors will not release or waive any Intercompany Claim they may hold against a non-debtor, and any such Intercompany Claim shall remain an asset of the Estates and vest in the applicable Reorganized Debtor pursuant to section 6.2 of this Plan.

(c) Class 3 is Unimpaired. Holders of Claims in Class 3 are conclusively deemed to have accepted the Plan pursuant to §1126(f), and therefore Holders of Claims in Class 3 are not entitled to vote to accept or reject this Plan.

4.4 Class 4 – *Subsidiary Interests*

(a) Class 4 consists of the Subsidiary Interests in a Subsidiary Debtor.

(b) Class 4 Subsidiary Interests shall be unaffected by this Plan, except to the extent otherwise required by the Restructuring Transactions.

(c) Class 4 is Unimpaired. Holders of Interests in Class 4 are conclusively deemed to have accepted the Plan pursuant to § 1126(f), and therefore Holders of Claims in Class 4 are not entitled to vote to accept or reject this Plan.

4.5 Class 5 – *Prepetition Lender Secured Claims*

(a) Class 5 consists of the Prepetition Lender Secured Claims against each of the Debtors.

(b) Notwithstanding any provision to the contrary herein, upon entry of the Confirmation Order, all Prepetition Lender Secured Claims shall be allowed in full for all purposes in these Chapter 11 Cases, not subject to defense, offset, counterclaim, recoupment, reduction, subordination or recharacterization by the Debtors or any party in interest. On the Effective Date, each Holder of an Allowed Prepetition Lender Secured Claim shall receive in full satisfaction, settlement, release and discharge of and in exchange for such Claim, the Prepetition Secured Lender Plan Distribution.

(c) Class 5 is Impaired. Therefore, Holders of Class 5 Claims are entitled to vote to accept or reject the Plan.

4.6 Class 6 – *General Unsecured Claims*

(a) Class 6 consists of the General Unsecured Claims against each of the Debtors.

(b) (i) Except to the extent the Holder of an Allowed General Unsecured Claim agrees otherwise, each Holder of an Allowed General Unsecured Claim shall receive in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed General Unsecured Claim its Pro Rata share of the Avoidance Action Net Proceeds in Cash as

and when Distributed upon the determination of the Liquidating Trust.

(ii) Electing Creditors. In addition to the Distribution of Avoidance Action Net Proceeds, electing General Unsecured Creditors shall be entitled to receive Distributions of the Released Parties Contributions, less any Liquidating Trust Contribution, as set forth in this Section 4.6(b)(ii). Each Holder of an Allowed General Unsecured Claim that elects to grant the releases and agree to the injunctions provided to the Released Parties pursuant to Article IX of this Plan shall receive in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed General Unsecured Claim its Pro Rata share of the Released Parties Contributions, less any Liquidating Trust Contribution, in Cash as and when Distributed upon the determination of the Liquidating Trust, with the amount of each such Holder's Pro Rata share to be equal to a fraction, the numerator of which is equal to the amount of such Holder's Allowed General Unsecured Claim, and the denominator of which is equal to the aggregate amount of all Allowed General Unsecured Claims opting to grant the releases and agree to the injunctions provided to the Released Parties pursuant to Article IX of this Plan. In the event that the Holder of a General Unsecured Claim does not grant the releases provided to the Released Parties pursuant to this Plan, such holder shall not be entitled to receive its Pro Rata share of the Released Parties Contributions. The Distribution of the Released Parties Contributions is a good faith compromise of any potential controversies that may exist and shall constitute the requisite consideration for the releases provided herein.

(iii) Clarification. Notwithstanding any provision to the contrary herein, Intercompany claims are not entitled to share in the Released Parties Contributions or the Avoidance Action Net Proceeds.

Notwithstanding anything in this Plan to the contrary, in no event shall the Holder of an Allowed General Unsecured Claim be entitled to receive aggregate Distributions of its ratable share of the Avoidance Action Net Proceeds and Released Parties Contributions, less any Liquidating Trust Contribution, on account of such Claim in excess of the Face Amount of such Claim. To the extent that all electing General Unsecured Creditors have received payment of the Face Amount of their Claim, any additional amounts from the Avoidance Action Net Proceeds and Released Parties Contributions, less any Liquidating Trust Contribution, shall be remitted to the Reorganized Debtors.

Notwithstanding any provision to the contrary herein, upon entry of the Confirmation Order all Prepetition Lender Deficiency Claims shall be allowed in full for all purposes in these Chapter 11 Cases, not subject to defense, offset, counterclaim, recoupment, reduction, subordination or recharacterization by the Debtors or any party in interest. However, on the Effective Date the Prepetition Lender shall be deemed to waive its right to any Distribution of Avoidance Action Net Proceeds and Released Parties Contributions on account of its Prepetition Lender Deficiency Claim.

(c) Class 6 is Impaired. Therefore, Holders of Class 6 Claims are entitled to vote to accept or reject the Plan.

#### 4.7 Class 7 – *Interests and Interest Related Claims*

(a) Class 7 consists of all Interests, other than the Subsidiary Interests, and Interest Related Claims against each of the Debtors.

(b) No Distribution shall be paid or made under the Plan on account of any Interest or

Allowed Interest Related Claim. On the Effective Date, all Interests in the Debtors, except the Subsidiary Interests, shall be deemed canceled, null and void, and of no force and effect.

(c) Holders of Interests and Interest Related Claims in Class 7 are conclusively deemed to reject the Plan pursuant to § 1126(g). Therefore, Holders of Interests and Allowed Interest Related Claims in Class 7 are not entitled to vote to accept or reject this Plan.

## **ARTICLE V ACCEPTANCE OR REJECTION OF THIS PLAN**

### *5.1 Impaired Classes of Claims Entitled to Vote*

Except as otherwise provided in an order of the Bankruptcy Court pertaining to solicitation of votes on this Plan, Class 5 (Prepetition Lender Secured Claims) and Class 6 (General Unsecured Claims) are Impaired under the Plan. Pursuant to § 1126(c), Holders of Claims in Classes 5 and 6 are entitled to vote to accept or reject this Plan. If and to the extent any other Class currently identified as being Unimpaired is actually Impaired (whether as a result of the terms of this Plan or any modification or amendment thereto), upon such determination, such Class shall then be entitled to vote to accept or reject this Plan.

### *5.2 Classes Deemed to Accept this Plan*

Except as otherwise provided in an order of the Bankruptcy Court pertaining to solicitation of votes on this Plan, Class 1 (Other Secured Claims), Class 2 (Other Priority Claims), Class 3 (Intercompany Claims), and Class 4 (Subsidiary Interests) are Unimpaired under the Plan. Pursuant to § 1126(f), Holders of Claims in Classes 1, 2, 3 and 4 are therefore conclusively presumed to have accepted this Plan, and the votes of Holders of Claims in Classes 1, 2, 3 and 4 will therefore not be solicited.

### *5.3 Classes Deemed to Reject this Plan*

Class 7 (Interests and Interest Related Claims) is Impaired and not entitled to receive any Distribution under this Plan. Pursuant to § 1126(g), therefore, Holders of Claims and Interests Class 7 are conclusively presumed to have rejected this Plan, and the votes of Holders of Claims and Interests in Class 7 therefore will not be solicited.

### *5.4 Nonconsensual Confirmation*

To the extent necessary, the Debtors intend to request that the Bankruptcy Court confirm this Plan pursuant to § 1129(b).



**ARTICLE VI**  
**MEANS FOR IMPLEMENTATION OF THE PLAN**

6.1 *Substantive Consolidation*

The Plan provides for the substantive consolidation of the Estates only for purposes of voting, confirmation and Distribution. Except for the Restructuring Transactions, the Plan does not contemplate the merger of any Debtor entity or the transfer or commingling of any assets of the Debtors.

a. **Substantive Consolidation Order.** The Plan shall serve as a motion seeking entry of an order substantively consolidating these Chapter 11 Cases for purposes of voting, confirmation and Distribution. Unless an objection to substantive consolidation is made in writing by any Creditor affected by the Plan as herein provided on or before the deadline for objections to the Plan, an order substantively consolidating these Chapter 11 Cases may be entered by the Bankruptcy Court, which order may be the Confirmation Order. In the event any such objections are timely filed, a hearing with respect thereto shall be scheduled by the Bankruptcy Court, which hearing may, but need not, coincide with the Confirmation Hearing.

b. **Effect/Extent of Substantive Consolidation.** In effectuation of such substantive consolidation, on the Effective Date: (a) no Distributions will be made under the Plan on account of the Intercompany Claims against each of the Debtors; (b) the guarantees of the Debtors will be deemed eliminated so that any Claim against the Debtors and any guarantee thereof executed by any Debtor and any joint and several liability of the Debtors with one another will be deemed to be one obligation of these Debtors; and (c) each and every Claim against the Debtors will be deemed asserted as a single Claim against the Estates as a whole, and will be treated in the same Class regardless of the Debtor. Additionally, notwithstanding the substantive consolidation herein, substantive consolidation shall not affect the obligation of each and every one of these Debtors under 28 U.S.C. § 1930(a)(6) until a particular case is closed, converted or dismissed.

c. **Reservation of Rights.** The Debtors reserve the right at any time up to the conclusion of the Confirmation Hearing to withdraw their request for substantive consolidation of these Chapter 11 Cases, to seek confirmation of the Plan as if there were no substantive consolidation, and to seek confirmation of the Plan with respect to one Debtor even if confirmation with respect to the other Debtors is denied.

6.2 *Terminated Corporate Existence of the Dissolving Debtors*

On the Effective Date, the Dissolving Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Dissolving Debtors or payments to be made in connection therewith; provided, however, without the need of any further approval, the Dissolving Debtors in their discretion may execute and file documents and take all other actions as appropriate relating to the dissolution of the Dissolving Debtors under the laws of Delaware and/or any other applicable states, and in such event, all applicable regulatory or governmental agencies shall take all steps necessary to allow and effect the prompt dissolution of the Dissolving Debtors as provided herein, without the payment of any fee, tax, or charge and without need for the filing of reports or certificates.

6.3 *Vesting of Assets in the Reorganized Debtors*

Except as otherwise provided in the Plan or any agreement, instrument, or other

document incorporated therein, on the Effective Date, all property in each Estate, the Assumed Contract Causes of Action and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor (except the Dissolving Debtors) may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. For the avoidance of doubt, the Debtors' Intellectual Property shall vest in the Reorganized Debtors.

#### 6.4 *Corporate Existence of Reorganized Debtors*

The Reorganized Debtors (except for the Dissolving Debtors) shall continue to exist after the Effective Date as separate corporate entities, limited liability companies, partnerships, or other forms, as the case may be, with all the powers of corporations, limited liability companies, partnerships, or other forms, as the case may be, pursuant to the applicable law in the jurisdiction in which each respective Debtor is incorporated or formed and pursuant to such Debtor's certificate of incorporation and bylaws (or other formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state law).

Notwithstanding the foregoing, on or as of the Effective Date or as soon as practicable thereafter and without need for any further action, the Reorganized Debtors may: (a) cause any or all of the Reorganized Debtors to be merged into one or more of the Reorganized Debtors, dissolved or otherwise consolidated; (b) cause the transfer of assets between or among the Reorganized Debtors; or (c) engage in any other transaction in furtherance of the Plan.

#### 6.5 *New Certificates of Incorporation and New By-Laws*

The Debtors' organizational documents shall be amended as necessary to satisfy the provisions of this Plan and the Bankruptcy Code. On or immediately before the Effective Date, the Reorganized Debtors (except the Dissolving Debtors) will file their respective new certificates of incorporation with the applicable secretaries of state and/or other applicable authorities in their respective states of incorporation in accordance with the corporate laws of the respective states of incorporation. After the Effective Date, the Reorganized Debtors (except the Dissolving Debtors) may amend and restate their respective new certificates of incorporation and new by-laws and other constituent documents as permitted by the laws of their respective states of incorporation and their respective new certificates of incorporation and new by-laws.

#### 6.6 *Issuance of New Equity Interests; Securities Exemption*

The issuance of the New Equity Interests is authorized without the need for any further corporate action or without any further action by a holder of Claims or Interests. The New Equity Interests shall have voting rights, and the Reorganized Debtors shall not issue non-voting New Equity Interests. On the Effective Date, the New Equity Interests shall be issued to Holders of the Prepetition Lender Secured Claims.

All of the shares of the New Equity Interests issued pursuant to the Plan shall be duly authorized, validly issued and fully paid and non-assessable. Each Distribution and issuance

referred to in Article VIII hereof shall be governed by the terms and conditions set forth herein applicable to such Distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance.

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of any New Equity Interests contemplated by the Plan and all agreements incorporated herein shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration before the offering, issuance, distribution or sale of securities. In addition, under section 1145 of the Bankruptcy Code, the New Equity Interests contemplated by the Plan and any and all agreements incorporated therein will be freely tradable by the recipients thereof, subject to (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act; (b) compliance with any rules and regulation of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (c) the restrictions on the transferability of such securities and instruments; and (d) applicable regulatory approval.

#### *6.7 Listing of New Equity Interests and Transfer Restrictions*

The Reorganized Debtors shall not be obligated, and do not intend, to list the New Equity Interests on a national securities exchange.

#### *6.8 Restructuring Transactions*

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions (the "Restructuring Transactions") as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, reincorporation, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the Reorganized Debtors may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, license or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (d) all other actions that the Reorganized Debtors determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

## 6.9 *Corporate and Limited Liability Company Action*

On the Effective Date, the matters under this Plan involving or requiring corporate or limited liability company action of the Debtors, including, but not limited to, actions requiring a vote or other approval of the board of directors, members or shareholders, as applicable, and execution of all documentation incident to this Plan, pursuant to section 303 of the General Corporation Law of the State of Delaware or comparable law of the jurisdiction in which such Debtor was formed or organized, notwithstanding any otherwise applicable non-bankruptcy law or the organization documents of the Debtors, shall be deemed to have been authorized by the Confirmation Order and to have occurred and be in effect from and after the Effective Date without any further action by the Bankruptcy Court or the officers, directors, members or shareholders, as applicable, of the Debtors or Reorganized Debtors. To the extent necessary, the Reorganized Debtors shall be vested with authority to execute any document necessary to effectuate such action.

## 6.10 *Effectuating Documents; Further Transactions*

On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards of directors or members thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

## 6.11 *Exemption from Certain Taxes and Fees*

Pursuant to section 1146(a) of the Bankruptcy Code, any transfer from a Debtor to a Reorganized Debtor, or any other transfer of property of the Estates pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, or recording of any mortgage, deed of trust, or other security interest or the securing of additional indebtedness by such or other means; (c) the making, assignment, or recording of any lease or sublease; or (d) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles, or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

## 6.12 *Funding of the Plan*

All Cash consideration necessary for the payment of Distributions under the Plan, including, without limitation, the Released Parties Contributions, but excluding Distributions of the Avoidance Action Net Proceeds, will be derived from and funded by (a) Cash on hand on the Effective Date, which is the Prepetition Lender's and DIP Lender's collateral, and (b) Cash

proceeds received by the Debtors from additional funding to be provided by the Prepetition Lender and the DIP Lender on the Effective Date and by the Reorganized Debtors on or before January 3, 2013. The Released Parties Contributions shall be deposited directly to the Liquidating Trust as follows: Two million dollars (\$2,000,000) on the Effective Date and Two million dollars (\$2,000,000) on or before January 13, 2013. Any such contributions of Cash to fund Distributions under the Plan shall be deemed to have been contributed directly to the recipients of such Distributions as part of the compromise and settlement of Claims, Interests and controversies described in section 9.1 of this Plan, and in exchange for the injunctions and releases provided in sections 9.4 through 9.9 of the Plan. Copies of any agreements, instruments, commitment letters or other documentation with respect to the additional funding to be provided by the Prepetition Lender and the DIP Lender on the Effective Date will be filed with the Bankruptcy Court as part of the Plan Supplement.

To the extent not otherwise provided for herein or ordered by the Court, the Reorganized Debtors shall estimate appropriate reserves of Cash to be set aside (or secured in the form of an appropriate credit facility) in order to pay or reserve for Disputed Claims, accrued expenses and for the payment of prospective expenses and liabilities of the Estates after the Effective Date. Without limitation, subject to the Budget, as defined in the DIP Orders, these reserves shall include funds for the Professional Fee Claims, Administrative Claims, Priority Tax Claims, Disputed Claims and all amounts due pursuant to 28 U.S.C. § 1930.

Notwithstanding any contrary provision contained herein, the Reorganized Debtors shall not be obligated to physically segregate and maintain separate accounts for reserves, the Released Parties Contributions or the Avoidance Action Net Proceeds. Separate reserves and funds may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time, to enable the Reorganized Debtors to determine reserves and amounts to be paid to parties in interest.

### 6.13 *Causes of Action*

All Causes of Action other than the Avoidance Actions that are not released pursuant to this Plan or that are not Assumed Contract Causes of Action shall be transferred to and vest fully in the Reorganized Debtors, subject to section 4.6 of this Plan. Pursuant to § 1123, the Reorganized Debtors shall be authorized to commence all Causes of Action other than the Avoidance Actions on behalf of all of the Debtors or their Estates (except for any Cause of Action that may be released pursuant to this Plan or that is an Assumed Contract Causes of Action). The authorization shall be approved without limitation, notwithstanding any other applicable law that could restrict any such transfer or authorization, all of which shall be determined by the Bankruptcy Court in the Confirmation Order to be void as against public policy. Net proceeds, if any, recovered on account of any Cause of Action other than the Avoidance Actions brought by the Reorganized Debtors after the payment of any expenses incurred in connection with the prosecution of such Cause of Action or the recovery of such proceeds shall be property of the Reorganized Debtors.

On the Effective Date, the Reorganized Debtors shall be substituted as the party in interest instead of the Debtors for all Causes of Action other than the Avoidance Actions. The Reorganized Debtors shall succeed, on the Effective Date, in all respects to all of the rights, privileges and immunities of the Debtors, including without limitation, the attorney-client privileges and any other protective or evidentiary interests and privileges of the Debtors.

Nothing in this Plan or the Confirmation Order shall limit, impair or otherwise restrict the

rights of the Reorganized Debtors to bring any Claim or Cause of Action other than the Avoidance Actions, except for those actions otherwise released pursuant to this Plan or the Assumed Contract Causes of Action, against any Person for any reason whatsoever, including the failure of this Plan to identify or describe any such potential Claim or Cause of Action with specificity. No Person may rely on the absence of a specific reference in the Plan or Disclosure Statement to any Cause of Action against them as an indication that neither the Debtors nor the Reorganized Debtors will pursue any and all available Causes of Action against them. Except as otherwise specifically released pursuant to the Confirmation Order, it is the Debtors' and Reorganized Debtors' intent not to waive any Cause of Action. Upon the Effective Date the Reorganized Debtors shall have full authority to commence, prosecute to judgment or settle any Cause of Action other than the Avoidance Actions without notice or order of the Bankruptcy Court. Nevertheless, the Reorganized Debtors are not required to investigate or pursue any Cause of Action.

Except to the extent a Cause of Action against a Person is expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or pursuant to a Bankruptcy Court order, the Reorganized Debtors expressly reserves all Causes of Action (other than the Assumed Contract Causes of Action and the Avoidance Actions) for later adjudication. Therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches shall apply to such Causes of Action upon, after, or as a consequence of the entry of the Confirmation Order. In accordance with § 1123(b)(3), all Causes of Action (except for the Assumed Contract Causes of Action and the Avoidance Actions) that a Debtor may hold against a Person shall vest in the Reorganized Debtors pursuant to the terms of this Plan.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE REORGANIZED DEBTORS SHALL NOT INVESTIGATE OR COMMENCE, OR JOIN WITH ANY THIRD PARTY TO COMMENCE ANY CAUSE OF ACTION AGAINST THE DIP LENDER OR THE PREPETITION LENDER.

#### 6.14 *Discharge of Debtors' Professionals*

On the Effective Date, the Debtors' Professionals and agents shall be released and discharged from any further duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code, except with respect to: (a) obligations arising under confidentiality agreements, joint interest agreements and protective orders entered during the Chapter 11 Cases which shall remain in full force and effect according to their terms; (b) applications for Professional Fee Claims; (c) requests for compensation and reimbursement of expenses pursuant to § 503(b) for making a substantial contribution in any of the Chapter 11 Cases; and (d) any pending motions, or any motions or other actions seeking enforcement or implementation of the provisions of this Plan or the Confirmation Order. The Professionals retained by the Debtors shall not be entitled to compensation and reimbursement of expenses for services rendered to or on behalf of the Debtors after the Effective Date, except for services rendered in connection with applications for allowance of compensation and reimbursement of expenses pending on the Effective Date or filed after the Effective Date, or for matters described in subsection (d), above. For the avoidance of doubt, nothing contained herein shall prohibit the Reorganized Debtors from engaging any of the Debtors' Professionals or Prepetition Lender's Professionals for the purpose of rendering services to the Reorganized Debtors, as applicable, on and after the Effective Date, and any such fees and expenses incurred in connection with such post-Effective Date services may be paid by the Reorganized Debtors, as applicable, without further order of the Bankruptcy Court.

#### 6.15 *Dissolution of the Committee; Establishment of Liquidating Trust*

On the Effective Date, the Committee shall dissolve automatically, whereupon its members, Professionals and agents shall be released and discharged from any further duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code, except with respect to: (a) obligations arising under confidentiality agreements, joint interest agreements and protective orders entered during the Chapter 11 Cases which shall remain in full force and effect according to their terms; (b) applications for Professional Fee Claims and expense reimbursement requests for members of the Committee; (c) requests for compensation and reimbursement of expenses pursuant to § 503(b) for making a substantial contribution in any of the Chapter 11 Cases; and (d) any pending motions, or any motions or other actions seeking enforcement or implementation of the provisions of this Plan or the Confirmation Order, but not including any pending motion or other action to monitor the Causes of Actions, including but not limited to the Avoidance Actions.

On the Effective Date the Liquidating Trust shall be established pursuant to the terms and conditions set forth in the Plan Supplement. The full terms, rights and duties of the Liquidating Trust shall be included in the Plan Supplement. The Avoidance Actions shall vest in the Liquidating Trust, and among other terms, rights and duties, the Liquidating Trust shall have exclusive authority to investigate, prosecute, settle or adjust any of the Avoidance Actions as contemplated by section 1123(b) of the Bankruptcy Code. Further, the Liquidating Trust shall have authority, without further order of the Bankruptcy Court, to employ professionals to investigate and pursue the Avoidance Actions. Those professionals and all costs incurred with respect to the Liquidating Trust shall be reimbursed from the Liquidating Trust Expense Fund.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIQUIDATING TRUST SHALL NOT INVESTIGATE OR COMMENCE, OR JOIN WITH ANY THIRD PARTY TO COMMENCE ANY CAUSE OF ACTION AGAINST THE DIP LENDER OR THE PREPETITION LENDER.

#### 6.16 *Directors and Officers of the Reorganized Debtors*

Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, as of the Effective Date, the New Boards shall consist of five (5) directors. The members of the New Boards shall be identified in the Plan Supplement.

### ARTICLE VII TREATMENT OF EXECUTORY CONTRACTS

#### 7.1 *Rejection of Remaining Executory Contracts*

On the Effective Date, except for any Executory Contract that (a) previously expired or terminated by its own terms, (b) was previously assumed or rejected by an order of the Bankruptcy Court pursuant to § 365, (c) is assumed pursuant to this Plan or (d) is the subject of a pending motion to assume or assume and assign as of the Confirmation Date, shall be deemed rejected pursuant to §§ 365 and 1123, effective as of the Effective Date. The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejection pursuant to §§ 365 and 1123 as of the Effective Date.

#### 7.2 *Assumption and Cure of Executory Contracts*

The Assumed Contracts Schedule, which will be filed as part of the Plan Supplement, shall identify Executory Contracts to be assumed by or assumed and assigned to, as applicable, the Reorganized Debtors pursuant to the Plan. The Debtors, with the prior consent of the Prepetition Lender and DIP Lender, reserve the right to amend the Assumed Contracts Schedule at any time up to three (3) Business Days before the Confirmation Hearing to delete any Executory Contract listed therein or, with the consent of the affected counterparty, to add any Executory Contract to the Assumed Contracts Schedule. The Debtors will provide notice of any amendment to the Assumed Contracts Schedule to the Prepetition Lender and DIP Lender, and the parties to the Executory Contracts added or removed, the Prepetition Lender and the Committee. The Assumed Contracts Schedule shall include a designation of the Cure Amount, if any, proposed by the Debtors to be paid in connection with the assumption and assignment of each Executory Contract listed therein.

On the Effective Date, each Executory Contract that is identified in the Assumed Contracts Schedule shall be deemed assumed in accordance with the provisions and requirements of §§ 365 and 1123, and all defaults, if any, shall be deemed cured by the payment of the Cure Amount, if any, corresponding to such Executory Contract.

Except as provided elsewhere in this Plan, any Person objecting to the proposed assumption or assignment of an Executory Contract, including on the basis of any objection to (a) the amount of the proposed Cure Amount, if any, to be paid in connection with such assumption or assumption and assignment, (b) "adequate assurance of future performance" of such Executory Contract (within the meaning of § 365), or (c) any other matter pertaining to the assumption or assignment of such Executory Contract, shall file and serve such objection on or before the deadline for the filing of objections to Confirmation of the Plan. To the extent any such objections are filed, the hearing on such objections shall be scheduled for the same date as the Confirmation Hearing. Failure to timely file an objection to the proposed assumption and assignment of an Executory Contract, including any proposed Cure Amount associated therewith, shall constitute consent to the assumption and assignment of such Executory Contract, including the Cure Amount, if any, payable in connection therewith, and an acknowledgment that such assumption and assignment satisfies all requirements of §§ 363 and 365(b), (c) and (f). If any such objection is sustained and the Bankruptcy Court determines that the Cure Amount is in excess of 110% of the Cure Amount noticed by the Debtors, the Prepetition Lender, the DIP Lender and the Reorganized Debtors reserve the right to exclude such Executory Contract from the Assumed Contracts Schedule on or prior to the Effective Date.

If any Person files an objection to the proposed assumption or assignment of an Executory Contract, the Debtors reserve the right to delete such contract or lease from the Assumed Contracts Schedule and declare such contract or lease to be rejected pursuant to section 7.1 hereof.

### *7.3 Cure of Defaults of Assumed Executory Contracts*

All Cure Amounts to be paid in connection with the Executory Contracts to be assumed pursuant to the Plan shall be paid by the Reorganized Debtors not more than ten (10) days after the occurrence of the Effective Date.

### *7.4 Effect of Assumption*

Each Executory Contract assumed or assumed and assigned pursuant to this Article VII (or pursuant to Bankruptcy Court order) shall remain in full force and effect and be fully



enforceable in accordance with its terms, except as modified by the provisions of the Plan, or any order of the Bankruptcy Court authorizing and providing for its assumption or assumption and assignment. To the extent applicable, all Executory Contracts assumed during the Chapter 11 Cases, (a) shall be deemed modified as needed such that the transactions contemplated by the Plan shall not be a "change of control," however such term may be defined in the relevant Executory Contract; and (b) shall not constitute a breach of any anti-alienation provision thereof. Any consents required in connection with the assignment of any Executory Contract on the Assumed Contracts Schedule shall be deemed satisfied upon entry of the Confirmation Order.

This Plan shall not affect any Executory Contract that was assumed, rejected or assumed and assigned pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date.

*7.5 Rejection Damages Bar Date*

Except to the extent another bar date applies pursuant to an order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts under this Plan must be filed with the Voting and Claims Agent at the following applicable address:

Epiq Bankruptcy Solutions, LLC  
FDR Station, P.O. Box 5285  
New York, NY 10150-5285  
(if by First-Class United States Mail)

or

Epiq Bankruptcy Solutions, LLC  
757 Third Avenue, 3rd Floor  
New York, NY 10017  
(if by hand-delivery or overnight mail)

A copy of any such Proof of Claim shall be served on counsel for the Debtors or the Reorganized Debtors, as the case may be, and counsel for the Committee, within forty-five (45) days from the entry of the Confirmation Order, or such Claim shall be forever barred and shall not be entitled to a Distribution or be enforceable against the Debtors, their Estates, the Reorganized Debtors or any of their successors and their assigns. Any Claim arising from the rejection of an Executory Contract shall be treated as a Class 6 General Unsecured Claim. Nothing in this Plan extends or modifies the Bar Date, except as specifically provided herein.

## 7.6 *Assumed Contract Causes of Action*

Neither the Reorganized Debtors nor the Liquidating Trust shall pursue, prosecute, litigate, institute, commence, assert or file any preference or avoidance claims, or assert or file any preference or avoidance claims (whether or not asserted as of the Effective Date) of the Debtors arising under (i) sections 544, 547, 549 and 550 of chapter 5 of the Bankruptcy Code, (ii) the law of any foreign jurisdiction in which the Debtors do business, or (iii) state law, including all rights, claims and Causes of Action arising out of any post-petition payment by the Debtors for goods or services, solely relating to the Executory Contracts listed on the Assumed Contracts Schedule.

## ARTICLE VIII DISTRIBUTIONS

### 8.1 *General Provisions Concerning Distributions*

At the written request of the Reorganized Debtors, any creditor holding multiple Allowed Claims shall provide the Reorganized Debtors a single address to which any Distributions shall be sent.

In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day.

The Debtors and the Reorganized Debtors (solely with respect to Distributions to holders of Allowed Claims treated in classes other than Class 6 under the Plan) or the Liquidating Trust (solely with respect to Distributions to holders of Allowed Claims treated in Class 6 under the Plan) may, but shall not be required to, setoff against or recoup from any Claim and the payments to be made pursuant to the Plan in respect of such Allowed Claim, any Causes of Action of any nature whatsoever that the Debtors, the Reorganized Debtors or the Liquidating Trust may have asserted against the Claimant, but neither the failure to do so nor the allowance of any Disputed Claim hereunder shall constitute a waiver or release by the Debtors, the Reorganized Debtors or the Liquidating Trust of any such Cause of Action against such Claimant.

To the extent applicable, Distributions shall be allocated first to the principal amount of the Allowed Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Allowed Claim, to interest, if any, and such other amounts comprising a part of the Allowed Claim.

### 8.2 *Disbursing Agent*

Unless otherwise designated by the Reorganized Debtors, the Reorganized Debtors shall be the Disbursing Agent, and the Disbursing Agent shall make all Distributions under this Plan except Distributions on account of Class 6 Claims, which shall be made by the Liquidating Trustee.

### 8.3 *Time and Manner of Distributions*

The Reorganized Debtors shall make all Distributions under the Plan as set forth in Article III of the Plan, except Distributions on account of Class 6 Claims, which shall be made

by the Liquidating Trustee, or except as otherwise ordered by the Bankruptcy Court. Amounts withheld may be placed in an interest-bearing account, which interest shall be used by the Reorganized Debtors to fund ongoing expenses and costs relating to such reserves, including taxes in respect of Disputed Claims, if any. The Reorganized Debtors shall not be obligated to make any Distribution for which, in the Reorganized Debtors' sole discretion, the value of the property to be distributed is insufficient to justify the costs associated therewith or otherwise warrant a Distribution. The Reorganized Debtors shall not be obligated to make any Distribution in an amount less than \$25.

At the option of the Reorganized Debtors, any Distributions by the Reorganized Debtors under this Plan may be made either in Cash, by check drawn on a bank, by wire transfer or by an automated clearing house transaction through a bank. Notwithstanding any other provisions of this Plan to the contrary, no payment of fractional cents will be made under this Plan. Cash will be issued to Holders entitled to receive a Distribution of Cash in whole cents (rounded to the nearest whole cent when and as necessary).

Distributions and withholdings by the Liquidating Trustee shall be made in accordance with the Liquidating Trust Agreement.

#### 8.4 *Delivery of Distributions*

Except as otherwise provided in this Plan, Distributions to Holders of Allowed Claims shall be made by the Disbursing Agent or Liquidating Trustee (a) at the addresses set forth on the Proofs of Claim filed by such Holder (or at the last known addresses of such Holder if no motion requesting payment or Proof of Claim is filed or the Debtors, the Reorganized Debtors or the Voting and Claims Agent have been notified in writing of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Reorganized Debtors after the date of any related Proof of Claim, or (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Reorganized Debtors have not received a written notice of a change of address.

#### 8.5 *Undeliverable Distributions*

If a Distribution to a Holder of a Claim is returned as undeliverable, no further Distributions to such Holder of a Claim shall be made unless and until the Reorganized Debtors and/or Liquidating Trustee are notified of the then-current address of such Holder, at which time (subject to the terms of the last sentence of this section) all missed Distributions shall be made to such Holder without interest. Amounts in respect of undeliverable Distributions shall be returned to the Reorganized Debtors (as to non-Class 6 claims) or Liquidating Trustee (as to Class 6 claims) until such Distributions are Claimed. All funds or other undeliverable Distributions returned to the Reorganized Debtors or Liquidating Trustee in respect of any Claim and not Claimed within four (4) months of return shall be forfeited and remain with and vest in an account managed by the Reorganized Debtors or Liquidating Trustee, respectively, set aside for Distribution to other Holders of Allowed Claims. Any unclaimed funds held in the account managed by the Reorganized Debtors set aside for Distribution to other Holders of Allowed Claims and aggregating less than \$25,000 after the final Distribution has been made may be donated to a charity selected by the Reorganized Debtors without further order of the Court upon entry of a Final Decree.

#### 8.6 *Claims Administration Responsibility*

(a) Reservation of Rights to Object to Claims. Unless a Claim is expressly described as, or upon entry of the Confirmation Order determined to be, an Allowed Claim pursuant to or under this Plan, or otherwise becomes an Allowed Claim prior to the Effective Date, the Debtors and Reorganized Debtors reserve all objections and defenses to the allowance and payment of any Claim or Interest, including any objection to the validity or amount of any such Claim, Interest, Lien and security interest, whether under the Bankruptcy Code, other applicable law or contract.

(b) Objections to Claims. Prior to the Effective Date, the Debtors or any other party that has filed an objection to the allowance of a Claim shall be responsible for pursuing such objection. From and after the Effective Date, the Reorganized Debtors will retain right to object to, dispute and resolve any Claim and the Reorganized Debtors or the Liquidating trust will be responsible for making Distributions, if any, on account of Claims subject to the other provisions of the Plan. Unless otherwise provided in this Plan or by order of the Bankruptcy Court of the Plan, as applicable), any objections to Claims by the Reorganized Debtors will be filed and served not later than 180 days after the Effective Date, provided that the Reorganized Debtors may request an extension of such deadline by filing a motion with the Bankruptcy Court, based upon a reasonable exercise of his business judgment. A motion seeking to extend the deadline to object to any Claim shall not be deemed an amendment to this Plan. The Reorganized Debtors shall be substituted for the Debtors with respect to any objections pending as of the Effective Date.

(c) Filing of Objections. An objection to a Claim or Interest shall be deemed properly served on the Holder of such Claim or Interest if the party filing such objection effects service in accordance with Bankruptcy Rule 3007.

(d) Determination of Claims. Subject to the releases contained in article 9 of this Plan, except as otherwise agreed by the Reorganized Debtors, any Claim as to which a Proof of Claim or motion or request for payment was timely filed in the Chapter 11 Cases may be determined and (so long as such determination has become a Final Order) liquidated pursuant to (i) an order of the Bankruptcy Court, (ii) applicable bankruptcy law, (iii) agreement of the parties, (iv) applicable non-bankruptcy law, or (v) the lack of (x) an objection to such Claim, (y) an application to equitably subordinate such Claim, and (z) an application to otherwise limit recovery with respect to such Claim, filed by the Debtors or the Reorganized Debtors on or prior to any applicable deadline for filing such objection or application with respect to such Claim. Any such Claim so determined and liquidated shall be deemed to be an Allowed Claim for such liquidated amount and shall be satisfied in accordance with this Plan. Nothing contained in this section shall constitute or be deemed a waiver of any Claim, right or Cause of Action that the Debtors, the Reorganized Debtors or the Liquidating Trust may have against any Person in connection with or arising out of any Claim or Claims, including any rights under 28 U.S.C. § 157.

#### 8.7 *Procedures for Treating and Resolving Disputed and Contingent Claims*

##### (a) No Distributions Pending Allowance

No payment or Distribution will be made with respect to any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled, withdrawn, determined by a Final Order, and the Disputed Claim has become an Allowed Claim. Any Proof of Claim filed with all of the dollar amounts listed as contingent, unknown or otherwise containing unliquidated amounts shall be deemed to be a Disputed Claim and shall be treated as such for

Distribution purposes in accordance with the terms of this paragraph.

(b) Claim Estimation

The Debtors, the Reorganized Debtors and the Liquidation Trustee solely with respect to Class 6 Claims, as applicable, may request estimation or liquidation of any Disputed Claim that is contingent or unliquidated pursuant to § 502(c).

8.8 *Setoffs and Recoupment*

The Reorganized Debtors and the Liquidation Trustee solely with respect to Distributions to holders of Allowed Claims treated in Class 6 under the Plan may, pursuant to §§ 502(d), 553 and 558 or applicable non-bankruptcy law, but shall not be required to, setoff against or recoup from any Claim on which payments are to be made pursuant to this Plan, any Claims or Causes of Action of any nature whatsoever that any Debtor, or its Estate, or respecting Avoidance Actions that the Liquidating Trust may have against the Holder of such Claim; provided, however, that neither the failure to effect such offset or recoupment nor the allowance of any Claim shall constitute a waiver or release by the Debtors, the Reorganized Debtors or the Liquidating Trust of any setoff or recoupment, or Cause of Action the Debtors, the Reorganized Debtors or the Liquidating Trust may have against the Holder of such Claim, nor of any other Claim or Cause of Action.

8.9 *Allowance and Disallowance of Claims Subject to § 502*

Allowance and disallowance of Claims shall be in all respects subject to the provisions of § 502, including subsections (b), (d), (e), (g), (h) and (i) thereof.

8.10 *Cancellation of Instruments and Agreements*

Upon the occurrence of the Effective Date, except as otherwise provided herein, all promissory notes, share certificates, instruments, indentures, stock or agreements evidencing, giving rise to or governing any Claim or Interest shall be deemed canceled and annulled without further act or action under any applicable agreement, law, regulation, order or rule; the obligations of the Debtors under such promissory notes, share certificates, instruments, indentures or agreements shall be discharged and the Holders thereof shall have no rights against the Debtors, the Reorganized Debtors or the Estates; and such promissory notes, share certificates, instruments, indentures or agreements shall evidence no such rights, except the right to receive the Distributions provided for in this Plan. Notwithstanding the immediately preceding sentence, the Prepetition Facility and Prepetition Liens shall not be deemed cancelled, but may be cancelled upon the consent of the Prepetition Lender, or retained in the Prepetition Lender's and Reorganized Debtors' discretion.

8.11 *No Interest on Claims*

Unless otherwise specifically provided for in this Plan, the Confirmation Order, the DIP Orders or a post-petition agreement in writing between the Debtors and a Holder of a Claim that has been approved by an order of the Bankruptcy Court, post-petition interest shall not accrue or be paid on any Claim, and no Holder of a Claim shall be entitled to receive any Distribution on account of interest accruing on or after the Petition Date, nor shall any interest accrue on and after the Effective Date on account of any Disputed Claim that subsequently becomes Allowed and paid under the terms of the Plan after the Effective Date.

### 8.12 *Withholding Taxes and Reporting Requirements*

In connection with this Plan and all instruments issued in connection herewith and Distributions hereunder, the Reorganized Debtors shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Distributions hereunder shall be subject to any such withholding and reporting requirements.

Notwithstanding the above, each holder of an Allowed Claim or Allowed Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such Holder by any governmental unit, including income, withholding and other tax obligations, on account of such Distribution. Any party issuing any instrument or making any Distribution under the Plan has the right, but not the obligation, to not make a Distribution until such Holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

### 8.13 *Reports*

From the Effective Date, until a Final Decree is entered, the Reorganized Debtors shall submit quarterly reports to the Office of the United States Trustee setting forth all receipts and Disbursements as required by the United States Trustee Guidelines.

## **ARTICLE IX EFFECT OF CONFIRMATION**

### 9.1 *Compromise and Settlement of Claims, Interests and Controversies*

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or Allowed Interest, or any Distribution to be made on account of such Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to any party in interest or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle claims against them and Causes of Action against other entities.

Furthermore, the Prepetition Lender and DIP Lender, for themselves and for the benefit of the Released Parties, are funding the Released Parties Contributions for the benefit of the Holders of Allowed General Unsecured Claims in exchange for a voluntary release to be granted by such Holders opting in to grant such releases and agree to such injunctions in favor of the Released Parties as set forth in Article IX of the Plan. Such Holders opting in to grant such releases and agree to such injunctions to the Released Parties agree that a Pro Rata Distribution of the Released Parties Contributions, less any Liquidating Trust Contribution, is adequate consideration for granting such releases and agreeing to such injunctions and such Holders agree to be bound by such releases and injunctions in favor of the Released Parties.

## 9.2 *Binding Effect*

On and after the Confirmation Date, the provisions of the Plan shall bind any Holder of a Claim against or Interest in any Debtor, including such Holder's respective successors and assigns, whether or not the Claim or Interest of such Holder is Impaired under the Plan, whether or not such Holder has accepted the Plan and whether or not such Holder is entitled to a Distribution under the Plan.

## 9.3 *Discharge of Claims and Termination of Interests*

Except as provided in the Plan, the rights afforded in and the Distributions to be made under the Plan shall terminate all Interests and discharge all existing Claims of any kind, nature or description whatsoever against Prince Sports, Inc. and Prince Sports Acquisition Holdings Corporation (the "Discharged Debtors"), and their assets and properties to the fullest extent permitted by § 1141. Except as provided in the Plan, upon the Effective Date, all existing Claims against, and Interests in, the Discharged Debtors shall be, and shall be deemed to be, discharged and terminated, and all holders of such Claims and Interests shall be precluded and enjoined from asserting against the Discharged Debtors or the Estates, their successors or assignees, including, without limitation, the Reorganized Debtors (except the Dissolving Debtors), or any of their assets or properties, any Claim or Interest and any other or further Claim or Interest based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such Holder has filed a Proof of Claim or proof of interest and whether or not the facts or legal bases therefore were known or existed prior to the Effective Date.

## 9.4 *Injunction*

Except as provided in the Plan or in the Confirmation Order, as of the Confirmation Date, all Persons that have held, currently hold or may hold a Claim, Interest, or other debt or liability that is stayed, Impaired, or terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions either (x) against the Debtors, Reorganized Debtors, the Holders of the New Equity Interests, or their property on account of all or such portion of any such Claims, Interests, debts, or liabilities that are stayed, Impaired, or terminated or (y) against any Person with respect to any right of action or any objection to a Claim or Interest, which right of action or objection, under the Plan, is waived, released, assigned or exclusively retained by any of the Debtors: (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order, (c) creating, perfecting, or enforcing any lien or encumbrance; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability, or obligation due; and (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan. To avoid any doubt, except as otherwise expressly noted in the Plan, nothing in the Plan or herein shall be construed or is intended to affect, enjoin, modify, release, or waive any claims, rights, and actions that a third party may have against a person other than the Debtors, or Reorganized Debtors provided that such claims, rights, and actions are wholly separate and exist independently from any claims, rights, and actions of the Estates.

## 9.5 *Term of Injunctions or Stays*

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions and stays provided for in the Chapter 11 Cases pursuant to sections 105 and 362 of the Bankruptcy

Code or otherwise in effect on the Confirmation Date shall remain in full force and effect until the Effective Date. Except as necessary to enforce the terms of this Plan and the Confirmation Order, from and after the Effective Date, all Persons are permanently enjoined from, and restrained against, commencing or continuing in any court any suit, action, or other proceeding, or otherwise asserting any Claim or Interest, (a) seeking to hold (i) the Debtors, Reorganized Debtors or the Holders of the New Equity Interests, or (ii) the property of the Debtors, Reorganized Debtors or the Holders of the New Equity Interests, liable for any Claim, obligation, right, interest, debt, or liability of the Debtors.

#### 9.6 *Exculpation*

None of the Exculpated Parties shall have or incur any liability for, and each Exculpated Party is hereby exculpated from, any Claim, Cause of Action, liability to any other Exculpated Party or to any Holder of a Claim or an Interest (only in their capacity as such), for any act or omission in connection with, arising from or relating to the Chapter 11 Cases, the formulation, negotiation and/or pursuit of confirmation of this Plan and related Disclosure Statement, the consummation of this Plan, the administration of the Chapter 11 Cases and this Plan and/or the property to be Distributed under this Plan, except for the gross negligence, willful misconduct or fraud of any Exculpated Party, in each case subject to determination of such by Final Order of a court of competent jurisdiction and provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) and such reasonable reliance shall form an absolute defense to any such Claim, Cause of Action or liability. Without limiting the generality of the foregoing, each Exculpated Party shall be entitled to and granted the protections and benefits of § 1125(e).

#### 9.7 *Debtor Release*

As of and subject to the occurrence of the Effective Date, each Debtor and Reorganized Debtor, for itself and its respective successors, assigns, and transferees shall be deemed to have released any and all Claims and Causes of Action against the Released Parties, arising prior to the Effective Date, in any manner arising from or related to, in whole or in part, (i) the Debtors, (ii) the Debtors' restructuring, (iii) the conduct of the Debtors' businesses, (iv) the Chapter 11 Cases, (v) the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, (vi) the business or contractual arrangements of any Debtor, and/or (vii) the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, which claims are based in whole or in part on any act, omission, transaction, event or other occurrence taking place before the Effective Date, provided, however, that the foregoing shall not operate as a waiver of or release from any Claims or Causes of Action arising out of the willful misconduct or gross negligence of any such parties. Notwithstanding anything contained in this section 9.7, nothing herein shall be deemed to release claims for payment held by a Debtor against any non-debtor subsidiaries of the Debtors.

#### 9.8 *Prepetition Lender Release*

Except as provided in the Plan or in the Confirmation Order, as of and subject to the occurrence of the Effective Date, the Prepetition Lender and the DIP Lender and each of their respective successors, assigns, and transferees shall be deemed to have released the Released Parties, from any and all Claims and Causes of Action arising prior to the Effective Date, in any manner arising from or related to, in whole or in part, (i) the Debtors, (ii) the Debtors' restructuring, (iii) the conduct of the Debtors' businesses, (iv) the Chapter 11 Cases, (v) the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated



in the Plan, (vi) the business or contractual arrangements of any Debtor, and/or (vii) the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, which claims are based in whole or in part on any act, omission, transaction, event or other occurrence taking place before the Effective Date.

#### 9.9 *Releases by Holders of Claims*

As of the Effective Date, for good and valuable consideration, including the contributions of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan and the other contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan, each Holder of a Claim or an Interest that has affirmatively opted in to grant the releases set forth herein shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative Claims or Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing or hereafter arising, in law, equity or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, the Plan, the Disclosure Statement, the DIP Loan Agreement, or related agreements, instruments or other documents other than Claims or liabilities to the extent arising out of or relating to any act or omission of a Released Party that constitutes gross negligence, fraud or willful misconduct as determined by a Final Order; provided, however, that nothing herein shall be deemed a waiver or release of a Holder's right to receive a Distribution pursuant to the terms of the Plan or any obligation under the Plan or Confirmation Order. For the avoidance of doubt, this Release by Holders of Claims and Interests is not and shall not be deemed a waiver of the Debtors' rights or claims against the holders of Claims (not including Prepetition Lender Secured Claim, Prepetition Lender Deficiency Claims and DIP Claims) and Interests, including to the Debtors' rights to assert setoffs, recoupments or counterclaims, or to object or assert defenses to any such Claim, and all such rights, Causes of Action and claims are expressly reserved.

Notwithstanding anything in this Plan to the contrary, neither releases granted under section 4.6(b) hereof, nor releases provided under this section 9.9 shall (i) other than with respect to any Creditor's Class 6 Claim under the Plan, be construed to affect any other claims asserted by such Creditor against the Debtors, or (ii) alter or affect the Plan's treatment of any Claim, as provided in Article III and IV of this Plan including, without limitation, the treatment of Administrative Claims, Secured Claims and any claims for reclamation against any of the Debtors.

### ARTICLE X CONDITIONS PRECEDENT

#### 10.1 *Conditions Precedent to Effective Date*

This Plan shall not become effective unless and until each of the following conditions have been satisfied in full in accordance with the provisions specified below:

(a) the Confirmation Order, this Plan and all related annexes and exhibits shall be in form and substance acceptable to the Debtors and the Prepetition Lender and

DIP Lender in their absolute discretion;

(b) the Bankruptcy Court shall have entered one or more orders (which may include the Confirmation Order) authorizing the rejection of unexpired leases and executory contracts by the Debtors as contemplated by this Plan;

(c) the Confirmation Order shall have been entered by the Bankruptcy Court and shall not be subject to any stay;

(d) the Debtors in consultation with the DIP Lender and Prepetition Lender shall have determined in the exercise of their business judgment, that sufficient Cash is available for the Reorganized Debtors to make or provide for all payments or other distributions contemplated by this Plan.

#### 10.2 *Revocation, Withdrawal or Non-Consummation of Plan*

If, after the Confirmation Order is entered, each of the conditions precedent to the Effective Date have not been satisfied or duly waived on or by forty-five (45) days after the Confirmation Date, then upon motion by the Debtors or the Prepetition Lender, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, the Debtors and the Prepetition Lender, by mutual written consent, may agree to file a motion to vacate the Confirmation Order within forty-five (45) days of the Confirmation Date; provided further however, that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if the Debtors determine that each of the conditions precedent to the Effective Date is either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. A condition precedent to the Effective Date may only be waived by a writing executed by the Debtors, the Prepetition Lender and DIP Lender. If the Confirmation Order is vacated pursuant to this Article X this Plan shall be null and void in all respects, and nothing contained in this Plan shall (a) constitute a waiver or release of any Claims against or Interests in the Debtors, (b) prejudice in any manner the rights of the Holder of any Claim against or Interest in the Debtors, (c) prejudice in any manner the rights of the Debtors in the Chapter 11 Cases, or (d) constitute a release or indemnification by the Debtors, the Estates or any other party pursuant to this Plan.

### ARTICLE XI ADMINISTRATIVE PROVISIONS

#### 11.1 *Retention of Jurisdiction by the Bankruptcy Court*

This Plan shall not in any way limit the Bankruptcy Court's post-confirmation jurisdiction as provided under the Bankruptcy Code. Pursuant to §§ 105(a) and 1142, the Bankruptcy Court shall retain and have exclusive jurisdiction (to the extent granted by applicable law, including any provisions permitting mandatory or discretionary withdrawal of such jurisdiction) over any matter arising out of or related to the Chapter 11 Cases and this Plan, including the following:

(a) all matters relating to the assumption or rejection or the assumption and assignment of Executory Contracts, or Claims or disputes relating thereto;

(b) all matters relating to the ownership of a Claim or Interest;

(c) all matters relating to the Distribution to holders of Allowed Claims and to the determination of whether a claim is Allowed or Disallowed;

(d) all matters relating to or arising in connection with the allowance or estimation of Claims filed, both before and after the Confirmation Date, including any objections to the classification of any Claim;

(e) to enter and implement such orders as may be appropriate if the Confirmation Order is for any reason stayed, revoked, modified and/or vacated;

(g) all matters relating to the construction and implementation of this Plan and the provisions thereof, and to hear and determine all requests for orders in aid of execution, implementation or consummation of this Plan;

(h) all matters relating to disputes arising in connection with the interpretation, implementation or enforcement of this Plan or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with this Plan;

(i) to consider any modifications of this Plan, to cure any defect or omission or to reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order;

(j) all applications for allowance of compensation and reimbursement of Professional Fee Claims under §§ 328, 330, 331, 503(b), 1103 or 1129(a)(4);

(k) to hear and determine all motions or requests for the payment of Claims entitled to priority under § 507(a)(2), including compensation and reimbursement of expenses of parties entitled thereto;

(l) all Causes of Action, Avoidance Actions and other suits and adversary proceedings to recover assets by the Reorganized Debtors pursuant to the terms of this Plan, as successor-in-interest to any of the Debtors and property of the Estates, wherever located, and to adjudicate any and all other Causes of Action, Avoidance Actions, suits, adversary proceedings, motions, applications and contested matters that may be commenced or maintained pursuant to the Chapter 11 Cases or this Plan, proceedings to adjudicate the allowance of Disputed Claims, and all controversies and issues arising from or relating to any of the foregoing;

(m) all matters concerning state, local and federal taxes in accordance with §§ 346, 505 and 1146;

(n) all matters relating to the administration and operation of the Liquidating Trustee (the Liquidating Trustee under the Trust Agreement shall consent to the Bankruptcy Court's jurisdiction over the Liquidating Trustee in such capacity);

(o) any other matter not inconsistent with the Bankruptcy Code;

(p) all disputes involving the existence, nature or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee benefit program, regardless of whether such

termination occurred prior to or after the Effective Date;

(q) to enter the Final Decree closing the Chapter 11 Cases; and

(r) to enforce all orders previously entered by the Bankruptcy Court.

#### 11.2 *Payment of Statutory Fees*

All fees incurred pursuant to 28 U.S.C. § 1930 on or prior to the Effective Date shall be paid on or before the Effective Date consistent with the requirements of 28 U.S.C. § 1930 and section 3.2(b) of the Plan. All fees incurred pursuant to 28 U.S.C. § 1930 after the Effective Date shall be paid by the Reorganized Debtors consistent with the requirements of 28 U.S.C. § 1930.

#### 11.3 *Headings*

The headings of the articles, paragraphs and sections of this Plan are inserted for convenience only and shall not affect the interpretation hereof.

#### 11.4 *Binding Effect of Plan*

Except as otherwise provided in § 1141(d)(3) on and after the Effective Date, the provisions of this Plan shall bind the Reorganized Debtors, any Holder of a Claim against, or Interest in, the Debtors, the Estates and their respective successors or assigns, whether or not the Claim or Interest of such Holders is Impaired under this Plan and whether or not such Holder has accepted this Plan. The rights, benefits and obligations of any entity named or referred to in this Plan, including the rights of the Liquidating Trustee to enforce the provisions of the Plan on behalf of holders of Class 6 Claims, whose actions may be required to effectuate the terms of this Plan, shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor or assign of such entity (including the Reorganized Debtors and any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

#### 11.5 *Final Order*

Except as otherwise expressly provided in this Plan, any requirement in this Plan for a Final Order may be waived by the Debtors, the Prepetition Lender and DIP Lender upon written notice to the Bankruptcy Court, provided that the Effective Date shall occur within 48 hours of the effectiveness of such waiver. No such waiver shall prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

#### 11.6 *Governing Law*

Except to the extent a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless specifically stated, the rights, duties and obligations arising under this Plan, any agreements, documents and instruments executed in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control), and, with respect to the Debtors incorporated or organized in Delaware, corporate and limited liability company governance matters shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to conflicts of law principles.

#### 11.7 *Plan Supplement*

The Plan Supplement and the documents contained therein shall be in form, scope and substance satisfactory to the Debtors and the Prepetition Lender and DIP Lender and shall be filed with the Bankruptcy Court no later than ten (10) days before the deadline for voting to accept or reject the Plan, provided that the documents included therein may thereafter be amended and supplemented prior to execution, so long as no such amendment or supplement materially affects the rights of holders of Claims or Interests, and provided further that amendment of the Assumed Contract Schedule shall be governed by Article VII of this Plan. The Plan Supplement and the documents contained therein are incorporated into and made a part of the Plan as if set forth in full herein.

#### 11.8 *Severability*

After the Effective Date, should the Bankruptcy Court or any other court of competent jurisdiction determine that any provision in this Plan is either illegal on its face or illegal as applied to any Claim, such provisions shall be unenforceable either as to all Holders of Claims and Interests or as to such Holder as to which the provision is illegal, respectively. Such a determination of unenforceability shall in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

#### 11.9 *Revocation*

The Debtors reserve the right to revoke and withdraw this Plan prior to the Confirmation Date. If the Debtors revoke or withdraw this Plan, then this Plan shall be null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, or be deemed an admission by the Debtors.

#### 11.10 *Substantial Consummation*

On the Effective Date, for purposes of § 1127(b) and other applicable sections of the Bankruptcy Code, the Plan shall be deemed to be substantially consummated as such term is defined in § 1101.

#### 11.11 *Conflict*

In the event and to the extent any provision of this Plan is inconsistent with any provision of the Disclosure Statement, the provisions of this Plan shall control and take precedence. The terms of the Confirmation Order shall govern in the event of any inconsistency with the Plan or the summary of the Plan set forth in the Disclosure Statement.

#### 11.12 *Amendments and Modifications*

The Debtors and the Prepetition Lender jointly may agree to alter, amend or modify this Plan under § 1127(a) at any time prior to the Confirmation Hearing. After the Confirmation Date and prior to "substantial consummation" (as such term is defined in § 1101(2)) any Debtor, the Committee or the Reorganized Debtors may institute proceedings in the Bankruptcy Court pursuant to § 1127(b) to remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of this Plan, by the filing of a motion on notice to those parties set forth in Bankruptcy Rule 2002, and the solicitation of all Holders of Claims and

Interests and other parties-in-interest shall not be required. Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court, provided that such technical adjustments and modifications do not adversely affect in a material way the treatment of Holders of Claims or Interests.

#### 11.13 *Notices*

Any notices required under this Plan or any notices or requests by parties in interest under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

(a) To the Debtors:

Pachulski, Stang, Ziehl & Jones LLP  
Attn: Laura Davis Jones, Esq.  
919 North Market Street, 17th Floor  
Wilmington, Delaware  
Telephone: (302) 652-4100  
Facsimile: (302) 652-4400

(b) To the Prepetition Lender and the DIP Lender:

DLA Piper LLP (US)  
Attn: Richard A. Chesley, Esq.  
Attn: Matthew M. Murphy, Esq.  
203 North LaSalle Street, Suite 1900  
Chicago, Illinois 60601-1293  
Telephone: (312) 368-4000  
Facsimile: (630) 630-5330

and

DLA Piper LLP (US)  
Attn: Stuart Brown, Esq.  
919 N. Market Street, 15th Floor  
Wilmington, Delaware 19801  
Telephone: (302) 468-5700  
Facsimile: (302) 778-7913

#### 11.14 *Filing of Additional Documents*

On or before substantial consummation of this Plan, and without the need for any further order or authority, the Debtors may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

#### 11.15 *Direction to a Party*

From and after the Effective Date, the Reorganized Debtors may apply to the Bankruptcy Court for the entry of an order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by this Plan, and to perform any other act (including the satisfaction of any lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of this Plan.

Dated: June 21, 2012  
Wilmington, Delaware

Respectfully submitted,

PRINCE SPORTS, INC.

By: /s/ \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PRINCE SPORTS ACQUISITION HOLDINGS  
CORPORATION

By: /s/ \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PRINCE SPORTS HOLDINGS, LLC

By: /s/ \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PRINCE SPORTS MANAGEMENT HOLDINGS,  
LLC

By: /s/ \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_