IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
PRINCE SPORTS, INC., *et al.*, [1]	)	**Case No. 12-11439(KJC)**
	)	
	)	**(Jointly Administered)**
	)	
Debtors.	)	**Related Docket Nos. 17, 36, 137, 139, 232**

FINAL ORDER (I) AUTHORIZING DEBTORS (A) TO OBTAIN POSTPETITION FINANCING AND (B) TO UTILIZE CASH COLLATERAL, AND (II) GRANTING ADEQUATE PROTECTION

Upon the motion (the "Motion") of Prince Sports, Inc., Prince Sports Holdings, LLC, Prince Sports Management Holdings, LLC, and Prince Sports Acquisition Holdings Corporation (together, the "Debtors") filed on the Petition Date (as defined herein) seeking entry of an interim order (the "Interim Order") and this final order (the "Final Order"), *inter alia,* (a) authorizing the Debtors to obtain up to Two Million Five Hundred Thousand ($2,500,000.00) Dollars of secured postpetition financing, (the "DIP Facility"), pursuant to the terms and conditions of that certain DIP Amendment[2] (as the same may be amended, supplemented, restated or otherwise modified from time to time) in the form attached hereto as Exhibit A, (b) authorizing the Debtors to execute the DIP Documents and to perform such other acts as may be necessary or desirable in connection with the DIP Documents, (c) subject to the Carve-Out (as defined herein) and the limitations provided for herein, granting the DIP Lender first-priority security interests in and liens on all of the DIP Collateral (as

[1] The Debtors in these Chapter 11 Cases and the last four digits of each Debtor's 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.

[2] Any defined term used herein and not defined herein shall have the respective meaning ascribed to such term in the Credit Agreement (as defined herein), as amended by the Third (DIP) Amendment Agreement to Amended and Restated Credit Agreement dated as of the date hereof (the "DIP Amendment" and collectively with the Credit Agreement, the "DIP Documents").

defined herein) on account of the DIP Facility and all Obligations owing thereunder and under the DIP Documents (collectively, the "DIP Obligations"), (d) subject to the Carve-Out and the limitations provided for herein, granting allowed superpriority administrative expense claims to the DIP Lender, (e) authorizing the use of certain Cash Collateral (as defined herein), (f) providing adequate protection to the Prepetition Lender; and due notice of the hearing (the "Interim Hearing") to consider entry of the Interim Order having been given and the Interim Hearing having been held on May 2, 2012 and the Interim Order having been entered on May 2, 2012; and due notice of the hearing (the "Final Hearing") to consider entry of the Final Order having been given and the Final Hearing having been held on June 19, 2012; and based upon all of the pleadings filed with the Court, the evidence presented at the Interim Hearing and the Final Hearing and the entire record herein and in consideration of the global settlement among the Debtors, the Prepetition Lender and the DIP Lender, and the Committee (as defined herein) as set forth on the record at the Final Hearing; and Prepetition Lender having consented to the Debtors' use of Cash Collateral, the execution and delivery by the Debtors of the DIP Documents, the granting of liens and claims contemplated thereby, and the performance by the Debtors of their obligations thereunder and hereunder; and the Court having heard and resolved or overruled all objections to the final relief requested in the Motion; and the Court having noted the appearances of all parties in interest; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors; and after due deliberation and consideration, and sufficient cause appearing therefor:

IT IS HEREBY FOUND:[3]

[3] Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

A. Petition Date. On May 1, 2012 (the "Petition Date"), the Debtors commenced their chapter 11 cases (collectively, the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors are operating their businesses and managing their affairs 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. A committee of unsecured creditors (the "Committee") was appointed on May 14, 2012.

B. Jurisdiction; Venue. The Court has jurisdiction over the Chapter 11 Cases, the parties, and the Debtors' property pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(D). Venue of the Chapter 11 Cases and the Motion is proper under 28 U.S.C. §§ 1408 and 1409.

C. Prepetition Loan Documents. The prepetition facility consists of the Amended and Restated Credit Agreement dated as of June 14, 2011 among the Debtors, as borrower, ABG-Prince, LLC ("Prepetition Lender"), as successor-in-interest to General Electric Capital Corporation as agent, syndication agent and lender and the other lenders from time to time party thereto, as lender (as amended as of the Petition Date, the "Credit Agreement" or the "Prepetition Facility").

D. Prepetition Lender Claims. For purposes of this Interim Order, the terms "Prepetition Lender Claims" shall mean all amounts owed, as of the Petition Date, under the Prepetition Facility and "Prepetition Obligations" shall mean all Obligations, as defined in the Credit Agreement, owing by the Debtors as of the Petition Date. The Debtors assert that the Prepetition Lender Claims are in an amount not less than $66 million.

E. Prepetition Liens. To secure the Prepetition Lender Claims pursuant to

that certain Amended and Restated Guaranty and Security Agreement, dated as of June 14, 2011, among Debtors and DIP Lender, as successor-in-interest to General Electric Capital Corporation, as agent, and other Collateral Documents (collectively, the "Prepetition Security Agreement"), the Debtors assert that they granted the Prepetition Lender liens and security interests (the "Prepetition Liens") upon and in the Collateral as defined in the Credit Agreement and Collateral Documents, comprising substantially all of the Debtors' property and assets, including, without limitation, real property, Pledged Stock, equipment, inventory, tax refunds, insurance proceeds, accounts receivable, instruments, chattel paper, general intangibles, contracts, documents of title, and all other tangible and intangible personal property and the proceeds and products thereof (the "Prepetition Collateral"). Subject to the entry of an order confirming the Second Amended Plan of Reorganization filed by the Debtors on June 21, 2012 ("Plan"), the Debtors, for themselves and their estates, which shall be binding on all creditors of the Debtors and their estates, stipulate that the Prepetition Liens and Prepetition Lender Claims are valid, binding, enforceable, unavoidable and not subject to any equitable relief adverse to the interests of the Prepetition Lender.

F. Cash Collateral. For purposes of this Final Order, the term "Cash Collateral" shall mean and include all "cash collateral," as defined in section 363 of the Bankruptcy Code, in which the DIP Lender or the Prepetition Lender asserts a lien, security interest or other similar interest (including, without limitation, the Replacement Liens and DIP Liens) whether existing on or after the Petition Date, arising pursuant to the DIP Documents, this Final Order or otherwise, and shall include, without limitation, (i) all cash proceeds arising from the collection, sale, lease or other disposition, use or conversion of any Prepetition Collateral or DIP Collateral (as defined herein) or pursuant to an order of the

Court or applicable law or otherwise, and whether such property has been converted to cash, existed as of the Petition Date, or arose or was generated thereafter, and (ii) all of the respective deposits and refund claims (excluding professionals' retainers) of the Debtors, if any, upon which the DIP Lender or the Prepetition Lender asserts a Prepetition Lien or DIP Lien or Replacement Lien, whether as part of the Prepetition Collateral, DIP Collateral or pursuant to an order of the Court or applicable law or otherwise.

G. Purpose and Necessity of Financing & Use of Cash Collateral. The Debtors require the financing described in the Motion to operate their businesses and to fund, among other things, ongoing working capital requirements of the Debtors consistent with the terms set forth in the DIP Documents, and for other purposes permitted by the DIP Documents. If the Debtors do not obtain authorization to borrow under the DIP Documents, the Debtors will suffer irreparable harm. The Debtors believe that, given the existence of the Prepetition Lender Claim and the Prepetition Liens, that they would be unable to obtain adequate unsecured credit allowable as an administrative expense under section 503 of the Bankruptcy Code, or other financing under sections 364(c) or (d) of the Bankruptcy Code, on equal or more favorable terms than those set forth in the DIP Documents based on the totality of the circumstances. The Debtors further believe that for these same reasons, a loan facility in the amount provided by the DIP Documents would not be available to the Debtors without granting such other DIP lender superpriority claims, liens priming the Prepetition Liens, and security interests, pursuant to sections 364(c)(1), (2), and (3), and 364(d) of the Bankruptcy Code, such terms being less favorable than the DIP Facility, as provided in this Final Order and the DIP Documents. After considering all available alternatives in light of the capital structure of the Debtors and that certain DIP Collateral is located outside of the

jurisdiction of this Court, the Debtors have concluded, in the exercise of their prudent business judgment, that the DIP Facility provided under the DIP Documents represents the best working capital financing available to them at this time.

H. Good Cause Shown. Good cause has been shown for entry of this Final Order. The ability of the Debtors to obtain sufficient working capital and liquidity under the DIP Documents and use of Cash Collateral is vital to the Debtors' estates and creditors. The liquidity to be provided under the DIP Documents and through the use of the Cash Collateral will enable the Debtors to continue to operate their businesses in the ordinary course and preserve the value of the Debtors' businesses. Among other things, entry of this Final Order is intended to maximize the value of the Debtors' assets and to avoid irreparable harm to, and is in the best interests of, the Debtors, their estates and their creditors. The Debtors' estates will be irreparably harmed if this Final Order is not entered.

I. Section 506(c) Waiver. In light of (i) the DIP Lender's agreement to subordinate the DIP Liens and Superpriority Claim to the Carve-Out and to finance the Chapter 11 Cases in accordance with the Budget (as defined herein) and (ii) the Prepetition Lender's agreement to consent to the Debtors' use of certain Cash Collateral, to subordinate the Prepetition Liens, Replacement Liens, and Adequate Protection Superpriority Claim to the Carve-Out and to allow the DIP Liens to attach to the Prepetition Collateral, the DIP Lender and the Prepetition Lender are each granted a waiver of any rights, claims and causes of action under the provisions of section 506(c) of the Bankruptcy Code or any other statute or applicable law seeking to surcharge the Prepetition Collateral or the DIP Collateral, or to assert damages or obtain a judgment against the Prepetition Lender or DIP Lender for any costs of administration of the Chapter 11 Cases.

J. Good Faith. Based upon the record before the Court, the DIP Documents have been negotiated in good faith and at arm's-length among the Debtors and the DIP Lender. Any DIP Loans and other financial accommodations made to the Debtors by the DIP Lender pursuant to this Final Order and the other DIP Documents shall be deemed to have been extended by the DIP Lender in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and the DIP Lender shall be entitled to all protections afforded thereby.

K. Fair Consideration & Reasonably Equivalent Value. The Debtors will receive and have received fair and reasonable consideration in exchange for access to the DIP Loans, the use of Cash Collateral, and all other financial accommodations provided under the DIP Documents and this Final Order. The terms of the DIP Documents are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

L. Entry of Final Order. The Debtors have requested entry of this Final Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). This Court concludes that entry of this Final Order, permission granted herein to enter into the DIP Documents and to obtain funds thereunder is necessary to avoid irreparable harm to the Debtors. This Court concludes that entry of this Final Order is in the best interests of the Debtors' respective estates and creditors as its implementation will, among other things, allow for access to the financing necessary for the continued flow of supplies and services to the Debtors necessary to sustain the operation of the Debtors' existing businesses and further enhance the Debtors' prospects for a successful restructuring.

M. Consent. The Prepetition Lender has consented to the Debtors' use of

Cash Collateral, the execution and delivery by the Debtors of the DIP Facility, the granting of the liens and claims contemplated thereby, and the performance by the Debtors of their obligations thereunder.

Based upon the foregoing findings and conclusions, and upon the record of these cases and made before this Court at the Interim Hearing and Final Hearing, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Disposition. The Motion is granted on the terms set forth in this Final Order. Any objection to the final relief sought in the Motion that has not previously been withdrawn or resolved is hereby overruled on its merits. This Final Order shall be valid, binding on all parties-in-interest, and fully effective immediately upon entry notwithstanding the possible application of Bankruptcy Rules 6004(h), 7062, and 9014.

DIP FINANCING AUTHORIZATION

2. Authorization to Obtain Financing & Use of Cash Collateral.

(a) The Debtors are hereby authorized to obtain postpetition financing (the "DIP Loans") immediately pursuant to the terms of the DIP Documents, this Final Order and subject to the terms of the Budget (in the form attached hereto as Exhibit B, and as the same may be amended from time to time in accordance with the DIP Documents and section 26 of this Final Order (the "Budget"), in the aggregate principal amount of up to $2,500,000, and discretionary DIP Loans, in DIP Lender's absolute and sole discretion, for use to fund the Debtors' subsidiaries operating outside the United States (the "Foreign Subsidiary Facility") in an aggregate principal amount of up to $250,000. Available financing and advances under the DIP Facility shall be made to fund, in accordance with the Budget and the DIP

Documents, ongoing working capital requirements of the Debtors consistent with the Budget and the terms set forth in the DIP Documents, fees, and expenses in accordance with this Final Order, or the DIP Documents, and any other amounts required or allowed to be paid in accordance with this Final Order, including the costs of administration of the Chapter 11 Cases, but only as authorized by the DIP Documents and subject in all respects to the Budget. The Obligations outstanding under the Prepetition Facility shall remain Prepetition Obligations and shall not be deemed to constitute DIP Obligations under the DIP Facility, that is, the DIP Amendment does not effectuate a "roll-up" of debt under the Prepetition Facility.

(b) The Debtors are authorized to use Cash Collateral subject to and in accordance with the terms, conditions, and limitations set forth in this Final Order, the Budget and the DIP Documents, without further approval by the Court. To the extent that the Debtors have Cash Collateral available in excess of the amounts in the Budget for any period (plus applicable variances), the Debtors are authorized to pay such Cash Collateral to the Prepetition Lender to be applied to the Prepetition Obligations as and when requested by the Prepetition Lender.

(c) Any receipt by the Debtors of property or Cash from their non-Debtor subsidiaries and affiliates shall be accounted for as repayment of intercompany obligations owing by such non-Debtor subsidiary or affiliate to the Debtors, shall be paid to the Prepetition Lender and applied to reduce the Prepetition Obligations.

3. Authority to Execute and Deliver Necessary Documents.

(a) Each of the Debtors is authorized to negotiate, prepare, enter into, and deliver the DIP Documents, including any amendments thereto. Each of the Debtors is further authorized and directed to negotiate, prepare, enter into and deliver any Collateral

Documents, including any UCC financing statements, pledge and security agreements, and mortgages or deeds of trust encumbering all of the DIP Collateral and securing all of the Debtors' obligations under the DIP Documents, including repayment of all DIP Obligations in cash, that are requested by the DIP Lender.

(b) Each of the Debtors is further authorized to (i) perform all of its obligations under the DIP Documents, and such other agreements as may be required by the DIP Lender to give effect to the terms of the financing provided for therein and in this Final Order, and (ii) perform all acts required under the DIP Documents and this Final Order.

(c) Upon the request of the DIP Lender, the Prepetition Lender is authorized to make, execute and deliver such instruments (in each case without representation or warranty of any kind) to enable the DIP Lender to further perfect, preserve, and enforce the DIP Liens (as defined herein).

4. Valid & Binding Obligations. All obligations under the DIP Documents shall constitute valid and binding obligations of each of the Debtors, enforceable against each of them and each of their successors and assigns, in accordance with their terms and the terms of this Final Order, and no obligation, payment, transfer or grant of a security interest under the DIP Documents or this Final Order shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under section 502(d) of the Bankruptcy Code) or subject to any avoidance, reduction, set off, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses or any other challenges under the Bankruptcy Code or any applicable law or regulation by any person or entity.

5. Termination of DIP Documents and Cash Collateral Usage. Notwithstanding

anything in this Final Order to the contrary, and subject to the Carve-Out, the DIP Lender's DIP Commitment and the Debtors' authority to use Cash Collateral shall automatically terminate without any further action by this Court, the DIP Lender or the Prepetition Lender, and DIP Loans advanced under the DIP Facility will be repaid in full in cash together with all accrued interest, fees, costs, and expenses owing to the DIP Lender, upon the earliest to occur of any of the following (the "Termination Date"): (i) August 20, 2012 (the "Scheduled Maturity Date"); (ii) the date of final indefeasible payment and satisfaction in full in cash of all DIP Obligations and the termination of the DIP Commitment under the DIP Facility; (iii) the effective date of any confirmed plan in the Chapter 11 Cases; (iv) immediately upon receipt of written notice to the Debtors, the Office of the U.S. Trustee and any Committee, of the occurrence of any violation by the Debtors of this Interim Order, or any Event of Default under the DIP Documents, including, without limitation, noncompliance with any covenant or any representation and warranty proving incorrect when made, which breach is not cured within the time periods set forth in the DIP Documents (including, without limitation, the covenants in Section 4.19 of the DIP Documents); (v) the dismissal of the Chapter 11 Cases or the conversion of the Chapter 11 Cases into cases under chapter 7 of the Bankruptcy Code; (vi) a trustee or an examiner with enlarged powers (beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code) relating to the operation of the business of any Debtor is appointed in the Chapter 11 Cases without the prior written consent of the DIP Lender (which consent may be withheld in its sole discretion), or any Debtor applies for, consents to, acquiesces in or fails to object to, any such appointment without the prior written consent of the DIP Lender (which consent may be withheld in its sole discretion); (vii) this Final Order is stayed, reversed, vacated, amended or otherwise modified in any respect

without the prior written consent of the DIP Lender; (viii) this or any other Court enters an order or judgment modifying, limiting, subordinating or avoiding or not enforcing the priority of the DIP Obligations, including, without limitation, the DIP Lender's Superpriority Claim (as defined herein), or the perfection, priority or validity of the DIP Liens or imposing, surcharging or assessing against the DIP Lender or any DIP Collateral, or the Prepetition Lender or any Prepetition Collateral, any costs or expenses, whether pursuant to section 506(c) of the Bankruptcy Code or otherwise; (ix) any breach of the adequate protection provisions set forth in this Final Order and the DIP Documents and that is not cured within five (5) business days after the Debtors' receipt of written notice; or (x) such earlier date on which the DIP Loans shall become due and payable in accordance with the terms of this Final Order and/or the DIP Documents. The Scheduled Maturity Date may be extended by the DIP Lender in its sole and absolute discretion.

6. Authorization for Payment of DIP Financing Fees & Expenses. All fees paid and payable, and costs and/or expenses reimbursed or reimbursable (including, without limitation, all fees, costs and expenses referred to in the DIP Documents and the DIP Lender's reasonable attorneys' fees and expenses) in connection with the financing approved by this Final Order and as set forth in the DIP Documents, by the Debtors to the DIP Lender are hereby approved. The Debtors are hereby authorized and directed to pay all such fees, costs, and expenses in accordance with the terms of the DIP Documents and this Final Order, without the Debtors, the DIP Lender or the DIP Lender's counsel having to file any further application with the Court for approval or payment of such fees, costs or expenses. Notwithstanding any provision of the Budget, the Debtors shall promptly pay the fees, costs and expenses of the DIP Lender and the Prepetition Lender within 10 days following the

submission of written invoices. The Debtors shall pay all prepetition and postpetition out of pocket costs and expenses of the DIP Lender and Prepetition Lender (including all reasonable fees, expenses and disbursements of outside counsel and consultants) in connection with the preparation, execution and delivery of the DIP Documents and the funding of all DIP Loans under the DIP Facility, the administration of the DIP Facility and any amendment or waiver of any provision of the DIP Documents, and in connection with the enforcement or protection of any of their rights and remedies under the Prepetition Facility and the DIP Facility. Notwithstanding anything to the contrary herein, the fees, costs and expenses of the DIP Lender and Prepetition Lender, whether incurred prior to or after the Petition Date, including, without limitation, all fees referred to in the DIP Documents and all reasonable attorneys' fees and expenses, shall be deemed fully earned, non-refundable, and irrevocable as of the date of this Final Order. None of the DIP Lender's, nor the DIP Lender's or Prepetition Lender's attorneys, financial advisors and accountants', fees and disbursements shall be subject to the prior approval of this Court or the United States Trustee Guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court. Notwithstanding the foregoing, the Debtors shall, promptly after payment of invoices for any such fees and disbursements, provide copies of same to the Office of the U.S. Trustee, and counsel for any Committee appointed in these Chapter 11 Cases.

7. Amendments, Consents, Waivers, and Modifications,

(a) The Debtors, with the express written consent of the DIP Lender and Prepetition Lender, may enter into any non-material amendments, consents, waivers or modifications to the DIP Documents without the need for further notice and hearing or any

order of this Court, *provided, however*, that the Debtors shall provide the Office of the U.S. Trustee and counsel to any Committee appointed in these cases with three (3) business days advance notice (which may be provided through electronic mail) of their intent to enter into any non-material amendments, consents, waivers or modifications to the DIP Documents. Unless the Office of the U.S. Trustee or the Committee shall object in writing to such amendment, consent, waiver or modification prior to the expiration of the three (3) business day period, such amendment, consent, waiver or modification shall become effective in accordance with its terms without further order of the Court.

(b) The Debtors and the DIP Lender and the Prepetition Lender may enter into material amendments, consents, waivers or modifications to the DIP Documents only upon the entry of a further order of this Court after notice and a hearing, *provided, however*, that ten (10) days notice of any such request shall be sufficient unless such time is shortened by order of the Court.

GRANTING OF DIP LIENS AND SUPERPRIORITY CLAIMS TO THE DIP LENDER

8. DIP Lender's Lien Priority.

(a) To secure the DIP Obligations, the DIP Lender is hereby granted valid, enforceable and fully perfected, liens on and security interests (collectively, the "DIP Liens") (i) of equal priority with the Prepetition Liens in all of the Prepetition Collateral property, assets or interests in property or assets of each Debtor, and all "property of the estate" (within the meaning of the Bankruptcy Code) of each Debtor, of any kind or nature whatsoever, real or personal, tangible or intangible or mixed, existing as of the Petition Date or thereafter acquired or created, including, without limitation, Cash Collateral, all accounts, including, without limitation, all claims of the Debtors against non-Debtor subsidiaries and affiliates,

receivables, inventory, goods, contracts, contract rights, investment property, instruments, documents, chattel paper, patents, trademarks, copyrights, and licenses therefor, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, letter-of-credit rights, supporting obligations, machinery and equipment, real property (including all facilities), fixtures, leases (and proceeds from the Disposition thereof), all of the issued and outstanding capital stock entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)), and all of the issued and outstanding capital stock not entitled to vote (within the meaning of Treas. Reg. Section 1 .956-2(c)(2)) of each subsidiary of such Debtor, all of the capital stock of all other Persons that are not subsidiaries directly owned by such Debtor, including 100% of the Pledged Stock (as defined in the DIP Documents), money, investment property, deposit accounts, all commercial tort claims, all causes of action arising under the Bankruptcy Code or otherwise, and all proceeds, products, rents and profits of all of the foregoing and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of any of the collateral described above, with the exception of all claims, causes of action and recoveries realized pursuant to sections 542, 544, 545, 547, 548, 549, 550, 551, 553(b) or 724(a) of the Bankruptcy Code (the "Avoidance Actions"), and (ii) first in priority in all property that was unencumbered as of the Petition Date (collectively, the "DIP Collateral"), *provided,* that the DIP Liens shall be subject and subordinated only to (i) Permitted Liens and, (ii) the Carve-Out.

(b) The DIP Liens shall be effective and perfected *nunc pro tunc* to the Petition Date upon the entry of this Final Order and except as otherwise provided herein, shall not at any time be made subject or subordinated to, or made *pari passu* with any other lien, security interest or claim existing as of the Petition Date, or created under sections 363

or 364(d) of the Bankruptcy Code or otherwise other than Permitted Liens. Until all Prepetition Obligations under the Prepetition Facility are paid in full, the DIP Liens securing the DIP Obligations under the DIP Facility, pursuant to sections 364(c) and 364(d) of the Bankruptcy Code, shall be on par with all Prepetition Liens on the Prepetition Collateral securing the Prepetition Obligations under the Prepetition Facility, and shall be senior to any liens that are junior to the Prepetition Liens and shall be a first-priority lien on any property and assets of the Debtors as of the Petition Date that were unencumbered.

(c) The DIP Liens shall be and hereby are deemed fully perfected liens and security interests, effective and perfected *nunc pro tunc* to the Petition Date without the necessity of execution or filing by the Debtors of mortgages, security agreements, pledge agreements, financing agreements, financing statements and other agreements or instruments, or taking possession, custody or control of any Prepetition Collateral or DIP Collateral, such that no additional steps need be taken by the DIP Lender to perfect such interests. Any provision of any lease, loan document, easement, use agreement, proffer, covenant, license, contract, organizational document, or other instrument or agreement that requires the consent or approval of one or more landlords, licensors or other parties, or requires the payment of any fees or obligations to any governmental entity, non-governmental entity or any other person, in order for any of the Debtors to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest or the proceeds thereof or other collateral, is and shall be deemed to be inconsistent with the provisions of the Bankruptcy Code, and shall have no force or effect with respect to the transactions granting the DIP Lender, a first priority security interest in such fee, leasehold or other interest or other collateral or the proceeds of any assignment, sale or other transfer thereof, by any of the Debtors in favor of the DIP Lender,

in accordance with the terms of the DIP Documents, except as otherwise provided under applicable non-bankruptcy law.

9. DIP Lender's Superpriority Claim. The DIP Lender is hereby granted an allowed superpriority administrative expense claim (the "Superpriority Claim") pursuant to section 364(c)(1) of the Bankruptcy Code in the Chapter 11 Cases and in any successor cases under the Bankruptcy Code (including a case under chapter 7 of the Bankruptcy Code, the "Successor Cases") for all DIP Obligations, having priority over all other administrative claims and unsecured claims against the Debtors and their estates, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kinds specified in or arising or ordered under sections 105(a), 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113, and 1114 and any other provision of the Bankruptcy Code or otherwise, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof, with the exception of any proceeds or property recovered in connection with the pursuit of Avoidance Actions. The Superpriority Claim granted in this section shall be subject and subordinate in priority of payment only to, payment of the Carve-Out. Except as set forth herein, no other superpriority administrative expense claims shall be granted or allowed in the Chapter 11 Cases.

10. Survival of DIP Liens & Superpriority Claim. The DIP Liens, Superpriority Claim, and other rights and remedies granted under this Final Order to the DIP Lender, shall continue in this and any Successor Cases and shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases and/or upon the conversion or dismissal of the

Chapter 11 Cases or any Successor Cases and such liens and security interests shall maintain their first priority as provided in this Final Order until all the DIP Obligations have been indefeasibly paid in full in cash and the DIP Commitment has been terminated in accordance with the DIP Documents.

GRANTING OF ADEQUATE PROTECTION FOR PREPETITION LENDER

11. Adequate Protection for Prepetition Lender. Subject to the entry of an order confirming the Plan, the Prepetition Liens and Prepetition Lender Claims are determined to be valid, binding, enforceable, unavoidable and not subject to any equitable relief adverse to the interests of the Prepetition Lender. As adequate protection in respect of any diminution of the Prepetition Lender's interest in the Prepetition Collateral resulting from the incurrence of the DIP Obligations, the use of Cash Collateral or the granting of the DIP Liens, or the imposition of the automatic stay, the Prepetition Lender is hereby granted (in each case subject to Permitted Liens, the DIP Liens and the Carve-Out) the following ((a) through (f) below shall be referred to collectively as the "Adequate Protection Obligations"):

(a) Adequate Protection Liens. The Prepetition Lender is hereby granted (effective and perfected *nunc pro tunc* to the Petition Date and without the necessity of execution or filing by the Debtors of mortgages, security agreements, pledge agreements, financing statements, and other agreements or instruments or the Prepetition Lender taking possession of the Prepetition Collateral or DIP Collateral), to the extent of any diminution of the Prepetition Lender's interest in the Prepetition Collateral resulting from the stay under section 362 of the Bankruptcy Code, use, sale or lease under section 363 of the Bankruptcy Code, or grant of a lien under section 364 of the Bankruptcy Code, valid, perfected, postpetition security interests in and liens (the "Replacement Liens") on all the assets and

property of the Debtors including (without limitation) those that fall within the definition of Prepetition Collateral and DIP Collateral, with the exception of Avoidance Actions; *provided, however*, that, notwithstanding anything to the contrary, the Replacement Liens shall be and remain subject and subordinate to (i) the Prepetition Liens and DIP Liens and/or payment of the Prepetition Obligations and the DIP Obligations, (ii) Permitted Liens, and (iii) the Carve-Out.

(b) Adequate Protection Superpriority Claims. The Prepetition Lender is hereby granted an allowed superpriority administrative expense claim (the "Adequate Protection Superpriority Claim") pursuant to section 364(c)(1) of the Bankruptcy Code in the Chapter 11 Cases and in any Successor Cases, to the extent of any diminution of the Prepetition Lender's interest in the Prepetition Collateral resulting from the stay under section 362 of the Bankruptcy Code, use, sale or lease under section 363 of the Bankruptcy Code, or grant of a lien under section 364 of the Bankruptcy Code, having priority over all administrative expense claims and unsecured claims against the Debtors or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or arising or ordered pursuant to sections 105(a), 326, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726, 1113 and 1114 and any other provision of the Bankruptcy Code or otherwise, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof, with the exception of any proceeds recovered in connection with the pursuit of Avoidance Actions. Notwithstanding the foregoing, the Adequate Protection Superpriority Claim granted herein

shall at all times be subject and subordinate in priority of payment to the Superpriority Claim and the Carve-Out.

(c) Payment of Fees and Expenses. Notwithstanding any provision of the Budget, the Debtors shall promptly pay the prepetition and postpetition fees, costs and expenses (including all reasonable fees, expenses and disbursements of outside counsel and consultants) of the Prepetition Lender within 10 days following the submission of written invoices. The Debtors are hereby authorized and directed to pay all such fees, costs and expenses without the Debtors, the Prepetition Lender, or the Prepetition Lender's counsel having to file any application with the Court for approval or payment of such fees, costs or expenses. Notwithstanding the foregoing, the Debtors shall, promptly after payment of such invoices, provide copies of same to the Office of the U.S. Trustee, counsel to the DIP Lender and counsel for any Committee appointed in these cases. The Budget shall include line items for the fees, costs, and expenses of the Prepetition Lender and other Prepetition Obligations owing to the Prepetition Lender; *provided, however*, the Budget shall not limit the Debtors' obligations with respect thereto, any such expense in excess of the Budget shall be paid in full by the Debtors when due and any such payment in excess of the Budget shall not constitute a default under the DIP Facility.

(d) Financial Reporting and Customer Support Information. The Debtors shall provide to the Prepetition Lender (i) copies of all financial reports provided to the DIP Lender pursuant to the reporting requirements of this Final Order and the DIP Documents, (ii) copies of all notices received by the Debtors from the DIP Lender pursuant to the terms of this Final Order or the DIP Documents, and (iii) all written materials received by the Debtors from customers and delivered to the DIP Lender. The foregoing requirements shall be in

addition to delivery by the Debtors to the Prepetition Lender of all financial reports required to be delivered under the Credit Agreement.

(e) Inspections; Appraisals, Audits. The Prepetition Lender shall continue to have all rights with respect to inspections, appraisals, and audits as set forth in the Credit Agreement.

(f) Collateral Access Rights. The Prepetition Lender shall continue to have all rights with respect to access to the Prepetition Collateral.

PROVISIONS RELATING TO THE CARVE-OUT, REMEDIES NOTICE PERIOD & RESTRICTIONS ON THE USE OF FUNDS & CASH COLLATERAL

12. Carve-Out. Payment of any amounts on account of the DIP Obligations, the DIP Liens and the Superpriority Claim, or on account of the Prepetition Obligations, Prepetition Liens, the Replacement Liens or the Adequate Protection Superpriority Claim, shall be subject and subordinate to the payment of the following, in accordance with the Budget (collectively, the "Carve-Out"):

(a) in the event of the occurrence and during the continuance of an Event of Default or other Termination Date, payment of the reasonable fees and disbursements of attorneys, accountants and other professionals retained by the Debtors or Committee under sections 327 or 1103(a) of the Bankruptcy Code (the "Professionals") actually incurred from or after the occurrence of an Event of Default or Termination Date, to the extent allowed and payable under sections 326, 328, 330, and 331 of the Bankruptcy Code (but excluding success, completion or other transaction fees) and any interim procedures order by the Professionals in an aggregate amount not in excess of $100,000;

(b) all reasonable Professionals fees and disbursements incurred on or after

the Petition Date and prior to the occurrence of an Event of Default or Termination Date, limited to the amounts set forth in the Budget, and only to the extent allowed and payable under sections 326, 328, 330 and 331 of the Bankruptcy Code (but excluding success, completion or other transaction fees) and any interim procedures order by the Court at any time, plus retainers;

(c) the payment of fees pursuant to 28 U.S.C. § 1930(a); and

(d) the payment of any fees and expenses owing to the Clerk of this Court.

Notwithstanding the foregoing, as set forth more fully in section 14 of this Final Order, the Carve-Out shall not include any fees or expenses incurred in connection with the commencement or continuation of any action challenging the amount of the Prepetition Obligations or the DIP Obligations, challenging the validity, extent or priority of the Prepetition Liens securing the Prepetition Obligations or the DIP Liens securing the DIP Obligations, or any other action seeking recovery from or equitable relief against the Prepetition Lender or DIP Lender. Notwithstanding any order allowing such fees and expenses in excess of the Budget, the Carve-Out for each Professional is limited to the Budget. The Carve-Out shall be available for each Professional up to the amount set forth in the Budget for such Professional for the period from and after the Petition Date through the occurrence of an Event of Default or other Termination Date, whenever such Professional fees and expenses may be incurred from and after the Petition Date, through the occurrence of an Event of Default or other Termination Date. Any payments to made to, excluding retainers applied by, the Professionals in accordance with any interim procedures order or other order of this Court at any time shall be applied to reduce the Budget and Carve-Out dollar for dollar.

13. Payment of Carve-Out. The DIP Liens and Superpriority Claim of the DIP Lender shall be subject to the prior payment in full of the Carve-Out. The Debtors shall fund the amounts budgeted for the Carve-Out during the weeks set forth in the Budget into a trust account maintained by Debtors' counsel for the benefit of the Professionals and, upon funding such amount, the amount so funded shall remain encumbered by the Prepetition Liens and DIP Liens until indefeasibly paid to the Professionals and be entitled to the protections granted under this Final Order, the DIP Documents, the Bankruptcy Code and applicable law. The DIP Lender shall be entitled to establish and adjust a reserve against the applicable DIP Commitment from time to time in an amount that the DIP Lender determines is the estimated amount of the incurred but unpaid Carve-Out.

14. Restriction on Use of Funds. The Superpriority Claim, the DIP Liens, the Replacement Liens, the Prepetition Liens and the Adequate Protection Obligations shall be senior to, and no proceeds of the DIP Loan, the DIP Collateral, Cash Collateral, or Prepetition Collateral may be used to pay any claims for services rendered by any of the Professionals retained by the Debtors, any creditor or party in interest, any Committee or any other party in connection with the commencement or joinder in any claim, counterclaim, action, proceeding, application, motion, objection, defense or other contested matter against the DIP Lender or the Prepetition Lender in connection with the challenge of any claims or liens arising under or with respect to the DIP Obligations, the Prepetition Lender Claim or the Prepetition Liens. In addition, notwithstanding anything herein to the contrary, no proceeds from the DIP Loans, the DIP Collateral, Cash Collateral, Prepetition Collateral or any portion of the Carve-Out, may be used by any of the Debtors, any Committee, and/or any trustee appointed in the Chapter 11 Cases or Successor Cases, or any other person, party or

entity to (a) pay any work, diligence, commitment or similar fee to any person for the purpose of obtaining postpetition loans or other financial accommodations pursuant to sections 364(c) or (d) of the Bankruptcy Code, or otherwise; (b) join, commence, support or prosecute any action for any claim, counter-claim, action, proceeding, application, motion, objection, defense, or other contested matter seeking any order, judgment, determination or similar relief (including, without limitation, equitable relief) against, or adverse to the interests of, in such capacity, the DIP Lender or the Prepetition Lender, or any of their respective officers, directors, employees, agents, attorneys, affiliates, assigns, or successors, with respect to any transaction, occurrence, omission, or action, including, without limitation, (i) commence or prosecute any action relating to any act, omission or aspect of the relationship between any of the DIP Lender, the Prepetition Lender and their predecessors, and the Debtors and their affiliates in such capacities; (ii) commence or prosecute any action with respect to the enforceability, validity and extent of the DIP Obligations or Prepetition Lender Claim or the perfection, validity, extent, and priority of the DIP Liens or Prepetition Liens or the Replacement Liens; (iii) commence or prosecute any action seeking to invalidate, set aside, avoid or subordinate, in whole or in part, or seeking other equitable relief against any of the DIP Obligations, the DIP Liens, the Prepetition Lender Claim, the Prepetition Liens or the Replacement Liens; and/or (iv) commence or prosecute any action that has the effect of preventing, hindering or delaying (whether directly or indirectly) the DIP Lender or the Prepetition Lender in respect of its liens and security interests in the DIP Collateral, the Cash Collateral or the Prepetition Collateral; and/or (c) pay any Claim (as such terms are defined in the Bankruptcy Code) without the prior written consent of the DIP Lender or the Prepetition Lender, except as provided in the Budget or any order of the Court.

Any claim incurred in connection with any activities described in subsection (b) of this section 14 shall not be paid from any portion of the DIP Loans, the DIP Collateral, Cash Collateral, Prepetition Collateral or the Carve-Out.

15. Prohibition on Charging or Marshalling. No party shall be entitled, directly or indirectly, to direct the exercise of remedies or seek (whether by order of this Court or otherwise) to marshal or otherwise control the disposition of DIP Collateral after an Event of Default, or Termination Date under the DIP Documents. No party shall be entitled, directly or indirectly to charge the Prepetition Collateral, or the DIP Collateral, whether by operation of sections 105, 506(c) or 552(b) of the Bankruptcy Code or otherwise.

16. Prohibition on Granting of Additional Liens & Interests. No liens, claims, interests or priority status, other than the Carve-Out and the Permitted Liens, having a lien or administrative priority superior to, *pari passu* with or junior to that of the DIP Liens, Replacement Liens or the Superpriority Claims granted by this Final Order, shall be granted while any portion of the DIP Obligations remains outstanding, or any DIP Commitment under the DIP Documents remains in effect, without the prior written consent of the DIP Lender.

17. Events of Default. Each of the following shall constitute an Event of Default under the terms of this Final Order: (i) the Debtors shall fail to comply with the Budget (subject to Permitted Variances (as defined herein)), *provided*, that a failure to comply with any Budget line items for receipts shall not be an Event of Default; (ii) the Debtors shall fail to obtain entry of an order approving a disclosure statement on or before June 29, 2012; (iii) the Debtors shall fail to obtain entry of an order confirming a plan on or before August 6, 2012; (iv) the failure of such plan to become effective on or before August 20, 2012; (v) the use by the Debtors of DIP Collateral or Prepetition Collateral not authorized hereby or by the

DIP Documents; (vi) this Final Order shall have been vacated, stayed, amended, modified or reversed (without the consent of the DIP Lender); (vii) an Event of Default under the DIP Documents or this Final Order shall have occurred and be continuing; (viii) the DIP Lender discovers to a reasonable degree of certainty any fraudulent act, fraudulent conduct or fraudulent omission by the Debtors or any foreign subsidiary of the Debtors that could have a material effect on the Debtors' business; (ix) filing of an application for entry of an order approving (a) DIP Collateral (other than any application related to this Final Order) and/or to obtain financing or loans secured by liens which are senior, *pari passu* or junior to the DIP Lender's Liens on DIP Collateral without the prior written consent of the DIP Lender, unless such financing or loans are used to pay indefeasibly the DIP Obligations in full or (b) use of Cash Collateral without the Prepetition Lender's consent; (x) an order authorizing the sale of all or substantially all of the Debtors' assets shall be entered or a plan confirmed in the Chapter 11 Cases that does not provide for payment in full in Cash of the DIP Obligations and Adequate Protection Obligations on the closing date of the sale or the effective date of the plan or an order shall be entered that dismisses the Chapter 11 Cases and which does not provide for the termination of the use of DIP Collateral and the Prepetition Lender's Cash Collateral and payment in full in cash of the DIP Obligations and Adequate Protection Obligations; (xi) failure by the Debtors to make payments of fees, costs and expenses to the DIP Lender and Prepetition Lender when due; (xii) noncompliance by the Debtors with any covenant or any representation and warranty under the DIP Documents proving incorrect when made, including, without limitation, the covenants in Section 4.19 of the DIP Documents; (xiii) conversion of the Chapter 11 Cases to Chapter 7; (xiv) appointment of a Chapter 11 trustee or examiner with expanded powers, or without DIP Lender's prior

consent, a responsible officer; (xv) payments by the Debtors on account of prepetition indebtedness, other than those approved by this Court and as set forth in the Budget; (xvi) granting of relief from the automatic stay in favor of any creditor other than the DIP Lender and the Prepetition Lender to permit foreclosure or repossession on any material assets of the Debtors; (xvii) change of control of the Debtors; (xviii) material provisions of the DIP Documents ceasing to be valid and binding on the Debtors; or (xix) any judgment or order (not covered by insurance) in excess of $25,000 as to any postpetition obligation that is not stayed, vacated or discharged or any non-monetary judgment with respect to a postpetition event, which causes or would reasonably be expected to cause a material adverse change or material adverse effect on the ability of the Debtors to perform their obligations under the DIP Facility.

18. Automatic Stay Modified. The automatic stay provisions of section 362 of the Bankruptcy Code are, to the extent applicable, vacated and modified without further application or motion to, or order from the Court, to the extent necessary so as to permit the following and neither section 105 of the Bankruptcy Code nor any other provision of the Bankruptcy Code or applicable law shall be utilized to prohibit the exercise, enjoyment and enforcement of any of such rights, benefits, privileges and remedies regardless of any change in circumstances (whether or not foreseeable):

(a) Whether or not a Default or an Event of Default under the DIP Documents or a default by any of the Debtors of any of their obligations under this Final Order has occurred the DIP Lender shall have (i) the right to require all cash, checks or other collections or proceeds from DIP Collateral received by any of the Debtors to be deposited as directed by the DIP Lender, and to apply any amounts so deposited and other amounts paid

to or received by the DIP Lender, under the DIP Documents in accordance with any requirements of the DIP Documents, *provided*, that prior to the occurrence of an Event of Default and expiration of any applicable cure or grace period, the Debtors continue to have access to Cash Collateral to fund the Budget, (ii) shall have the right to setoff funds in accounts maintained by the Debtors with the DIP Lender to repay the DIP Obligations, *provided*, that prior to the occurrence of an Event of Default and expiration of any applicable cure or grace period, the Debtors continue to have access to Cash Collateral to fund the Budget, (iii) the right (but not the requirement) to file or record any financing statements, mortgages or other instruments or other documents to evidence the security interests in and liens upon the DIP Collateral, (iv) the right to charge and collect any interest, fees, costs and other expenses accruing at any time under the DIP Documents as provided herein, and (v) the right to give the Debtors any notice provided for in any of the DIP Documents or this Final Order.

(b) Upon the occurrence and during the continuance of an Event of Default, after the passage of any cure or grace period, upon the giving of a minimum of five (5) business days' written notice of default (the "Remedies Notice Period") to the Debtors, the Prepetition Lender (in the event of default declared by the DIP Lender), the DIP Lender (in the event of default declared by the Prepetition Lender), any Committee, the Office of the U.S. Trustee, and any banks maintaining deposit accounts of the Debtors, (a) the DIP Commitment shall be terminated, (b) the Debtors' authority to use Cash Collateral shall cease; (c) the stay shall be deemed terminated as to the DIP Lender and the Prepetition Lender and the DIP Lender and the Prepetition Lender may to exercise all rights and remedies against the DIP Collateral and Prepetition Collateral, respectively; *provided*,

however, that immediately upon the occurrence of an Event of Default, the DIP Lender or Prepetition Lender may charge interest at the default rate set forth in the DIP Documents and Credit Agreement without being subject to the Remedies Notice Period. The DIP Lender and the Prepetition Lender stipulate to the Debtors seeking an expedited hearing before the Court during the Remedies Notice Period. In any hearing during the Remedies Notice Period to maintain the automatic stay or in any other hearing regarding any exercise of rights or remedies by the DIP Lender or Prepetition Lender, the only issue that may be raised by any party in opposition thereto, excluding the Office of the U.S. Trustee, shall be whether, in fact, an Event of Default has occurred and is continuing, and the Debtors hereby waive their rights to seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the DIP Lender and Prepetition Lender set forth in this Final Order or the DIP Documents.

(c) The automatic stay of section 362(a) of the Bankruptcy Code, to the extent applicable, shall be deemed terminated without the necessity of any further action by the Court in the event that the Debtors, the Committee and/or the Office of the U.S. Trustee have not obtained an order from this Court to the contrary prior to the expiration of the Remedies Notice Period. The Debtors, the Committee (if appointed) and/or the Office of the U.S. Trustee shall have the burden of proof at any hearing on any request by them to re-impose or continue the automatic stay of section 362(a) of the Bankruptcy Code or to obtain any other injunctive relief.

(d) Subject to the Remedies Notice Period, the automatic stay pursuant to section 362 of the Bankruptcy Code shall be further modified, to the extent necessary, to permit the DIP Lender and Prepetition Lender without further application or motion to, or

order from the Court, to foreclose or otherwise enforce their security interests in or liens on any or all of the DIP Collateral and Prepetition Collateral, respectively, and/or to exercise any other default-related rights and remedies under the DIP Documents or this Final Order and neither section 105 of the Bankruptcy Code nor any other provision of the Bankruptcy Code or applicable law shall be utilized to prohibit the DIP Lender or Prepetition Lender from exercising or enforcing such default-related rights and remedies, regardless of any change in circumstances (whether or not foreseeable).

(e) This Court shall retain exclusive jurisdiction to hear and resolve any disputes and enter any orders required by the provisions of this Interim Order and relating to the application, re-imposition or continuance of the automatic stay of section 362(a) of the Bankruptcy Code, use of Cash Collateral or other injunctive relief requested.

(f) Upon the occurrence and during the continuance of a default or an Event of Default under the DIP Documents or a default by any of the Debtors of any of their obligations under this Final Order, a violation of the terms of this Final Order, or any other Termination Event, the DIP Lender shall have no further obligation to provide financing under the DIP Documents and the DIP Lender and Prepetition Lender shall have no obligation to permit the continued use of Cash Collateral.

(g) Upon the expiration of the Remedies Notice Period, the DIP Lender may at all times continue to collect and sweep cash as provided herein.

(h) Upon the expiration of the Remedies Notice Period, the automatic stay pursuant to section 362 of the Bankruptcy Code, to the extent applicable, shall be deemed terminated to allow the Prepetition Lender to apply funds held in internal accounts as collateral (which funds shall not constitute Cash Collateral or DIP Collateral unless and until

remitted to the Debtors) toward (i) any liability for letters of credit drawn postpetition, (ii) any liability for the Debtors' credit card balances, and (iii) payment of the Prepetition Lender's professional fees and expenses

ADDITIONAL PROVISIONS COMMON TO DIP FINANCING AND USE OF CASH COLLATERAL AUTHORIZATION

19. Credit Bidding. The DIP Lender and the Prepetition Lender shall have the unqualified ability to credit bid for any assets of the Debtors that are subject to the DIP Liens and Prepetition Liens, respectively, offered at any sale, lease, or other Disposition outside the ordinary course of business, including, without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any reorganization plan subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code; *provided, however*, any rights or defenses of the estates are preserved to challenge the right to credit bid, other than under section 1129(b) of the Bankruptcy Code.

20. DIP Lien Priority. The DIP Liens in the DIP Collateral and Prepetition Liens in the Prepetition Collateral shall not be subject or subordinate to any liens or security interests that are avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors other than Prepetition Liens or any liens or security interests that are otherwise entitled to senior status under applicable non-bankruptcy law.

21. Limitation on Section 506(c) Claims. No costs or expenses of administration

which have been or may be incurred in the Chapter 11 Cases or any Successor Cases at any time shall be charged against, and no person may seek to charge any costs or expenses of administration against the DIP Lender or the Prepetition Lender, any of their respective claims, the DIP Collateral or the Prepetition Collateral pursuant to sections 105, 506(c) or 552 of the Bankruptcy Code or otherwise, without the prior written consent, as applicable, of the DIP Lender or the Prepetition Lender, respectively. No action, inaction or acquiescence by the DIP Lender or the Prepetition Lender shall be deemed to be or shall be considered evidence of any alleged consent to a charge against the DIP Collateral or the Prepetition Collateral.

22. No Marshalling. The DIP Lender shall not be subject to the equitable doctrine of "marshalling" or any other similar doctrine with respect to any of the DIP Collateral.

23. Equities of the Case Waiver. The DIP Lender and the Prepetition Lender shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code. No person may assert an "equities of the case" claim under section 552(b) of the Bankruptcy Code against the DIP Lender or the Prepetition Lender with respect to proceeds, product, offspring or profits of any of the DIP Collateral or the Prepetition Collateral.

24. Application of Collateral Proceeds. To the extent required by this Final Order and the DIP Documents, after an Event of Default and expiration of the Remedies Notice Period, the Debtors are hereby authorized and directed to remit to the DIP Lender and the Prepetition Lender, as the case may be, one-hundred percent (100%) of all collections on, and proceeds of, the DIP Collateral and Prepetition Collateral ratably (net of any trust fund, sales or similar taxes comprising any portion of such collections), including, but not limited to, all

accounts receivable collections, proceeds of sales of inventory, fixed assets, and any other assets, including sales in and outside the ordinary course of business, and all other cash or cash equivalents which shall at any time on or after the Petition Date come into the possession or control of the Debtors, or to which the Debtors shall become entitled at any time, and the automatic stay provisions of section 362 of the Bankruptcy Code are hereby modified to permit the DIP Lender and Prepetition Lender to retain and apply all collections, remittances, and proceeds of the DIP Collateral and Prepetition Collateral in accordance with this Final Order and the DIP Documents to the DIP Obligations and Prepetition Obligations, ratably.

25. Access to Collateral.

(a) Notwithstanding anything contained herein to the contrary, and without limiting any other rights or remedies of the DIP Lender contained in this Final Order or the DIP Documents, or otherwise available at law or in equity, and subject to the terms of the DIP Documents, upon five (5) business days' written notice to the landlord, lienholder, licensor or other third party owner of any leased or licensed premises or intellectual property that a default or an Event of Default under the DIP Documents or a default by any of the Debtors of any of their obligations under this Final Order, a violation of the terms of this Final Order has occurred and is continuing, the DIP Lender (i) may, unless otherwise provided in any separate agreement by and between the applicable landlord or licensor, and the DIP Lender (the terms of which shall be reasonably acceptable to the parties thereto), enter upon any leased or licensed premises of any of the Debtors for the purpose of exercising any remedy with respect to Collateral located thereon and (ii) shall be entitled to all of the Debtors' rights and privileges as lessee or licensee under the applicable license and to use

any and all trademarks, tradenames, copyrights, licenses, patents or any other similar assets of Debtors, which are owned by or subject to a lien of any third party and which are used by Debtors in their businesses, in either the case of subsections (i) or (ii) of this section without interference from lienholders or licensors thereunder, subject to such lienholders or licensors rights under applicable law. Nothing herein shall require the Debtors or the DIP Lender to assume any lease or license under section 365(a) of the Bankruptcy Code as a precondition to the rights afforded to the DIP Lender in this section nor shall anything in this Final Order be deemed to be an assumption, assignment or rejection of any lease or license.

26. Cash Management Systems. The Debtors are authorized and directed to maintain their cash management system in a manner consistent with the DIP Documents, this Final Order, and the order of this Court approving the maintenance of the Debtors' cash management system, *provided, however*, that such order is on terms and conditions acceptable to the DIP Lender and such order is not inconsistent with the terms specified herein or the DIP Documents.

27. Budget Maintenance; Financial Reporting; Permitted Variances.

(a) The Budget shall be in form and substance acceptable to the DIP Lender and approved by the DIP Lender in its sole discretion in writing. The Debtors shall provide the DIP Lender with a weekly variance analysis as set forth in subsection (b) below containing detailed line items of receipts, outstanding loans and expenditures, and shall provide updates to the DIP Lender on a weekly basis and as may be requested by the DIP Lender. The Budget is attached hereto as Exhibit B.

(b) On Wednesday of each week beginning with the week following entry of the Interim Order, the Debtors shall provide to the DIP Lender and Prepetition Lender a

report, in form and substance acceptable to the DIP Lender in its sole and absolute discretion, comparing the Debtors actual financial performance against the Budget for (i) the immediately preceding four week period on a cumulative basis (or from the Petition Date to the extent such period is less than four weeks) and (ii) the immediately preceding week.

(c) The Debtors shall comply with the Budget in all respects, *provided however*, that the Debtors shall be deemed to be in compliance with the Budget so long as, starting with the week ending May 18, 2012 and continuing every week thereafter, aggregate disbursements for the preceding week are not greater than 115% of the aggregate disbursements for such period projected in the Budget, in each case tested on a line item basis, and, in the case of disbursements for Budget line items for "freight", "payroll & benefits", "commissions", "rent", "intercompany transfers", "professional fees", and "capital expenditures", tested cumulatively for the immediately preceding week and four week period (or from the Petition Date to the extent such period is less than four weeks) and, in the case of disbursements for Budget line items for "travel & entertainment", "other", "DIP financing fees", "incentive plan", "reduction in force", and "deposits", tested cumulatively on a rolling four week basis (such variances, the "Permitted Variances").

(d) The DIP Lender and the Prepetition Lender shall have no obligation with respect to the Debtors' use of the Cash Collateral, proceeds of the DIP Loans or DIP Collateral, and shall not be obligated to ensure or monitor the Debtors' compliance with the Budget or to pay (directly or indirectly from their DIP Collateral or Prepetition Collateral) any expenses incurred or authorized to be incurred pursuant to the Budget, other than the Carve-Out. Funds borrowed under the DIP Facility and DIP Collateral used under this Final Order shall be used by the Debtors in accordance with this Final Order. The DIP Lender's

and the Prepetition Lender's consent to the Budget including the rolling thirteen (13) week cash forecasts shall not be construed as a consent to the use of any DIP Collateral or a commitment to continue to provide DIP Loans and consent to use Cash Collateral after the occurrence of an Event of Default or beyond the Termination Date, regardless of whether the aggregate funds shown on the Budget have been expended.

(e) Notwithstanding anything to the contrary in the Motion, the DIP Documents or this Final Order, the Debtors shall not use any Cash Collateral or proceeds of the DIP Facility to pay any expenses of the Debtors' or their foreign non-debtor subsidiaries and affiliates relating to their operations outside of the United States, except with the express prior written consent of the DIP Lender. By way of further explanation of the preceding sentence, and not limitation, the Debtors shall not use any availability under Budget line items "misc.", "other" or other line items for payment of expenses incurred outside of the United States.

28. The Budget may be modified or supplemented from time to time only by written agreement of the DIP Lender, Prepetition Lender and the Debtors without the need of further notice, hearing or order of this Court. A copy of any modifications or supplements will be provided by the Debtors to counsel for the Committee (if any) and the Office of the U.S. Trustee.

29. Access to Books & Records. The Debtors (and/or their legal and financial advisors) will (i) keep proper books, records and accounts in accordance with GAAP as historically applied by the Debtors in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities, (ii) cooperate, consult with, and provide to the DIP Lender and/or Prepetition Lender all such information as required or

allowed under the DIP Documents, the provisions of this Final Order or that is afforded to any Committee and/or such Committee's respective legal or financial advisors upon written request by the DIP Lender, (iii) permit upon one (1) business days notice, representatives of the DIP Lender and/or the Prepetition Lender to visit and inspect any of their respective properties, to examine and make abstracts or copies from any of their respective books and records, to conduct a collateral audit and analysis of their respective inventory and accounts, to tour the Debtors' business premises and other properties, and to discuss, and provide advice with respect to, their respective affairs, finances, properties, business operations and accounts with their respective officers, employees and independent public accountants as often as may reasonably be desired, and (iv) permit representatives of the DIP Lender and/or Prepetition Lender to consult with and advise the Debtors' management on matters concerning the general status of the Debtors' business, financial condition and operations.

30. DIP Lender and Prepetition Lender Not Responsible Persons. In (a) making the decision to make the DIP Loans; (b) administering the DIP Loans; (c) extending other financial accommodations to the Debtors under the DIP Documents and approving or commenting on proposed Budgets; (d) making the decision to collect the Prepetition Obligations and DIP Obligations of the Debtors under the Prepetition Facility and DIP Facility, respectively; and (e) consenting to the use of Cash Collateral, neither the DIP Lender nor the Prepetition Lender shall be considered to be exercising control over any operations of the Debtors or acting in any way as a responsible person, or as an owner or operator under any applicable law.

31. Successors and Assigns. The DIP Documents and the provisions of this Final Order shall be binding upon and inure to the benefit of the Debtors, the DIP Lender and the

Prepetition Lender, and each of their respective successors and assigns including, without limitation, any trustee, responsible officer, estate administrator or representative, or similar person appointed in a case for any Debtor under any chapter of the Bankruptcy Code or other applicable law. The provisions of this Final Order shall also be binding on all of the Debtors' creditors, equity holders, and all other parties in interest.

32. Binding Nature of Agreement. Each of the DIP Documents to which any of the Debtors are or will become a party shall constitute legal, valid, and binding obligations of the Debtors party thereto, enforceable in accordance with their terms. The DIP Documents have been properly executed and delivered to the DIP Lender by the Debtors, no later than one day after entry of the Interim Order. Except as otherwise expressly provided herein, the rights, remedies, powers, privileges, liens, and priorities of the DIP Lender provided for in this Final Order and in the DIP Documents shall not be modified, altered or impaired in any manner by any subsequent order (including a confirmation order), by any plan of reorganization or liquidation in the Chapter 11 Cases, by the dismissal or conversion of the Chapter 11 Cases or in any subsequent case under the Bankruptcy Code unless and until the DIP Obligations have first been indefeasibly paid in full in cash and completely satisfied and the commitments terminated in accordance with the DIP Documents.

33. Subsequent Reversal or Modification. This Final Order is entered pursuant to section 364 of the Bankruptcy Code, and Bankruptcy Rules 4001(b) and (c), granting the DIP Lender all protections afforded by section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated or stayed, that action will not affect (i) the validity of any obligation, indebtedness or liability incurred hereunder by any of the Debtors to the DIP Lender prior to the date of receipt by the DIP Lender of written

notice of the effective date of such action or (ii) the validity and enforceability of any lien or priority authorized or created under this Final Order or pursuant to the DIP Documents prior to the date of receipt by the DIP Lender of written notice of the effective date of such action. Notwithstanding any such reversal, stay, modification or vacatur, any postpetition indebtedness, obligation or liability incurred by any of the Debtors to the DIP Lender, prior to written notice to the DIP Lender of the effective date of such action, shall be governed in all respects by the original provisions of this Final Order, and the DIP Lender shall be entitled to all the rights, remedies, privileges, and benefits granted herein and in the DIP Documents with respect to all such indebtedness, obligations or liability.

34. Collateral Rights. In the event any party holding a lien or security interest in DIP Collateral junior and/or subordinate to the DIP Liens in such Collateral receives or is paid the proceeds of such DIP Collateral or receives any other payment with respect thereto from any other source, prior to indefeasible payment in full in cash and the complete satisfaction of all DIP Obligations under the DIP Documents and termination of the commitment in accordance with the DIP Documents, such junior or subordinate lienholder shall be deemed to have received, and shall hold, the proceeds of any such DIP Collateral in trust for the DIP Lender and shall immediately turnover such proceeds for application to the DIP Obligations under the DIP Documents in accordance with the DIP Documents and this Final Order until all DIP Obligations are indefeasibly paid in full in cash.

35. No Waiver. This Final Order shall not be construed in any way as a waiver or relinquishment of any rights that the DIP Lender or the Prepetition Lender may have to bring or be heard on any matter brought before this Court.

36. Sale or License. No order providing for either the sale of the ownership of the

stock of the Debtors or the sale of all or substantially all of the assets of the Debtors under section 363 of the Bankruptcy Code to a party shall be entered by the Court, absent a hearing on notice to the DIP Lender and Prepetition Lender, unless in connection and concurrently with any such event, the net proceeds of such sale are or will be paid to the DIP Lender and Prepetition Lender to be applied to the DIP Obligations and the Prepetition Obligations, respectively. All proceeds payable to the Debtors upon the closing under the License Agreement with Prince Americas, LLC shall be paid to the Prepetition Lender to be applied to the Prepetition Obligations.

37. Limits on DIP Lender's Liability. Nothing in this Final Order or in any of the DIP Documents or any other documents related to this transaction shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lender or Prepetition Lender, acting in such capacities, of any liability for any claims arising from any or all activities by the Debtors or any of their subsidiaries or affiliates in the operation of their businesses or in connection with their restructuring efforts.

38. Priority of Terms. To the extent of any conflict between or among (a) the express terms or provisions of any of the DIP Documents, the Motion, any other order of this Court, or any other agreements, on the one hand, and (b) the terms and provisions of this Final Order, on the other hand, unless such term or provision herein is phrased in terms of "as defined in" or "as more fully described in" the DIP Documents, the terms and provisions of this Final Order shall govern.

39. No Third Party Beneficiary. Except as explicitly set forth herein, no rights are created hereunder for the benefit of any third party, any creditor or any direct, indirect or incidental beneficiary.

40. Survival. Except as otherwise provided herein, (a) the protections afforded to the DIP Lender and Prepetition Lender under this Final Order, and any actions taken pursuant thereto, shall survive the entry of an order (i) dismissing the Chapter 11 Cases or (ii) converting the Chapter 11 Cases into a case pursuant to chapter 7 of the Bankruptcy Code, and (b) the DIP Liens, the Replacement Liens, the Superpriority Claim and the Adequate Protection Obligations shall continue in the Chapter 11 Cases, in any Successor Cases or after any such dismissal or conversion. Except as otherwise provided herein, the DIP Liens, the Replacement Liens, the Superpriority Claim, the Adequate Protection Obligations and the Carve-Out shall maintain their priorities as provided in this Final Order, and the DIP Documents, and not be modified, altered or impaired in any way by any other financing, extension of credit, incurrence of indebtedness, or any conversion of the Chapter 11 Cases into a case pursuant to chapter 7 of the Bankruptcy Code or dismissal of the Chapter 11 Cases, or by any other act or omission until all DIP Obligations are indefeasibly paid in full in cash and completely satisfied, and the commitments under the DIP Documents are terminated in accordance therewith.

41. Adequate Notice. The notice given by the Debtors of the Final Hearing was given in accordance with Bankruptcy Rules 2002 and 4001 (c)(2), and the local rules of this Court, and, under the circumstances was adequate and sufficient. No further notice of the request for the relief granted at the Final Hearing is required. The Debtors shall promptly mail copies of this Final Order to any known party affected by the terms of the Final Order and any other party requesting notice after the entry of this Final Order, including (i) all parties having requested notice pursuant to Fed. R. Bankr. P. 2002, (ii) counsel to the DIP Lender, DLA Piper LLP (US) (attn: Richard A. Chesley, Esquire), 203 North LaSalle Street,

Suite 1900, Chicago, IL 60601, with a copy to DLA Piper LLP (US) (attn: Stuart M. Brown, Esquire), 919 North Market Street, 15th Floor, Wilmington, DE 19801, (iii) counsel to the Prepetition Lender, DLA Piper LLP (US) (attn: Richard A. Chesley, Esquire), 203 North LaSalle Street, Suite 1900, Chicago, IL 60601, with a copy to DLA Piper LLP (US) (attn: Stuart M. Brown, Esquire), 919 North Market Street, 15th Floor, Wilmington, DE 19801, (iv) the Office of the U.S. Trustee, (v) counsel for the Committee (if formed), and (vi) the Debtors' thirty (30) largest unsecured creditors (if the Committee is not formed) (collectively, the "Notice Parties").

42. Entry of Final Order; Effect. This Final Order shall take effect immediately upon execution hereof, notwithstanding the possible application of Fed. R. Bankr. P. 6004(g), 7062, 9014, or otherwise, and the Clerk of the Court is hereby directed to enter this Final Order on the Court's docket in the Chapter 11 Cases.

43. Retention of Jurisdiction. This Court shall retain jurisdiction over all matters pertaining to the implementation, interpretation and enforcement of this Final Order.

44. Binding Effect of Final Order. The terms of this Final Order shall be binding on any trustee appointed under chapter 7 or chapter 11 of the Bankruptcy Code.

Wilmington, Delaware

June 21, 2012

Kevin J. Carey,
United States Bankruptcy Judge