

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

GENERAL WIRELESS OPERATIONS INC.
DBA RADIOSHACK et al.,¹

Debtors.

Chapter 11

Case No. 17-10506 (BLS)

Jointly Administered

**ORDER (I) APPROVING ASSUMPTION OF SPRINT SETTLEMENT
AGREEMENT; (II) APPROVING REJECTION OF SPRINT ALLIANCE AND
SUBLEASE AGREEMENTS AND RELATED AGREEMENTS; (III) APPROVING THE
RELEASE OF CERTAIN CLAIMS AGAINST SPRINT; AND (IV) GRANTING
RELATED RELIEF**

This matter coming before the Court on the motion (the “Motion”)² of the above-captioned Debtors for the entry of an order (this “Order”), pursuant to Bankruptcy Code sections 105, 363, and 365 and Bankruptcy Rules 2002, 6003, 6004, 6007, 9014 and 9019, (I) approving assumption of Sprint Settlement Agreement; (II) approving rejection of Sprint Alliance and Sublease Agreements; (III) approving the Release against Sprint; and (IV) granting related relief. The Court has reviewed the First Day Declaration and has considered the statements of counsel and the evidence adduced with respect to the Motion. The Court has found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. sections 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. sections 1408 and 1409, (iii) notice of the Motion and the Hearing was sufficient under the circumstances. After due deliberation, the Court has determined that the relief granted herein is in the best interests of the Debtors’ estates,

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s U.S. tax identification number are as follows: General Wireless Operations Inc. dba RadioShack (8040); General Wireless Holdings Inc. (4262); General Wireless Inc. (9245); General Wireless Customer Service Inc. (5813). The notice address for all of the Debtors is: 300 RadioShack Circle, Fort Worth, TX 76102-1964.

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

and good and sufficient cause has been shown to grant the relief requested in the Motion to the extent set forth herein;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The Debtors have submitted evidence sufficient to support the relief requested in the Motion to the extent granted by this Order.

B. The entry of this Order is in the best interest of the Debtors and their estates, creditors, and interest holders and all other parties in interest herein.

ACCORDINGLY, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED except as otherwise set forth herein.

2. The Settlement Agreement is hereby approved as set forth herein.

3. The Debtors' assumption of the Settlement Agreement is hereby approved and shall be effective immediately upon the entry of this Order and the Debtors are hereby authorized to take any and all actions necessary or appropriate to effectuate this Order.

4. The Debtors are hereby authorized to reject the Transaction Documents and Related Agreements effective, nunc pro tunc, as of the Petition Date, and the Transaction Documents shall be terminated after all of the obligations of the Debtors and Sprint under the Settlement Agreement are completed. Nothing in the Settlement Agreement or this Order shall create an administrative expense claim in these cases or elevate any pre-petition claim of Sprint into a post-petition administrative expense claim, on account of any obligation of the Debtors under any of the Transaction Documents. The Debtors and Sprint shall complete all remaining obligations under the Settlement Agreement, and notwithstanding the continued operation of the Co-Branded Stores under

the terms of the Alliance Agreement as set forth in Section 4.5 of the Settlement Agreement, any administrative expense claim under the Settlement Agreement shall be limited to the obligations arising post-petition under the Settlement Agreement, including but not limited to the First Amended and Restated Supplemental Transition Services Agreement [D.I. 346, Exhibit 3]. Without limiting the foregoing, nothing in this Order or in the Settlement Agreement shall create an administrative expense claim against the Debtors on account of (i) any abandonment of personal property contemplated by Exhibit I to the Settlement Agreement, or (ii) any Restoration Obligations of the Debtors under and as defined in any Transaction Documents. For purposes of clarification, nothing in this Order shall be construed to allow any administrative expense claim that Sprint is permitted to assert pursuant to this Order and all objections to the allowance and payment of any such administrative expense claim are expressly preserved.

5. The Investigation Period as set forth in section 8.1 of the Settlement Agreement is hereby amended and extended through and including June 30, 2017.

6. Sprint shall have no further obligation to pay Rent and Overhead to the Debtors under the Settlement Agreement beyond the payments made by Sprint to date, with the exception of April Overhead, which shall be paid by Sprint when such amount is calculated on or before May 31, 2017. Nothing herein shall affect the parties' respective rights and obligations regarding the Consignment and Airtime Funds Escrow Account (as defined in the Settlement Agreement) maintained with Wilmington Trust N.A.

7. The Debtors' Release of Sprint and any other entity or person identified in section 8.1 of the Settlement Agreement (collectively, the "Sprint Parties") shall, without further Order of the Court, become effective on July 1, 2017 unless a claim is filed

against any Sprint Party by a party with standing to assert such claim prior to July 1, 2017 (a "Timely Challenge"). If no Timely Challenge is filed, Sprint is authorized and directed to pay the full \$5,000,000 Holdback to the Debtors, without setoff or recoupment, on or prior to July 6, 2017.

8. Notwithstanding anything to the contrary in the Motion or the Settlement Agreement, all Chapter 5 and state law claims related to any Sprint Party's prepetition acts or omissions are fully preserved, if any such claims as to any Sprint Party are included in a Timely Challenge, provided, however, that with respect to any Timely Challenge seeking avoidance of the Settlement Agreement in whole or in part, the sole remedy available shall be a claim for money damages and not the return of the transferred property. No findings included in this Order shall control the rights and remedies of any party asserting a Timely Challenge, and all parties' rights and defenses are reserved with respect to such matters.

9. Notwithstanding anything to the contrary in the Motion, the Settlement Agreement, or this Order, and except for the Debtors' decision to assume the Settlement Agreement and to reject the Transaction Documents and Related Agreements as expressly conditioned upon the modifications contained herein and subject to the reservations and preservation of rights granted herein, nothing contained herein shall be construed as a ruling or finding regarding the propriety of any action or decision by the Debtors or any of their respective management, boards or representatives as it relates to any Sprint Party, and all parties rights are reserved with respect to such matters.

10. Notwithstanding anything to the contrary in the Motion, the Settlement Agreement, or this Order, nothing contained herein shall be construed as a ruling or

finding as to the allocation of any proceeds received or to be received by the Debtors under the Settlement Agreement. The rights and remedies of all parties in interest with respect to the allocation of such proceeds are expressly preserved.

11. If a Timely Challenge is filed, the Release shall not become effective, the Holdback shall be deemed forfeited and Sprint shall not be required to pay the Holdback to the Debtors.

12. With the exception of the leases that are subject to the 115 Store Lease Assignment, as to which assumption and assignment to the applicable Sprint Affiliate Primary Tenants as listed therein is approved hereby (with the exception of the lease for Store 9304) to the extent the Debtors retained a residual interest in such leases as of the Petition Date, notwithstanding anything set forth in this Order, the Motion, the Settlement Agreement or any documents related thereto no lease under which the primary tenant is Sprint is being assumed and assigned through the Debtors' bankruptcy cases pursuant to any such documents or this Order.


13. With the consent of the parties, the lease assignment for the lease for Debtors' Store No. 9304 located at Shoppes at Rangeline, 4419 Rangeline Road, Suite A, Mobile, Alabama (the "Store 9304 Lease"), is voided solely as to such lease, and such lease is removed from the 115 Store Lease Assignment and rejected by the Debtors effective as of the Petition Date. Sprint has paid the rent for the Store 9304 Lease for February, March and April 2017. Neither Rangeline Road Holdings LLC (the landlord under the Store 9304 Lease) nor Sprint shall have any administrative expense claim in these cases on account of the Store 9304 Lease.

14. The Debtors are hereby authorized to take any further actions necessary or appropriate to perform or carry out the terms of this Order.

15. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: May 11, 2017

Wilmington, Delaware


United States Bankruptcy Judge