

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SFX ENTERTAINMENT, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10238 (MFW)

(Jointly Administered)

Ref. Docket Nos. 8, 54

**FINAL ORDER PURSUANT TO SECTIONS 105(a) AND 366 OF THE BANKRUPTCY
CODE (A) PROHIBITING UTILITIES FROM ALTERING, REFUSING
OR DISCONTINUING SERVICE, (B) DEEMING UTILITIES ADEQUATELY
ASSURED OF FUTURE PERFORMANCE, AND (C) ESTABLISHING
PROCEDURES FOR DETERMINING ADEQUATE ASSURANCE OF PAYMENT**

Upon the motion (the "Motion")² filed by the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), pursuant to sections 105(a), 366, 1107 and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), and Bankruptcy Rules 6003 and 6004(h), seeking entry of interim and final orders: (a) prohibiting their Utility Providers from altering, refusing or discontinuing service; (b) deeming Utility Providers adequately assured of future performance; (c) establishing procedures for determining adequate assurance of payment and (d) setting a final hearing on the Debtors' proposed Adequate

¹ The Debtors in these Chapter 11 Cases, along with the last four (4) digits of each Debtor's federal tax identification number, if applicable, are: 430R Acquisition LLC (7350); Beatport, LLC (1024); Core Productions LLC (3613); EZ Festivals, LLC (2693); Flavorus, Inc. (7119); ID&T/SFX Mysteryland LLC (6459); ID&T/SFX North America LLC (5154); ID&T/SFX Q-Dance LLC (6298); ID&T/SFX Sensation LLC (6460); ID&T/SFX TomorrowWorld LLC (7238); LETMA Acquisition LLC (0452); Made Event, LLC (1127); Michigan JJ Holdings LLC (n/a); SFX Acquisition, LLC (1063); SFX Brazil LLC (0047); SFX Canada Inc. (7070); SFX Development LLC (2102); SFX EDM Holdings Corporation (2460); SFX Entertainment, Inc. (0047); SFX Entertainment International, Inc. (2987); SFX Entertainment International II, Inc. (1998); SFX Intermediate Holdco II LLC (5954); SFX Managing Member Inc. (2428); SFX Marketing LLC (7734); SFX Platform & Sponsorship LLC (9234); SFX Technology Services, Inc. (0402); SFX/AB Live Event Canada, Inc. (6422); SFX/AB Live Event Intermediate Holdco LLC (8004); SFX/AB Live Event LLC (9703); SFX-94 LLC (5884); SFX-Disco Intermediate Holdco LLC (5441); SFX-Disco Operating LLC (5441); SFXE IP LLC (0047); SFX-EMC, Inc. (7765); SFX-Hudson LLC (0047); SFX-IDT N.A. Holding II LLC (4860); SFX-LIC Operating LLC (0950); SFX-IDT N.A. Holding LLC (2428); SFX-Nightlife Operating LLC (4673); SFX-Perryscope LLC (4724); SFX-React Operating LLC (0584); Spring Awakening, LLC (6390); SFXE Netherlands Holdings Coöperatief U.A. (6812); SFXE Netherlands Holdings B.V. (6898). The Debtors' business address is 902 Broadway, 15th Floor, New York, NY 10010.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.



Assurance Procedures; and upon the *Declaration of Michael Katzenstein in Support of the Debtors' Chapter 11 Petitions and Requests for First Day Relief* (the "First Day Declaration"); and upon this Court previously entering an order approving the Motion on an interim basis (the "Interim Order") [Dkt. No. 54]; and the Debtors having funded the Adequate Assurance Deposit into the Adequate Assurance Account pursuant to paragraph 4 of the Interim Order; and upon the statements of counsel in support of the relief requested in the Motion at the hearing before the Court; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties-in-interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. For the reasons set forth on the record, the Motion is GRANTED as set forth herein.
2. All Utility Providers are prohibited from discontinuing, altering or refusing service to the Debtors on account of any unpaid prepetition charges, or discriminating against the Debtors, or requiring payment of a deposit or receipt of any other security for continued service as a result of the Debtors' bankruptcy filing or any outstanding prepetition invoices, provided the Debtors are in compliance with the terms of this Final Order.

3. The following Adequate Assurance Procedures are hereby approved:
- A. As adequate assurance of future payment to the Utility Providers, the Debtors propose to deposit an initial sum equal to the Debtors' estimated average cost for two (2) weeks of Utility Services into the Adequate Assurance Account within fourteen (14) days of the entry of the Interim Order, only after approval of the Debtors' postpetition financing and use of cash collateral. The Debtors estimate the aggregate amount of all Adequate Assurance Deposits will be approximately \$63,000;
 - B. If a Utility Provider is not satisfied with the Adequate Assurance Deposit provided by the Debtors and seeks additional assurance of payment, the Utility Provider must serve a written request (the "**Additional Assurance Request**") upon the Debtors setting forth the location(s) for which Utility Services are provided, the account number(s) for such location(s), the outstanding balance for each account, a summary of the Debtors' payment history on each account and an explanation of why the Adequate Assurance Deposit is inadequate assurance of payment;
 - C. The Additional Assurance Request must actually be filed with the Court and received by (i) the Debtors, 902 Broadway, 15th Floor, New York, NY 10010 (Attn: Edwin Eshmoili) and (ii) the Debtors' counsel, Greenberg Traurig, LLP, The Nemours Building, 1007 North Orange Street, Suite 1200, Wilmington, DE 19801 (Attn: Dennis A. Meloro, Esq.) and Greenberg Traurig, LLP, MetLife Building, 200 Park Avenue, New York, NY 10166 (Attn: Sara A. Hoffman, Esq.) (collectively, the "**Notice Parties**");
 - ~~D. In the event that the Debtors receive any Additional Assurance Request in compliance with the procedures in the Motion, the Debtors shall have five (5) days (collectively, the "**Resolution Period**") to negotiate with the Utility Provider to endeavor to resolve that Utility Provider's request for additional assurance of payment; and that during this period, Utility Providers may not terminate any of the Utility Services they provide to the Debtors on account of the bankruptcy filing or any unpaid charges for prepetition services;~~
 - E. The Debtors may, in their discretion, resolve any Additional Assurance Request by mutual agreement with the Utility Provider and without further order of this Court, and may, in connection with any such agreement, in their discretion, provide a Utility Provider with additional adequate assurance of future payment including, but not limited to, cash deposits, prepayments, and/or other forms of security, without further order of this Court, if the Debtors believe such additional assurance is reasonable;
 - F. If the Debtors determine that an Additional Assurance Request is not

reasonable and are not able to reach an alternative resolution with the Utility Provider, the Debtors will request a hearing before this Court, to be held at a date and time to be scheduled promptly by the Debtors upon notice to the applicable Utility Provider, to determine the adequacy of assurances of payment with respect to a particular Utility Provider (the "**Determination Hearing**") pursuant to section 366(c)(3) of the Bankruptcy Code;

- G. Pending resolution of any such Determination Hearing, such particular Utility Provider shall be restrained from discontinuing, altering or refusing service to the Debtors on account of unpaid charges for prepetition services or the Debtors' bankruptcy filing;
- H. A Utility Provider shall be deemed to have adequate assurance of payment unless and until the Utility Provider makes an Additional Assurance Request and (a) the Debtors, in their sole discretion, agree to an Additional Assurance Request or agree to an alternative assurance of payment with the Utility Provider during the Resolution Period or (b) this Court enters an order requiring that additional adequate assurance of payment be provided;
- I. The Adequate Assurance Deposit shall be deemed adequate assurance of payment for any Utility Provider that fails to make an Additional Assurance Request; and
- J. At any time, the Debtors may terminate service from any of the Utility Providers, such termination being effective immediately upon the Debtors' notice to the Utility Provider. At such time, the Debtors shall no longer be required to make any more payments to such Utility Provider for any services provided after such termination, and any excess shall be returned forthwith.

4. In the event the Debtors default postpetition in respect of any of their obligations under this Final Order to any Utility Provider, such Utility Provider may seek additional adequate assurances in this Court upon motion and appropriate notice to the Debtors, their counsel and interested parties.

5. To the extent that the Debtors subsequently identify additional providers of Utility Services or determine that an entity was improperly included as a Utility Provider, the Debtors have the authority, in their sole discretion and without further order of the Court, to amend the

Utility Provider List to add or delete any Utility Provider. If the Debtors add any Utility Providers to the Utility Provider List, the Debtors will serve a copy of the Motion, along with the applicable portion of the amended Utility Provider List and this Final Order, on such Utility Provider within five (5) business days after the Debtors file the amended Utility Provider List (the "Subsequent Notice"). Such subsequently added Utility Provider will be subject to the Adequate Assurance Procedures set forth in this Final Order. For any entity that is removed from the Utility Provider List, the Debtors shall serve that entity with notice of removal and such entity shall have five (5) business days from the date of service of such notice to object to that removal.

6. Notwithstanding the relief granted herein or any actions taken pursuant thereto, nothing herein shall be deemed: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined hereunder; (e) a request or authorization to assume any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

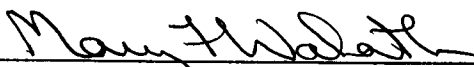
7. Notwithstanding anything to the contrary contained herein, any payment made or to be made, and authorization contained in this Order shall be subject to the requirements imposed on the Debtors under any approved debtor-in-possession financing facility, any order regarding the Debtors' postpetition financing or use of cash collateral, and any budget in connection therewith.

8. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

9. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Final Order.

10. This Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Final Order.

Dated: March 3, 2016



HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE