

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

)	
In re:)	Chapter 11
)	
BLITZ U.S.A., Inc., et al.,¹)	Case No. 11-13603 (PJW)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket Nos. 574 and 749, 81b

**ORDER APPROVING SECOND STIPULATION (I) AUTHORIZING THE
DEBTORS' CONTINUED USE OF CASH COLLATERAL AND GRANTING
ADEQUATE PROTECTION AND (II) GRANTING RELATED RELIEF**

The Court having considered the *Second Stipulation (I) Authorizing the Debtors' Use of Cash Collateral and Granting Adequate Protection and (II) Granting Related Relief*, a copy of which is attached hereto as Exhibit 1 (the "Second Stipulation"); and the Court having determined that good and adequate cause exists for approval of the Second Stipulation; and the Court having determined that no further notice of the Second Stipulation must be given;

IT IS HEREBY ORDERED that:


1. The Second Stipulation is APPROVED.
2. The terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.
3. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: LAM 2011 Holdings, LLC (8742); Blitz Acquisition Holdings, Inc. (8825); Blitz Acquisition, LLC (8979); Blitz RE Holdings, LLC (9071); Blitz U.S.A., Inc. (8104); and MiamiOK LLC (f/k/a F3 Brands LLC) (2604). The location of the Debtors' corporate headquarters and the Debtors' service address is: 404 26th Ave. NW Miami, OK 74354.



4. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: Sept 28, 2012
Wilmington, Delaware



THE HONORABLE PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE

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

In re:

BLITZ U.S.A., Inc., *et al.*,¹

Debtors.

) **Chapter 11**

) **Case No. 11-13603 (PJW)**

) **Re: Docket Nos. 574 and 749**

**SECOND STIPULATION (I) AUTHORIZING THE DEBTORS'
CONTINUED USE OF CASH COLLATERAL AND GRANTING
ADEQUATE PROTECTION AND (II) GRANTING RELATED RELIEF**

WHEREAS, on November 9, 2011 (the "Petition Date"), Blitz U.S.A., Inc. ("Blitz U.S.A."), MiamiOK LLC (f/k/a F3 Brands LLC), LAM 2011 Holdings, LLC, Blitz Acquisition Holdings, Inc., Blitz Acquisition, LLC and Blitz RE Holdings, LLC ("Blitz RE"), as debtors and debtors-in-possession (the "Debtors"), commenced the above-captioned cases (the "Chapter 11 Cases") by filing petitions under title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Court"); and

WHEREAS, as of the Petition Date, certain of the Debtors had outstanding debt obligations pursuant to that certain First Amended and Restated Credit Agreement (the "Prepetition Credit Agreement"), dated February 4, 2011, among Blitz Acquisition, LLC, Blitz U.S.A., and Blitz RE, as borrowers (collectively, the "Prepetition Borrowers"), Blitz Acquisition Holdings, Inc., as guarantor (the "Guarantor"), F3 Brands LLC, as guarantor (the "Additional Guarantor" and, together with the Guarantor, the "Prepetition Guarantors"), LAM 2011

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Holdings, LLC (f/k/a Blitz Holdings, LLC), as parent, the Lenders party thereto (the "Prepetition Lenders") and BOKF, NA d/b/a Bank of Oklahoma, as administrative agent ("Prepetition Agent") (as amended, supplemented, restated or otherwise modified from time to time, the "Prepetition Credit Facility"), which consisted of a \$15 million revolving note facility, including a letter of credit facility and a \$5 million surge facility, and a \$20 million term note facility; and

WHEREAS, as more fully set forth in the Prepetition Credit Agreement and related loan documents, each of the of the Prepetition Borrowers and Prepetition Guarantors granted to the Prepetition Agent, for the benefit of itself and the Prepetition Lenders, and to the Prepetition Lenders, a continuing lien and security interest in substantially all of the Prepetition Borrowers' and Prepetition Guarantors' assets (the "Prepetition Collateral"), including, among other things, the Guarantor's equity interests in Reliance Products Holdings, Inc., subject only to Permitted Liens (as defined in the Prepetition Credit Agreement); and

WHEREAS, on November 9, 2011, the Debtors filed a motion (the "DIP Motion") seeking the entry of interim and final orders authorizing the Debtors to, among other things, (i) obtain up to \$5,000,000 in principal amount of postpetition financing under a revolving credit facility (the "DIP Financing Facility"), on the terms and conditions set forth in the Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement dated as of November 28, 2011 (as amended, supplemented, restated or otherwise modified from time to time, the "DIP Financing Agreement") among the Debtors, BOKF, NA d/b/a Bank of Oklahoma, as agent (the "DIP Agent"), and the lenders identified therein (the "DIP Lenders"); (ii) grant the DIP Agent and DIP Lenders liens on and security interests in substantially all of the Debtors' assets, as set forth in the DIP Financing Agreement, and superpriority administrative expense claims; (iii) use the Prepetition Lenders' Cash Collateral (as defined in section 363(a) of the Bankruptcy Code);

and (iv) provide the Prepetition Agent and Prepetition Lenders with adequate protection for any diminution in value of the Prepetition Collateral; and

WHEREAS, on December 12, 2011, the Court entered a final order [Docket No. 132] (the "DIP Order") granting the relief requested in the DIP Motion (as modified therein); and

WHEREAS, the DIP Order authorized the Debtors' use of Cash Collateral during the period from the Petition Date through and including the "Maturity Date," in accordance with the terms, conditions, and limitations set forth in the DIP Financing Agreement and an approved budget, which was attached to the DIP Order as Exhibit "B"; and

WHEREAS, paragraph 19(e) of the DIP Order provided, among other things, that the Official Committee of Unsecured Creditors (the "Committee") shall have until the later of: (i) ninety days following the date of appointment of the Committee, without prejudice to the Committee's right to seek an extension of such date or to the rights of the Prepetition Agent or Prepetition Lenders to object thereto; (ii) a later date consented to by the Prepetition Agent and Prepetition Lenders; or (iii) a date ordered by the Court (the "Investigation Termination Date") to file an adversary proceeding or contested matter challenging or objecting to the validity, perfection, enforceability, or priority of the Prepetition Agent's and Prepetition Lenders' security interests in and liens on the Prepetition Collateral or the amount and allowance of the prepetition indebtedness; and

WHEREAS, the Committee and the Prepetition Agent and Prepetition Lenders have entered into a series of stipulations whereby the Investigation Termination Date was extended with respect to several alleged potential challenges and causes of action by the Committee (the "Preserved Challenges"); and

WHEREAS, the "Maturity Date" under the DIP Order (or Scheduled Termination Date, as such term is used in the DIP Financing Agreement) was June 30, 2012; and

WHEREAS, the Debtors' Board of Directors determined, in the exercise of its business judgment, that it was in the best interests of the Debtors' estates to conduct an orderly sale, pursuant to section 363(b) of the Bankruptcy Code, of substantially all of the assets of Blitz U.S.A. and Blitz RE (the "Blitz Assets") in order to maximize the value received for the Debtors' remaining assets; and

WHEREAS, on June 26, 2012, in order to fund the Debtors' cash requirements for working capital and general corporate needs through the sale process, the Debtors, the Prepetition Agent and the Prepetition Lenders entered into a stipulation (the "First Stipulation"), which, among other things, extended the Debtors' use of Cash Collateral through the earlier of (i) September 30, 2012 and (ii) the consummation of a sale or sales of substantially all of the Debtors' assets (the "Closing Date"), subject to the terms, conditions and limitations of the First Stipulation; and

WHEREAS, the Court entered a final order [Docket No. 619] approving the First Stipulation on July 17, 2012; and

WHEREAS, on June 29, 2012, the Debtors filed a motion [Docket No. 574] (the "Sale Motion"), seeking, among other things, approval of bidding and auction procedures relating to the sale of the Blitz Assets (the "Blitz Sale") free and clear of all liens, claims, encumbrances and other interests; and

WHEREAS, on September 10, 2012, the Committee filed an objection to the Sale Motion [Docket No. 749] (the "Sale Objection"), objecting to, among other things, the disbursement of

sale proceeds from the Blitz Sale to the Prepetition Lenders as of the Closing Date (the "Lender Disbursement Issue"); and

WHEREAS, on September 11, 2012, the Court entered an order [Docket No. 758] authorizing the sale of the Blitz Assets to Scepter Holdings, Inc., but adjourned the hearing on the Sale Objection solely with respect to the Lender Disbursement Issue until the hearing scheduled for September 25, 2012; and

WHEREAS, it is anticipated that the Closing date will occur on or about September 28, 2012; and

WHEREAS, in an effort to resolve certain issues and impediments relating to the formulation of a chapter 11 plan, the Debtors are currently involved in an ongoing mediation (the "Mediation") before The Honorable Kevin Gross with the following parties: (i) the Committee; (ii) Wal-Mart; (iii) Kinderhook Capital Fund II, L.P. ("Kinderhook"); (iv) Crestwood; (v) attorneys representing personal injury and/or wrongful death claims relating to the fuel containment products manufactured by the Debtors; (vi) the Prepetition Lenders; and (vii) the insurers under certain of the Debtors' insurance policies; and

WHEREAS, the Debtors believe that the proceeds of the Blitz Sale will be sufficient to satisfy all outstanding claims of the Prepetition Lenders (subject to resolution of the Lender Disbursement Issue) and administrative claims payable as of the Closing Date (including professional fee claims incurred in excess the amounts set forth in the Professional Fee Budgets under the DIP Order and First Stipulation), but that the Debtors may require additional funding in order to continue with the Mediation and to achieve a chapter 11 plan in these Chapter 11 Cases; and

WHEREAS, the Debtors, the Prepetition Agent, the Prepetition Lenders and the Committee have reached an agreement pursuant to this Stipulation (the "Second Stipulation") that will, among other things, (i) provide the Debtors with an additional \$1.5 million to fund the plan process through the continued use of the Prepetition Lenders' Cash Collateral; (ii) provide the Prepetition Agent and Prepetition Lenders with a complete release of any and all causes of action, including the Preserved Challenges; and (iii) resolve the Lender Disbursement Issue;

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

1. Contemporaneously with the closing of the Blitz Sale, through the use of proceeds from the Blitz Sale or other available cash (all of which constitutes Cash Collateral of the Prepetition Lenders), the Debtors shall repay the Prepetition Lenders so that (i) the outstanding principal balance under the Prepetition Credit Facility is reduced to \$1.5 million; and (ii) all accrued interest and submitted expenses under the Prepetition Credit Facility are paid to September 28, 2012.

2. The Debtors shall be authorized to use the Prepetition Lenders' Cash Collateral during the period from the Closing Date through December 31, 2012 (the "Extended Maturity Date"), in accordance with the terms and conditions of this Second Stipulation. For the avoidance of doubt, the Debtors' use of Cash Collateral pursuant to this Second Stipulation shall not be subject to any of the limitations or budget constraints that were contained in the DIP Order or the First Stipulation.

3. The Prepetition Agent and the Prepetition Lenders are entitled, pursuant to sections 105, 361 and 363 of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including Cash Collateral, which shall consist of the following: (i) during the period until the Extended Maturity Date, payments from the Debtors equal to interest

calculated at the non-default rate under the Prepetition Credit Agreement, payable on October 31, 2012, November 30, 2012 and December 31, 2012, respectively, and (ii) reasonable attorneys' fees and expenses of the Prepetition Agent and Prepetition Lenders, after notice to the Debtors, the Office of the United States Trustee (the "U.S. Trustee") and the Committee, and an opportunity to object as provided in Paragraph 12 of the DIP Order.

4. The Debtors and the Committee each acknowledge that the obligations of the Debtors under the Prepetition Credit Agreement are (i) legal, valid, binding and enforceable against each Debtor, and (ii) not subject to any contest, attack, objection, recoupment, defense, counterclaim, offset, subordination, recharacterization, avoidance or other claim, cause of action or other challenge of any nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise. The Debtors and the Committee also acknowledge that they do not have, *and* hereby forever release and are forever barred from bringing or asserting any claims, *PM* counterclaims, causes of action, defense or setoff rights relating to the Prepetition Credit Facility, whether arising under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise against the Prepetition Agent, the Prepetition Lenders and their respective officers, directors, employees or attorneys (collectively, the "Prepetition Lender Group").

5. The Debtors and the Committee also acknowledge that the Prepetition Agent and Prepetition Lenders have liens and security interests in and to the Prepetition Collateral, including liens on the common stock of Reliance Products Holdings, Inc. (the "Reliance Stock") and rights to the \$2.5 million letter of credit issued by Kinderhook, and such liens and security interests are legal, valid, enforceable, non-avoidable and duly perfected and are not subject to avoidance, attack, objection, recoupment, defense, counterclaim, offset, subordination,

recharacterization, avoidance or other claim, cause of action or other challenge of any nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise.

6. For the avoidance of doubt, the Debtors and the Committee agree not to take any actions against the Prepetition Lender Group, including the filing of any motion or any other action involving any interest of the Prepetition Lender Group, without the approval of the Prepetition Agent.

7. Nothing in this Second Stipulation or any order approving the same shall restrict the Debtors, in consultation with the Committee, from using any proceeds from the Blitz Sale (following repayment of the Prepetition Credit Facility in accordance with Paragraph 1 of this Second Stipulation) or Cash Collateral to pay outstanding administrative expenses incurred in connection with these Chapter 11 Cases, including, but not limited to, accrued and allowed professional fees in excess of the amounts set forth in the Professional Fee Budgets under the DIP Order and First Stipulation.

8. The Debtors shall use their reasonable best efforts, subject to their fiduciary duties, to effectuate a sale (the "Reliance Sale") of either the Reliance Stock or the equity interests or assets of Reliance Products Holdings, Inc., Reliance Products, Inc., Moll PlastiCrafters, Inc., Renaissance Plastics, Inc. and Reliance Products Limited Partnership (collectively, the "Reliance Entities") by December 31, 2012. The Debtors shall determine, in consultation with Reliance's investment banker (the "Reliance Investment Banker"), appropriate benchmarks for effectuating the Reliance Sale by December 31, 2012 (the "Sale Benchmarks"). The Debtors shall consult with the attorneys and financial advisors to the Committee (the "Committee Professionals") prior to setting the Sale Benchmarks and shall use reasonable efforts to include the Committee Professionals in discussions with the Reliance Investment Banker

regarding the Sale Benchmarks; provided, however, that the Committee Professionals shall not be permitted to speak to the Reliance Banker without either the Independent Director (as defined herein) or some other representative of the Debtors being present. Upon establishing the Sale Benchmarks, the Debtors shall provide them to the Committee Professionals and the Prepetition Agent.

9. James A. Pearson, who is currently a director for each of the Debtors, shall serve as the independent director (the "Independent Director") charged with overseeing the Reliance Sale. The Independent Director shall also be appointed as a member of the board of directors or governing bodies of each of the Reliance Entities.

10. The Debtors and/or the Independent Director shall provide the Committee Professionals with updates at least on a weekly basis, commencing during the week of October 1, 2102, through either a call or the provision of information, regarding the status of the Reliance Sale. The Debtors and/or Independent Director shall provide copies of any written reports provided in connection with the weekly updates to the Prepetition Agent. The Debtors will provide the Committee Professionals with copies of the CIM and teasers developed for the Reliance Sale process and copies of management presentations for the Reliance Sale. The Debtors shall provide the Committee Professionals with the number of potential bidders who (i) received copies of such CIM and teaser; and (ii) (x) in connection with the Reliance Sale, signed non-disclosure agreements and (y) were given management presentations. The Debtors and/or Independent Director shall also provide the Committee Professionals (for their eyes only) with copies of (subject to appropriate redactions regarding the names of Prospective Buyers (as defined herein)) a copy of the engagement letter for the Reliance Investment Banker and any final indications of interest received after the date of this Second Stipulation. For the avoidance

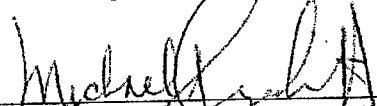
of doubt, neither the Independent Director, the Debtors nor the Reliance Entities (or any officer, director, manager, employee or agent, or any other person acting or purporting to act on their behalf) shall be required to provide the Committee Professionals with the name of, or other identifying information with respect to any prospective buyer in connection with the Reliance Sale (each, a "Prospective Buyer"); but rather, the parties hereto will continue to discuss the sharing of this information, with all of their respective rights being reserved on the issue. Notwithstanding anything in this Paragraph to the contrary, not later than the date on which a definitive asset purchase agreement is entered into, to the extent the Debtors and/or Reliance Entities are not otherwise restricted from doing so under the terms of an applicable non-disclosure agreement (an "NDA"), the Debtors shall provide to the Committee Professionals (for their eyes only) the identity of the counterparty to the asset purchase agreement and provide the Committee Professionals (for their eyes only) a list of all other Prospective Buyers that expressed an interest in the Reliance Sale; provided, however, that notwithstanding the language of any NDA, the Debtors shall identify for the Committee Professionals, provided that such information is known to the Independent Director or the Debtors, any "insiders" (as such term is defined in section 101(31) of the Bankruptcy Code) or affiliates of the Debtors, Kinderhook or any of the principals of Kinderhook, or Crestwood that have submitted an offer upon receipt of the offer in connection with the Reliance Sale; and provided further that the Committee Professionals shall be precluded from contacting any Prospective Buyer regarding the Reliance Sale.

11. Neither the Committee Professionals nor any member of the Committee shall be permitted to speak to the Reliance Banker without either the Independent Director or some other representative of the Debtors being present.

12. The parties agree that should any issues arise with respect to the Reliance Sale or the terms of this Order, the parties may seek a hearing before the Court on such shortened notice as may be appropriate under the circumstances.

13. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Second Stipulation.

Dated: September 27, 2012


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Dated: September 27, 2012

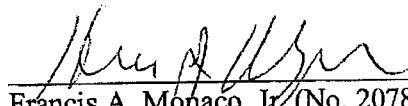
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Dated: September 27, 2012



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