

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: SPORTS AUTHORITY HOLDINGS, INC., <i>et al.</i> ¹ <div style="text-align: center;">Debtors.</div>	}	Chapter 11 Case No. 16-10527 (MFW) (Jointly Administered) Related Docket Nos. 20, 157, 1699, 1906
---	---	--

**CERTIFICATION OF COUNSEL REGARDING SECOND STIPULATION WITH
TERM LOAN AGENT RESERVING CERTAIN COMMITTEE CHALLENGE
RIGHTS UNDER FINAL ORDER AUTHORIZING POSTPETITION FINANCING**

The undersigned hereby certifies the following:

1. On March 2, 2016, the debtors and debtors in possession (collectively, the “Debtors”), in the above-captioned case, filed the *Debtors’ Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Post-Petition Secured Financing Pursuant to 11 U.S.C. §§ 105, 362, 363, and 364; (ii) Granting Liens and Superpriority Claims to Post-Petition Lenders Pursuant to 11 U.S.C. §§ 364 and 507; (III) Authorizing the Use of Cash Collateral and Providing Adequate Protection to Prepetition Secured Parties and Modifying the Automatic Stay Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364; and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c) and Local Rule 4001-2 (the “DIP Motion”) [Docket No. 20].*

2. On March 3, 2016, the Court entered the *Interim Order (I) Authorizing Debtors to Obtain Post-Petition Secured Financing Pursuant to 11 U.S.C. §§ 105, 362, 363, and 364; (II) Granting Liens and Superpriority Claims to Post-Petition Lenders Pursuant to 11 U.S.C. §§*

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Sports Authority Holdings, Inc. (9008); Slap Shot Holdings, Corp. (8209); The Sports Authority, Inc. (2802); TSA Stores, Inc. (1120); TSA Gift Card, Inc. (1918); TSA Ponce, Inc. (4817); and TSA Caribe, Inc. (5664). The headquarters for the above-captioned Debtors is located at 1050 West Hampden Avenue, Englewood, Colorado 80110.



364 and 507; (III) *Authorizing the Use of Cash Collateral and Providing Adequate Protection to Prepetition Secured Parties and Modifying the Automatic Stay Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364*; and (IV) *Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c) and Local Rule 4001-2* (the “Interim DIP Order”) [Docket No. 157].

3. On May 3, 2016, the Court entered the *Final Order (I) Authorizing Debtors to Obtain Post-Petition Secured Financing Pursuant to 11 U.S.C. §§ 105, 362, 363, and 364; (II) Granting Liens and Superpriority Claims to Post-Petition Lenders Pursuant to 11 U.S.C. §§ 364 and 507; (III) Authorizing the Use of Cash Collateral and Providing Adequate Protection to Prepetition Secured Lenders and Modifying the Automatic Stay Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364* (the “Final DIP Order”) [Docket No. 1699].

4. Paragraph 25 of the Final DIP Order provides, in relevant part, that a Challenge Proceeding² to the Debtors’ Stipulations in connection with the Prepetition Secured Debt and the Prepetition Liens must be commenced on or before the Challenge Period Termination Date (*i.e.*, the 60th day after the date of the appointment of the Committee, unless otherwise extended by the Court for good cause shown).

5. The Official Committee of Unsecured Creditors (the “Committee”) appointed in these cases, on the one hand, and Wilmington Savings Fund Society, FSB, as successor administrative and collateral agent (the “Term Loan Agent”) to Bank of America, N.A. under that certain Amended and Restated Credit Agreement, dated as of November 16, 2010, by and among The Sports Authority, Inc., as borrower, Slap Shot Holdings Corp., the Term Loan Agent, and the lenders from time to time party thereto, on the other hand, have entered into the *Second Stipulation with Term Loan Agent Reserving Certain Committee Challenge Rights Under Final Order Authorizing Postpetition Financing* (the “Stipulation”) extending the Challenge

² Capitalized terms not defined herein shall have the meanings set forth in the Final DIP Order or the Stipulation.

Period Termination Date solely with respect to Reserved Matters for the Committee until July 7, 2016.

6. Attached hereto as Exhibit A is a proposed Order approving the Stipulation (the "Proposed Order").

7. Attached as Exhibit 1 to the Proposed Order is the Stipulation.

8. The Term Loan Agent has reviewed the Stipulation and consented to the entry of the Proposed Order approving the Stipulation.

9. Accordingly, the Committee respectfully requests entry of the Proposed Order attached hereto as Exhibit A at the Court's earliest convenience.

Dated: June 20, 2016

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Robert J. Feinstein (NY Bar No. 1767805)
Jeffrey N. Pomerantz (CA Bar No. 143717)
Bradford J. Sandler (DE Bar No. 4142)
Colin R. Robinson (DE Bar No. 5524)
919 North Market Street, 17th Floor
Wilmington, DE 19801
Telephone: (302) 652-4100
Facsimile: (302) 652-4400
Email: rfeinstein@pszjlaw.com
jpomerantz@pszjlaw.com
bsandler@pszjlaw.com
crobinson@pszjlaw.com

Counsel to the Official Committee of Unsecured Creditors

EXHIBIT A

EXHIBIT 1

RECITALS:

A. On March 2, 2016 (the "Petition Date"), the Debtors commenced these voluntary bankruptcy cases under chapter 11 of the Bankruptcy Code.

B. On March 10, 2016, the United States Trustee for Region 3 appointed the Committee pursuant to the *Notice of Appointment of Committee of Unsecured Creditors* [Docket No. 262] filed on March 10, 2016.

C. Paragraph 25 of the Final DIP Order provides, in relevant part, that a Challenge Proceeding to the Debtors' Stipulations in connection with the Prepetition Secured Debt and the Prepetition Liens must be commenced on or before the Challenge Period Termination Date (*i.e.*, the 60th day after the date of the appointment of the Committee, unless otherwise extended by the Court for good cause shown).

D. Paragraph 25 of the Final DIP Order further provides that the Challenge Period does not apply to a determination that the claims of any or all of the Prepetition Secured Lenders were not fully secured.

E. The Committee has undertaken its review of the matters and documents subject to the Challenge Period and has determined that certain rights, claims, and matters (as specified below in numbered paragraph 2 of this Stipulation) relevant to the Prepetition Term Loan Credit Agreement may warrant further investigation and possible assertion by the Committee.

F. Pursuant to Stipulation of the Parties approved by an Order of the United States Bankruptcy Court for the District of Delaware, dated May 16, 2016 [Docket No. 1906],

the Challenge Period Termination Date was extended to June 9, 2016 and was further extended to June 20, 2016.

G. In order to avoid the necessity for the Committee to assert or prosecute the Reserved Matters (as defined below in numbered paragraph 2 of this Stipulation) prior to the Challenge Period Termination Date, the Committee and the Term Loan Agent have entered into this Stipulation to further toll the Challenge Period Termination Date, as it applies solely to the Committee and solely for the Reserved Matters, in order to preserve the Committee's rights therein under the Final DIP Order during the Tolling Period (defined below).

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, it is hereby stipulated and agreed by and among the Committee and the Term Loan Agent as follows:

AGREEMENT:

1. The Challenge Period Termination Date in the Final DIP Order shall be extended, solely with respect to the Reserved Matters and solely for the benefit of the Committee, from June 9, 2016, until July 7, 2016 (the "Tolling Period"). This extension is without prejudice to any further extensions of the Tolling Period solely with respect to the Reserved Matters, or any subset thereof, and solely with respect to the Committee pursuant to the Final DIP Order.

2. The Tolling Period shall apply solely to a Challenge Proceeding by the Committee with respect to the following matters (collectively, the "Reserved Matters"): (i) the allowance under applicable law of any interest (or default rate interest) paid or accrued under the Prepetition Term Loan Credit Agreement; (ii) the accuracy of the calculation of the amount of

any principal, interest, fees, costs, or charges paid or accrued under the Prepetition Term Loan Credit Agreement; (iii) the reasonableness, pursuant to Section 506(b) of the Bankruptcy Code, of the amounts of any fees, costs, or charges to the extent provided for under the Prepetition Term Loan Credit Agreement, (iv) the validity, enforceability, or perfection of the Prepetition Liens against the personal property assets listed on Exhibit A to this Stipulation, and (v) the validity, enforceability, or perfection of any Prepetition Liens against any leasehold interests of the Debtors.

3. The Committee and the Term Loan Agent agree that payment in full of the Prepetition ABL Debt shall not prejudice the Committee's ability to assert a Challenge with respect to the Reserved Matters specified herein.

4. The Challenge Period Termination Date shall be deemed to have occurred as of 5:00 pm prevailing Eastern Time on May 9, 2016 with respect to all other matters (that are not Reserved Matters) otherwise subject to the Challenge Period under the Final DIP Order.

5. The Term Loan Agent expressly reserves its rights to object, contest, defend, or otherwise respond to any Challenge or any other objection, claim, or other assertion filed by the Committee. Prior to filing any Challenge, the Committee shall provide the Term Loan Agent with a written statement setting forth in reasonable particularity the substance and details of the purported Challenge, and the Term Loan Agent and the Committee shall thereafter engage in good faith negotiations to resolve the purported Challenge for not fewer than ten (10) days prior to any Challenge being filed. The delivery of such a written statement shall be made prior to the expiry of the Challenge Period (as extended herein) and shall further toll the Challenge Period.

6. Except as expressly set forth herein, the Final DIP Order remains in full force and effect. Nothing in this Stipulation shall limit, modify, or affect the liens and security interests granted to the Term Loan Agent in and to the Prepetition Collateral or the adequate protection liens granted to the Term Loan Agent in and to the DIP Collateral as provided in the Final DIP Order.

AGREED:

Dated: June 20, 2016

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Robert J. Feinstein

Robert J. Feinstein
Bradford J. Sandler
780 Third Avenue, 34th Floor
New York, New York 10017
Telephone: (212) 561-7700
Facsimile: (212) 561-7777
Email: rfeinstein@pszjlaw.com
bsandler@pszjlaw.com

Counsel to the Official Committee of Unsecured Creditors

Dated: June 20, 2016

BROWN RUDNICK LLP

/s/ Bennett S. Silverberg

Robert J. Stark
Bennett S. Silverberg
Seven Times Square
New York, New York 10036
Telephone: (212) 209-4800
Facsimile: (212) 209-4801
Email: rstark@brownrudnick.com
bsilverberg@brownrudnick.com

*Counsel to Wilmington Savings Fund Society, FSB, as
Term Loan Agent*

Exhibit A

Disputed Personal Property

1. Money¹ held by any of the Debtors as of the Petition Date.
2. Any deposit accounts, and money on deposit therein as of the Petition Date, held by TSA Stores, Inc. at Bank of Hawaii.
3. Deposit account ***4211 and money on deposit therein as of the Petition Date held by TSA Stores, Inc. at Wells Fargo Bank, N. A.
4. Any commercial tort claims and proceeds thereof held by any of the Debtors.

¹ “Money” has the meaning set forth in Section 1-201(24) of the Uniform Commercial Code as in effect from time to time in the State of New York.