

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

*In re:*

G.I. SPORTZ, *et al.*,<sup>1</sup>

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 20-12610 (CSS)

(Jointly Administered)

**Hearing Date: Nov. 17, 2020 at 2:00 p.m. (ET)**

**Objection Deadline: Nov. 10, 2020 at 4:00 p.m. (ET)**

**NOTICE OF MOTION**

TO: (A) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (B) COUNSEL TO THE PARTNERSHIP; (C) COUNSEL TO FULCRUM; (D) COUNSEL TO THE PURCHASER; (E) THE INTERNAL REVENUE SERVICE; (F) THE SECURITIES AND EXCHANGE COMMISSION; (G) COUNTERPARTIES TO THE ASSIGNED CONTRACTS, AND (H) ALL OTHER PERSONS TO WHOM NOTICE IS REQUIRED IN THESE CHAPTER 15 CASES PURSUANT TO THIS COURT'S *ORDER SPECIFYING FORM AND MANNER OF SERVICE OF NOTICE* [DOCKET NO. 16]

**PLEASE TAKE NOTICE** that KSV Restructuring Inc., in its capacity as the court-appointed receiver and authorized foreign representative (“**KSV**” or the “**Receiver**”) for the above-captioned debtors (collectively, the “**G.I. Sportz Debtors**”) in the proceeding commenced under Canada’s *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (as amended, the “**BIA**”), and pending before the Superior Court (Commercial Division) of the Province of Québec, District of Montréal, has filed the attached *Receiver’s Motion, Pursuant to Sections 105(a), 365, 1501, and 1521 of the Bankruptcy Code and Bankruptcy Rules 2002, 6006, and 9014, for Entry of an Order (I) Authorizing the Debtors to Assume and Assign Executory Contracts and Unexpired Leases to Kore Outdoor (US) Inc.; (II) Fixing Cure Amounts; and (III) Granting Certain Related Relief* (the “**Motion**”).

**PLEASE TAKE FURTHER NOTICE** that any objections to the Motion must be filed so as to be actually received by **November 10, 2020 at 4:00 p.m. (ET)** (the “**Objection Deadline**”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the undersigned counsel to the Receiver so as to be received on or before the Objection Deadline.

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<sup>1</sup> The last four digits of the United States Tax Identification Number, or similar foreign identification number, as applicable, follow in parentheses: G.I. Sportz Inc. (8551), Tippmann US Holdco Inc. (5037), GI Sportz Direct LLC (5359), Tippmann Sports, LLC (0385), Mission Less Lethal LLC (4604), and Tippmann Finance LLC (n/a). The G.I. Sportz Debtors’ executive headquarters is located at 6000 Kieran Street, St. Laurent, Québec, Canada H4S 2B5.

**PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON NOVEMBER 17, 2020 AT 2:00 P.M. (ET) BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.**

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.**

Dated: November 3, 2020  
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

*/s/ Matthew B. Lunn*

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

*In re:*

G.I. SPORTZ, *et al.*,<sup>1</sup>

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 20-12610 (CSS)

(Jointly Administered)

**Hearing Date: November 17, 2020 at 2:00  
p.m. ET**

**Objection Deadline: November 10, 2020 at  
4:00 p.m. (ET)**

**RECEIVER’S MOTION, PURSUANT TO SECTIONS 105(A), 365, 1501, AND 1521 OF  
THE BANKRUPTCY CODE AND BANKRUPTCY RULES 2002, 6006, AND 9014, FOR  
ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO ASSUME AND  
ASSIGN EXECUTORY CONTRACTS AND UNEXPIRED LEASES  
TO KORE OUTDOOR (US) INC.; (II) FIXING CURE AMOUNTS; AND  
(III) GRANTING CERTAIN RELATED RELIEF**

KSV Restructuring Inc., in its capacity as the court-appointed receiver and authorized foreign representative (“**KSV**” or the “**Receiver**”) for the above-captioned affiliated debtors (collectively, the “**G.I. Sportz Debtors**”) in the proceeding (the “**Canadian Proceeding**”) commenced under Canada’s *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 (as amended, the “**BIA**”), and pending before the Superior Court (Commercial Division) of the Province of Québec, District of Montréal (the “**Québec Court**”), subject to the entry of that certain *Approval and Vesting Order* by the Québec Court (the “**Approval and**

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<sup>1</sup> The last four digits of the United States Tax Identification Number, or similar foreign identification number, as applicable, follow in parentheses: G.I. Sportz Inc. (8551), Tippmann US Holdco Inc. (5037), GI Sportz Direct LLC (5359), Tippmann Sports, LLC (0385), Mission Less Lethal LLC (4604), and Tippmann Finance LLC (n/a). The G.I. Sportz Debtors’ executive headquarters is located at 6000 Kieran Street, St. Laurent, Québec.

**Vesting Order**)<sup>2</sup>, hereby submits this motion (the “**Motion**”) for the entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Proposed Order**”), pursuant to sections 105(a), 365, 1501, and 1521 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), Rules 2002, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 6006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”): (a) authorizing the assumption and assignment of certain executory contracts and unexpired leases to Kore Outdoor (US) Inc. (“**Kore**” or the “**Purchaser**”); (b) fixing cure amounts; and (c) granting certain related relief. By the time this Motion is heard, the Receiver anticipates that the Québec Court will have considered and ruled upon the Receiver’s recommendation to authorize the sale and transfer (the “**Sale**”) by the Receiver of the G.I. Sportz Debtors’ right, title, and interest in substantially all of the business of the G.I. Sportz Debtors (collectively, the “**Purchased Assets**”), as described in greater detail in that certain Asset Purchase Agreement, dated as of October 27, 2020 (the “**Purchase Agreement**”), by and between the Receiver and the Purchaser, an affiliate of Fulcrum Capital Partners (Collector) V, LP (“**Fulcrum**”), the majority shareholder of the G.I. Sportz Debtors and an affiliate of GIS Debt Acquisition Partnership (the “**Partnership**”),<sup>3</sup> a redacted copy of which is attached as **Exhibit B** to the *Receiver’s Motion, Pursuant to Sections 105(a), 363, 1501 and 1521 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 9014 for the Entry of an Order (i) Recognizing and Enforcing the Approval and Vesting Order; (ii) Authorizing the Sale of All or Substantially All of*

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<sup>2</sup> A copy of the proposed Approval and Vesting Order is attached as **Exhibit 1** to the U.S. Sale Order. Prior to the hearing on this Motion, the Receiver will file the Approval and Vesting Order as entered by the Québec Court.

<sup>3</sup> As explained in greater detail in the U.S. Sale Motion, The Purchaser is an insider of the G.I. Sportz Debtors. Fulcrum, the majority shareholder of the G.I. Sportz Debtor, is also the majority shareholder of the Purchaser. In addition, Fulcrum is an affiliate of the Partnership, the senior secured lender of the G.I. Sportz Debtors.

*the G.I. Sportz Debtors' Assets Free and Clear of Any and All Liens, Claims, Encumbrances, and Other Interests; and (iii) Granting Related Relief* (the “**U.S. Sale Motion**”) [Docket No. 21]. In support of this Motion, the Receiver relies on the *First Report of KSV Restructuring Inc. as Receiver of G.I. Sportz Inc., Tippmann US Holdco Inc., GI Sportz Direct LLC, Tippmann Finance LLC, Tippmann Sports, LLC, and Mission Less Lethal LLC*, dated October 27, 2020 (the “**Sale Report**”), which is attached to the U.S. Sale Motion as **Exhibit C**. In further support of this Motion, the Receiver respectfully states as follows:

### **JURISDICTION**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C § 157(b)(2). Pursuant to Local Rule 9013-1(f) , the Receiver consents to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1410(3) because placing venue in this District will be consistent with the interests of justice and convenience for the G.I. Sportz Debtors, having regard to the relief sought by the Receiver.

3. The statutory and legal predicates for the relief sought herein are Bankruptcy Code sections 105(a), 365(a), (b), (f), 1501, and 1521, Bankruptcy Rules 2002, 6006(d), and 9014, and Local Rule 6006-1.

## BACKGROUND

### A. General Background

4. On October 15, 2020, the Partnership made an application under the BIA seeking, among other things, the appointment of KSV as Receiver to preserve, protect, and sell the business and assets of the G.I. Sportz Debtors, as the G.I. Sportz Debtors have no ability to fully repay or refinance the Secured Obligations. Subsequently, the Québec Court entered the *Order Appointing a Receiver* (the “**Receivership Order**”), which is attached as **Exhibit B** to each of the G.I. Sportz Debtors’ *Chapter 15 Petition for Recognition of a Foreign Proceeding*. The Receivership Order, among other things, appointed KSV as the Receiver and determined that the Receiver shall serve as the foreign representative of the G.I. Sportz Debtors. In addition, the Receivership Order empowered the Receiver to enter into a transaction to preserve the value of the G.I. Sportz Debtors’ assets for the benefit of the G.I. Sportz Debtors’ creditors and other stakeholders. *See* Receivership Order, ¶¶ 10-11.

5. On October 16, 2020 (the “**Petition Date**”), the Receiver commenced these Chapter 15 Cases by filing, among other things, chapter 15 petitions and the *Verified Petition for Recognition of Foreign Proceedings and Related Relief* seeking recognition by this Court of the Canadian Proceeding as a foreign main proceeding under chapter 15 of the Bankruptcy Code [Docket No 2]. On October 19, 2020, the Court entered the *Order Granting Provisional Relief in Aid of the Canadian Proceeding* which operates as a stay of execution against the G.I. Sportz Debtors’ businesses and assets within the territorial jurisdiction of the United States pursuant to sections 362, 365(e), 1519(a)(1), and 1521 of the Bankruptcy Code, pending entry of a recognition order (the “**Provisional Order**”) [Docket No. 17].

6. Additional details regarding the G.I. Sportz Debtors' business, corporate organization, capital structure, and circumstances leading to the Canadian Proceeding, are set forth in the (i) the *Affidavit of Gregory Collings*, executed on October 8, 2020 (the “**Collings Affidavit**”) and (ii) the *Report of KSV Restructuring Inc. as Proposed Receiver of G.I. Sportz Inc., Tippmann US Holdco Inc., GI Sportz Direct LLC, Tippmann Finance LLC, Tippmann Sports, LLC, and Mission Less Lethal LLC*, dated as of October 9, 2020 (the “**First Report**”), both of which were submitted to the Québec Court, and which are attached as **Exhibits A** and **B** respectively, to the *Declaration of Matthew B. Lunn in Support of the Verified Petition for Recognition of Foreign Main Proceeding and Related Relief* (the “**Lunn Declaration**”) [Docket No. 3].

**B. Specific Background**

7. On October 27, 2020, the Receiver filed the U.S. Sale Motion seeking among other things the entry of an order (a) recognizing and enforcing the Approval and Vesting Order of the Québec Court, should it be granted, which authorizes the Sale by the Receiver of the G.I. Sportz Debtors' Purchased Assets to the Purchaser, (b) authorizing, pursuant to section 363 of the Bankruptcy Code, the Sale of the right, title, and interest in and to the Purchased Assets to the Purchaser, free and clear of all Interests (as defined in the U.S. Sale Order), except as otherwise provided in the Purchase Agreement, (c) and granting certain related relief.

8. A hearing to consider the relief requested in the U.S. Sale Motion is scheduled for **November 17, 2020 at 2:00 p.m. (ET)**.

9. In connection with the relief requested by the U.S. Sale Motion, the Receiver, at the request of the Purchaser, seeks authority for the G.I. Sportz Debtors to assume

and assign the certain executory contracts and unexpired leases set forth on **Exhibit 1** to the Proposed Order (collectively, the “**Assigned Contracts**”).

### **RELIEF REQUESTED**

10. By this Motion, the Receiver requests entry of the Proposed Order pursuant to sections 105(a), 365, 1501 and 1521 of the Bankruptcy Code, (i) authorizing the G.I. Sportz Debtors to assume and assign the Assigned Contracts to the Purchaser, (ii) fixing the Cure Amounts for each of the Assigned Contracts as set forth on Exhibit 1 to the Proposed Order, and (iii) granting certain related relief. The Receiver further requests that the Court waive the 14-day stay of relief under Bankruptcy Rule 6006(d) and direct that the order granting the requested relief be made effective upon entry of the Proposed Order to allow the Purchaser to capture the value of the Assigned Contracts immediately.

### **BASIS FOR RELIEF REQUESTED**

11. Section 105(a) of the Bankruptcy Code provides that “[t]he Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”

12. Section 1501 of the Bankruptcy Code .establishes an objective of cooperation between courts of the United States and courts and other competent authorities of foreign countries involved in cross-border insolvency cases and the fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor. Section 1521 of the Bankruptcy Code provides, in relevant part that, “[u]pon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of [chapter 15 of the Bankruptcy Code] and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign

representative, grant appropriate relief, including granting any ... relief that may be available to a trustee, except for relief available under sections 522, 545, 547, 548, 550, and 724(a) [of the Bankruptcy Code].” 11 U.S.C. § 1521(a)(7).

13. Relief related to the assumption and assignment of executory contracts pursuant to section 365 of the Bankruptcy Code in connection with the sale of assets has been entered in several other chapter 15 cases in this District.<sup>4</sup>

14. Pursuant to section 365(a) of the Bankruptcy Code, a debtor may assume or reject any executory contract or unexpired lease of the debtor, subject to the court’s approval. Section 365(b) of the Bankruptcy Code requires the debtor to satisfy certain requirements at the time of assumption if a default exists under the executory contract or unexpired lease.<sup>5</sup>

15. Once the debtor assumes the executory contract or unexpired lease, it may assign the contract or lease to a third party under section 365(f) of the Bankruptcy Code so long as adequate assurance of future performance by the proposed assignee of the contract or lease is given.

16. Courts have traditionally applied a ‘business judgment’ test in determining whether to approve a debtor’s decision to assume an executory contract. A debtor satisfies the ‘business judgment’ test when it determines, in good faith, that assumption of an executory contract will benefit the debtor’s estate.<sup>6</sup>

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<sup>4</sup> See, e.g., *in re CDS US Holdings, Inc.*, Case No. 20-11719 (CSS) (Bankr. D. Del. Oct. 29, 2020) [D.I. 112]; *In re Thane Int’l, Inc.*, Case No. 15-12186 (KG) (Bankr. D. Del. Dec. 1, 2015) [D.I. 42]; *In re Xchange Tech. Grp. LLC*, Case No. 13-12809 (KG) (Bankr. D. Del. Nov. 25, 2013) [D.I. 47]; *In re Cinram Int’l Inc.*, Case No. 12-11882 (KJC) (Bankr. D. Del. July 25, 2012) [D.I. 98]; *In re Arctic Glacier Int’l Inc.*, Case No. 12-10605 (KG) (Bankr. D. Del. July 17, 2012) [D.I. 126].

<sup>5</sup> See 11 U.S.C. § 365(b) (requiring a debtor to cure a default, or provide adequate assurance that it will promptly cure such default, as a condition for the assumption of an executory contract or unexpired lease).

<sup>6</sup> See, e.g., *In re AbitibiBowater Inc.*, 418 B.R. 815, 831 (Bankr. D. Del. 2009) (A debtor’s decision to assume or reject an executory contract will stand so long as “a reasonable business person would make a similar decision under similar circumstances.”).

17. The Receiver respectfully submits that the proposed assumption and assignment of the Assigned Contracts, subject to the entry of the Approval and Vesting Order, represents a sound exercise of the Receiver's business judgment and should be approved. The proposed assumption and assignment of the Assigned Contracts is necessary to facilitate and consummate the Sale embodied in the Purchaser Agreement and will allow the Purchaser to immediately begin capturing the benefits of the Assigned Contracts with significantly less disruption to the business and impact to the counterparties to the Assigned Contracts. As contemplated by the Purchase Agreement, the Purchaser has determined which agreements of the G.I. Sportz Debtors to be assigned. In light of the foregoing, the assumption and assignment of the Assigned Contracts to the Purchaser reflects an exercise of sound business judgment and is in the best interests of the G.I. Sportz Debtors, their creditors and all other parties in interest.

18. The G.I. Sportz Debtors reviewed their books and records and determined the amounts owed, if any, to cure existing defaults under each of the Assigned Contracts (each, a "**Cure Amount**" and collectively, the "**Cure Amounts**"). As there exist no defaults under the Assigned Contracts according to the G.I. Sportz Debtors' books and records, the Receiver respectfully submits the Cure Amount for each Assigned Contract be zero dollars (\$0).

19. The Purchaser, as assignee of the Assigned Contracts, will provide the counterparties to the Assigned Contracts with adequate assurance of future performance in accordance with section 365 of the Bankruptcy Code. The Third Circuit has declared that the requirement of "adequate assurance" of future performance was "not intended" to give any non-debtor contract party "greater rights in a case under the [Bankruptcy Code] that he has outside"

of the Bankruptcy Code.<sup>7</sup> In addition, although there is no single solution for adequate assurance in every case, “the required assurance will fall considerably short of an absolute guarantee of performance.”<sup>8</sup> “Assurance of future performance is adequate ‘if performance is likely (i.e. more probable than not)’ and the degree of assurance necessary to be deemed adequate ‘falls considerably short of an absolute guaranty.’”<sup>9</sup>

#### **WAIVER OF BANKRUPTCY RULE 6006(d)**

20. Bankruptcy Rule 6006(d) provides that “[a]n order authorizing the [debtor] to assign an executory contract . . . under § 365(f) is stayed until the expiration of 14 days after the entry of the order, unless the court orders otherwise.” Here, the Receiver respectfully submits that a sufficient basis exists for the Court to grant a waiver of the 14-day stay period because waiving such stay period will not prejudice the G.I. Sportz Debtors, their creditors, or any other party in interest in these Chapter 15 Cases, but will rather facilitate the Sale process of the G.I. Sportz Debtors’ assets which represents the best opportunity to maximize recovery for the G.I. Sportz Debtors’ creditors. Accordingly, the Receiver hereby requests that the Court waive the 14-day stay provided for in Bankruptcy Rule 6006(d) as it relates to the assumption and assignment of the Assigned Contracts to the Purchaser.

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<sup>7</sup> See *Cinicola v. Scharffenberger*, 248 F.3d 110, 120 n.10 (3d Cir. 2001) (quoting Report of the Commission on Bankruptcy Laws of the United States, H.R. Doc. No. 93-137, 93d Cong., 1st Sess. Pt. II 156-57 (1973)).

<sup>8</sup> *Id.* (quoting *In re Carlisle Homes, Inc.*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988)); see generally *In re ANC Rental Corp.*, 277 B.R. 226, 238 (Bankr. D. Del. 2002) (non-debtor parties had adequate assurance of future performance even though assignee was a holding company that had never operated a rental concession business because holding company projected annual savings of \$4.5 million thereby rendering it much more financially secure than the debtor); see also *In re Alipat, Inc.*, 36 B.R. 274, 278 (Bankr. E.D. Mo. 1984) (stating “there is no requirement at law that a proposed assignee must furnish a letter of credit or other absolute guaranty of payment” to satisfy the “adequate assurance” requirement and concluding that “adequate assurance” existed where party had the “financial resources . . . available to meet the rental payments”).

<sup>9</sup> *In re Texas Health Enters.*, 246 B.R. 832, 835 (Bankr. E.D. Tex. 2000) (quoting *In re PRK Enters.*, 235 B.R. 597, 603 (Bankr. S.D. Tex. 1999)).

**NOTICE**

21. Notice of this Motion will be provided to: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Partnership; (c) counsel to Fulcrum; (d) counsel to the Purchaser; (e) the Internal Revenue Service; (f) the Securities and Exchange Commission; (g) counterparties to the Assigned Contracts, and (h) all other persons to whom notice is required in these Chapter 15 Cases pursuant to this Court's *Order Specifying Form and Manner of Service of Notice* [Docket No. 16]. In light of the nature of the relief requested by this Motion, the Receiver respectfully submit that no other or further notice is necessary or required.

**NO PRIOR REQUEST**

22. No prior request for the relief sought in this Motion has been made to this or any other court.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

WHEREFORE, for the reasons set forth herein, the Receiver respectfully request that the Court (a) enter the Proposed Order substantially in the form annexed as **Exhibit A** hereto granting the relief requested in this Motion and (b) grant such other and further relief as may be just and proper.

Dated: November 3, 2020  
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

*/s/ Matthew B. Lunn*

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*Attorneys for KSV Restructuring Inc., as Receiver and  
Foreign Representative of the G.I. Sportz Debtors*

**EXHIBIT A**

**Proposed Order**

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

*In re:*

G.I. SPORTZ, *et al.*,<sup>1</sup>

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 20-12610 (CSS)

(Jointly Administered)

Docket Ref No. \_\_

**ORDER APPROVING RECEIVER'S MOTION, PURSUANT TO SECTIONS 105(A),  
365, 1501, AND 1521 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES  
2002, 6006, AND 9014 (I) AUTHORIZING THE RECEIVER TO ASSUME AND ASSIGN  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES  
TO KORE OUTDOOR (US), INC.; (II) FIXING CURE AMOUNTS; AND  
(III) GRANTING CERTAIN RELATED RELIEF**

Upon the Motion<sup>2</sup> of the Receiver for entry of an order pursuant to sections 105(a), 365, 1501, and 1521 of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014 (i) authorizing the Receiver to assume and assign the Assigned to the Purchaser, (ii) fixing the Cure Amount for each of the Assigned Contracts, and (iii) granting certain related relief; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and this being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and that this Court may enter a final order consistent with Article III of the United States Constitution; and proper and adequate notice of the Motion and the hearing thereon

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<sup>1</sup> The last four digits of the United States Tax Identification Number, or similar foreign identification number, as applicable, follow in parentheses: G.I. Sportz Inc. (8551), Tippmann US Holdco Inc. (5037), GI Sportz Direct LLC (5359), Tippmann Sports, LLC (0385), Mission Less Lethal LLC (4604), and Tippmann Finance LLC (n/a). The G.I. Sportz Debtors' executive headquarters is located at 6000 Kieran Street, St. Laurent, Québec.

<sup>2</sup> All capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

having been given; and that no other or further notice being necessary; and the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and this Court having determined that the relief sought in the Motion is in the best interests of the G.I. Sportz Debtors, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor; it is hereby ORDERED:

1. The Motion is GRANTED as provided herein.
2. The Receiver's assumption and the assignment of the Assigned Contracts as set forth on **Exhibit 1** attached hereto to the Purchaser is authorized and approved pursuant to sections 105, 365, 1501, and 1521 of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014.
3. The Assigned Contracts shall be deemed valid and binding and in full force and effect and assumed by the Receiver and assigned to the Purchaser upon entry of this Order, pursuant to section 365 of the Bankruptcy Code, subject only to the payment of all Cure Amounts (as defined below) required to assume and assign the Assigned Contracts to the Purchaser, and subject to the payment of the aforementioned Cure Amounts, parties to such Assigned Contracts are without basis to assert against the Receiver or the Purchaser, among other things, any defaults, breaches or claims of pecuniary losses existing as of the entry of this Order or by reason of the entry of this Order.
4. In accordance with section 365 of the Bankruptcy Code, upon assignment, the Purchaser shall be fully and irrevocably vested with all right, title and interest in and to the applicable Assigned Contract. The Receiver is hereby authorized to take all actions reasonably necessary to effectuate the foregoing.

5. The Cure Amounts for each of the Assigned Contracts are set forth on Exhibit 1 and attached hereto. All parties to Assigned Contracts are forever bound by such Cure Amount, and such parties shall be forever barred, estopped, and shall not take any action against the Receiver, the G.I. Sportz Debtors or the Purchaser with respect to any claim for cure under any Assigned Contract.

6. All defaults or other obligations under the Assigned Contracts arising prior to the entry of this Order (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be deemed cured and the parties to such contracts shall be forever barred and estopped from asserting or claiming against the Receiver, the G.I. Sportz Debtors or the Purchaser that any amounts are due or other defaults exist.

7. Any provision in any Assigned Contract that purports to declare a breach, default, or payment right as a result of an assignment or a change of control in respect of the Receiver is unenforceable, and all Assigned Contracts shall remain in full force and effect, subject only to payment of the applicable Cure Cost, if any. No sections or provisions of any Assigned Contract that purport to provide for additional payments, penalties, charges, or other financial accommodations in favor of nondebtor third parties to Assigned Contracts shall have any force or effect with respect to the assignments authorized by this Order, and such provisions constitute unenforceable anti-assignment provisions under section 365(f) of the Bankruptcy Code or are otherwise unenforceable under section 365(e) of the Bankruptcy Code. No assignment of any Assigned Contract pursuant to the terms of this Order in any respect shall constitute a default under any Assigned Contract. In the absence of objection, the party to each Assigned Contract shall be deemed to have consented to such assignment under section 365(c)(1)(B) of the

Bankruptcy Code, and the Purchaser shall enjoy all of the rights and benefits under each such Assigned Contract as of the date of entry of this Order, without the necessity of obtaining such party's written consent to the assumption or assignment thereof.

8. The Purchaser has satisfied any and all requirements under Bankruptcy Code sections 365(b)(1) and 365(f)(2) to provide adequate assurance of future performance under the Assigned Contracts. The Purchaser shall not be required to provide any further evidence of any adequate assurance to any counterparty of an Assigned Contract.

9. The Purchaser shall be obligated to perform obligations, arising from or after the entry of this Order, under the Assigned Contracts. The Receiver shall be relieved of any liability resulting from any subsequent breach of the Assigned Contracts pursuant to section 365(k) of the Bankruptcy Code.

10. Counterparties to Assigned Contracts shall be prohibited from charging any rent acceleration, assignment fees, increases or other fees to the Purchaser as a result of the assumption and assignment of any Assigned Contract.

11. The stay provided for in Bankruptcy Rule 6006(d) is hereby waived and this Order shall be effective immediately upon its entry.

12. This Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

**EXHIBIT 1**

**Assigned Contracts**

### Schedule of Cure Amounts

| <b>Contract Name</b>  | <b>Signed or Effective Date</b> | <b>G.I. Sportz Debtor Party</b>                            | <b>Counterparty Name</b>          | <b>Cure Amount</b> |
|---|---------------------------------|--|-----------------------------------|--------------------|
| Termination of Lease and Bill of Sale Agreement                                     | 8/1/2020                        | Tippmann Sports, LLC                                       | Tippmann Arms Company, LLC        | USD \$0.00         |
| Canadian Tire Corporation, Limited Purchase Agreement                               | 5/4/2017                        | GI Sportz Direct LLC                                       | Canadian Tire Corporation Limited | USD \$0.00         |
| Dick's Sporting Goods Domestic Vendor Agreement (2020 GI Sportz Direct LLC # 04126) | 1/1/2020                        | GI Sportz Direct LLC                                       | Dick's Sporting Goods             | USD \$0.00         |
| Dunham Sports Co-op Advertising Contract  | 2/20/2019                       | GI Sportz Direct LLC                                       | Dunham's Sports                   | USD \$0.00         |
| Big 5 Supplier Arrangement  | N/A                             | GI Sportz Direct LLC as successor to Kee Action Sports LLC | Big 5 Sporting Goods              | USD \$0.00         |
| Scheels Supplier Contract   | 1/1/2020                        | GI Sportz Direct LLC                                       | Scheels                           | USD \$0.00         |
| Walmart Supplier Arrangement  | N/A                             | GI Sportz Direct LLC                                       | Walmart U.S.                      | USD \$0.00         |
| Walmart.com General Merchandise Agreement   | 5/6/2019                        | GI Sportz Direct LLC                                       | Walmart.com USA, LLC              | USD \$0.00         |
| Tooling Transfer and Supply Agreement   | 1/1/2020                        | Tippmann Sports, LLC                                       | Tippmann Arms Company, LLC        | USD \$0.00         |
| Kee/Valken Litigation Settlement Agreement  | 3/13/2020                       | GI Sportz Direct LLC                                       | Valken Inc.                       | USD \$0.00         |
| Academy Supplier Arrangement for  | N/A                             | GI Sportz Direct LLC as successor to Kee Action Sports LLC | Academy Sports + Outdoors         | USD \$0.00         |
| Mills Supplier Arrangement  | N/A                             | GI Sportz Direct LLC as successor to Kee Action            | Mills                             | USD \$0.00         |

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|--|---------------------------------|--|---|--------------------|
|  |                                 | Sports LLC   |   |                    |
| Paintball Loader Patent License Agreement                                    | 10/12/2015                      | GI Sportz Direct LLC                                       | HK Army, Inc.   | USD \$0.00         |
| Global License Agreement   | 7/1/2009                        | GI Sportz Direct LLC as successor to Smart Parts, Inc.     | Philadelphia Americans (GOG)                                | USD \$0.00         |
| Amended and Restated Patent License Agreement                                | 10/6/2011                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC | Planet Eclipse Ltd.   | USD \$0.00         |
| Patent License Agreement   | 10/6/2011                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC | Planet Eclipse Ltd.   | USD \$0.00         |
| Compressed Gun Patent License Agreement                                      | 6/30/2018                       | GI Sportz Direct LLC                                       | Polarstar Engineering and Machine, LLC                      | USD \$0.00         |
| Settlement Agreement   | 7/27/2012                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC | Real Action Paintball, Inc.                                 | USD \$0.00         |
| Settlement Agreement (Cross-licenses on clamping feedneck patents)           | 1/26/2012                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC | Shyang Huei Industrial Co. Ltd (SunWorld) and Amazone, Inc. | USD \$0.00         |
| Patent Cross-License Agreement (Cross-licenses on clamping feedneck patents) | 1/26/2012                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC | Shyang Huei Industrial Co. Ltd (SunWorld) and Amazone, Inc. | USD \$0.00         |

| <b>Contract Name</b>                              | <b>Signed or Effective Date</b> | <b>G.I. Sportz Debtor Party</b>                                      | <b>Counterparty Name</b>                    | <b>Cure Amount</b> |
|---|---------------------------------|--|---|--------------------|
| Litigation Settlement Agreement (Paid Up License) | 3/14/2016                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC           | Shyang Huei Industrial Co. Ltd (SunWorld)   | USD \$0.00         |
| Settlement and Patent License Agreement           | 12/31/2017                      | G.I. Sportz Inc. and GI Sportz Direct LLC                            | Virtue Paintball LLC                        | USD \$0.00         |
| Exclusive Product Supply Agreement                | 12/15/2005                      | GI Sportz Direct LLC as successor to National Paintball Supply       | Worlite Industry Co., Ltd                   | USD \$0.00         |
| Patent License                                    | 2/1/2003                        | GI Sportz Direct LLC as successor to National Paintball Supply, Inc. | Joel Anderson                               | USD \$0.00         |
| Exclusive Distribution and License Agreement      | 3/20/2008                       | GI Sportz Direct LLC as successor to JT Sports LLC                   | Gayston Corporation                         | USD \$0.00         |
| License Agreement                                 | 2/5/2010                        | GI Sportz Direct LLC as successor to Kee Action Sports LLC           | JT Sports LLC                               | USD \$0.00         |
| Agreement for Chillspot (Reg. No. 4551232)        | 1/16/2015                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC           | LayRay LLC, Leahy Kenneth, and Raeside Mark | USD \$0.00         |
| License Technology and Release Agreement          | 3/9/2011                        | GI Sportz Direct LLC as successor to Kee Action Sports LLC           | Pinokio Hoppers Inc. and Estrate Evans      | USD \$0.00         |
| Settlement Agreement                              | 6/12/2009                       | GI Sportz Direct as  | Powerlyte, Inc.                             | USD \$0.00         |

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|--|--|--|--|--------------------|
|  |  | successor to Kee Action Sports LLC and Kee Action Sports I LLC |  |                    |
| Development and Manufacturing Agreement                                  | 12/16/2013                                   | Tippmann Sports, LLC   | Pullens Hendrikus Ian Scott d/b/a Stark Pursuit            | USD \$0.00         |
| License and Product Supply Agreement                                     | July 11, 2007                                | GI Sportz Direct LLC as successor to Kee Action Sports LLC     | Sheng, Chih-Sheng and Jin Ben Sun Co. Ltd.                 | USD \$0.00         |
| Non-Disclosure Agreement   | 9/20/2013                                    | Tippmann Sports, LLC   | PolyOne Corporation  | USD \$0.00         |
| Settlement Agreement   | 9/4/2013                                     | GI Sportz Direct LLC as successor to Kee Action Sports, LLC    | Real Action Paintball, Inc.                                | USD \$0.00         |
| Patent Assignment and Royalty Agreement                                  | 5/21/2007 modified by letter dated 9/30/2011 | GI Sportz Direct LLC as successor to Kee Action Sports I LLC   | Robert K. Masse, Ryan J. Schwab, and Ballistic Enterprises | USD \$0.00         |
| Settlement Agreement   | 9/20/2017                                    | G.I. Sportz Inc. and GI Sportz Direct LLC                      | APX Gear, LLC,   | USD \$0.00         |
| Agreement (Settlement)   | 1/10/2012                                    | GI Sportz Direct as successor to Kee Action Sports LLC         | James Christopher, Chris Goddard, and Albert Schilling     | USD \$0.00         |
| Trademark Consent Agreement with Belsales, Ltd. for "EVLUTION" Trademark | 1/14/2005                                    | GI Sportz Direct LLC as successor to JT Sports LLC             | Belsales Ltd.  | USD \$0.00         |

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|---|---------------------------------|--|--|--------------------|
| Settlement Agreement for “CRUSH” and “KRUSH” trademarks | 11/7/2007                       | GI Sportz Direct LLC as successor to Kee Action Sports LLC   | Dr. Pepper/Seven-Up, Inc.                | USD \$0.00         |
| Consent Agreement for “JT” Trademarks                   | 6/9/2014                        | GI Sportz Direct LLC as successor to Kee Action Sports LLC   | JT Sports LLC                            | USD \$0.00         |
| Coexistence Agreement of HALO Trademark                 | 10/29/2008                      | GI Sportz Direct LLC as successor to Kee Action Sports I LLC | Microsoft                                | USD \$0.00         |
| Coexistence Agreement for “DIABLO” trademarks           | 10/6/2008                       | GI Sportz Direct LLC as successor to Kee Action Sports I LLC | Pirelli Tyre                             | USD \$0.00         |
| Coexistence Agreement for EMPIRE and EMPYRE trademarks  | 11/28/2007                      | GI Sportz Direct LLC as successor to Kee Action Sports I LLC | Zumiez                                   | USD \$0.00         |
| Real Property Lease                                     |                                 | Tippmann Sports LLC  | Dennis Tippman SR Family Partnership LLP | USD \$0.00         |
| Real Property Lease                                     |                                 | G.I. Sportz Direct LLC                                       | Javelin Logistics                        | USD \$0.00         |

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|----------------------|---------------------------------|---------------------------------|---|--------------------|
| Real Property Lease  |                                 | G.I. Sportz Direct LLC          | 3-Way Logistics Inc.  | USD \$0.00         |
| Real Property Lease  |                                 | G.I. Sportz Direct LLC          | Vincent J. Stagliano,<br>John Gourley, and Petty<br>Stagliano | USD \$0.00         |