Court File No. CV-16-11527-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GOLF TOWN CANADA HOLDINGS INC., GOLF TOWN CANADA INC. AND GOLF TOWN GP II INC.

Applicants

MOTION RECORD OF THE APPLICANTS
(Motion for CCAA Termination Order Returnable March 29, 2018)

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NOTICE OF MOTION
(Motion for CCAA Termination Order Returnable March 29, 2018)

Golf Town Canada Holdings Inc., Golf Town Canada Inc., Golf Town GP II Inc., Golf Town Operating Limited Partnership and Golfsmith International Holdings LP (collectively, the "**Golf Town Entities**") will make a motion before a Judge of the Ontario Superior Court of Justice on March 29, 2018 at 9:30 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an Order (the "**CCAA Termination Order**") that, among other things:

   (a) authorizes and directs the Monitor to hold a reserve of funds from proceeds of the Golf Town Entities (the "**Reserve**") from time to time to provide for the payment of certain amounts in connection with the completion of wind-down matters;

   (b) authorizes and directs the Monitor to distribute, in one or more distributions, the remaining proceeds of the Golf Town Entities' estate to the Canadian Indenture Trustee for the benefit of holders of the Company's 10.50% senior second lien notes due 2018 (the "**Secured Notes**");

(c) approves the activities of the Monitor and the fees and disbursements of the Monitor and its counsel;

(d) provides for the termination of the CCAA proceedings and the discharge of the Monitor on the date (the "**CCAA Termination Date**") on which the Monitor files a certificate with the Court confirming that all matters to be attended to in connection with the Golf Town Entities and proceedings in respect of the Company have been completed;

(e) releases (i) all current and former direct and indirect shareholders, directors, officers, employees, legal counsel and advisors of the Golf Town Entities (or any of them) or Golfsmith International Holdings GP Inc., and (ii) the Monitor and its counsel (the persons listed in clauses (i) and (ii) being collectively, the "**Released Parties**") from all present and future claims and obligations based on any act, omission, transaction, dealing or other occurrence taking place prior to the CCAA Termination Date or completed pursuant to the CCAA Termination Order (the "**CCAA Release**");

(f) extends the CCAA stay of proceedings until the earlier of (i) the CCAA Termination Date, and (ii) May 31, 2018; and

(g) provides certain other related and ancillary relief; and

2. such further and other relief as this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. The Golf Town Entities obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of this Court dated September 14, 2016. [1]

[1] Capitalized terms used but not otherwise defined herein have the meanings given to them in the affidavit of Brian Cejka sworn March 22, 2018.

2. Concurrently with the CCAA application, certain entities affiliated with the Golf Town Entities that carried on business as "Golfsmith" in the United States (collectively, the "**U.S. Debtors**") initiated voluntary Chapter 11 proceedings in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**").

3. On September 30, 2016, this Court issued an Approval and Vesting Order, *inter alia*, approving the going concern sale (the "**Golf Town Transaction**") of substantially all of the assets of Golf Town to Golf Town Limited (the "**Purchaser**"). The Golf Town Transaction closed on October 31, 2016.

4. Under the Golf Town Transaction, the Purchaser assumed real property leases for Golf Town's former head office and 48 of the 55 retail locations operated by Golf Town at the commencement of the CCAA proceedings. The real property leases that were not assumed by the Purchaser were disclaimed pursuant to the CCAA and operations were discontinued in November 2016. The Golf Town Entities no longer carry on any business operations.

5. Since the closing of the Golf Town Transaction, the Golf Town Entities have worked diligently to complete remaining wind-down matters and transition the Golf Town Business to the Purchaser pursuant to a one-year transition services agreement that expired on October 31, 2017.

6. The U.S. Debtors and certain of their stakeholders reached agreement on a consensual global settlement (the "**Settlement**") that resolves a dispute with respect to the payment of certain administrative priority claims and achieves a dismissal of the Chapter 11 proceedings with the support of key stakeholders. The Settlement and dismissal procedures were approved by the Bankruptcy Court in January 2018 and the U.S. Debtors expect to implement the Settlement and exit from Chapter 11 protection by April 30, 2018.

7. Under the Settlement, certain proceeds of the U.S. Debtors were reserved for the payment of certain priority claims of their landlords and suppliers, and their remaining proceeds will be distributed in partial satisfaction of the Company's obligations under the Secured

Notes. The Secured Noteholders will suffer a significant deficiency on the amounts owed to them by Golf Town and Golfsmith and accordingly there is no value for unsecured creditors of the Company.

8. The Bankruptcy Court has approved a form of Dismissal Order that dismisses the Chapter 11 cases upon completion of remaining matters and includes a comprehensive mutual release (effective upon entry of the Dismissal Order) between, *inter alia*, the Company (including the Golf Town Entities), the Creditors' Committee, the Indenture Trustee, and suppliers and landlords that receive a settlement payment in respect of their claims, and each of their officers, directors, employees, advisors and other specified parties.

9. Taken together, the Chapter 11 dismissal process and the proposed CCAA Termination Order will enable the Company to complete remaining wind-down matters in an efficient and cost-effective manner, preserve remaining value for stakeholders with an economic interest, and complete the CCAA and Chapter 11 proceedings on a coordinated basis.

10. The CCAA Termination Order authorizes the Monitor to disburse the remaining proceeds of the Golf Town Entities' estate to the Secured Noteholders, subject to maintaining a reserve of funds necessary to complete an orderly wind-down of the Canadian estate. The Company expects that proceeds of approximately $8.2 million will be available for distribution to Secured Noteholders after payment of wind-down expenses.

11. The CCAA Release will facilitate the distribution of the Golf Town Entities' estate in an efficient and orderly manner, including through the release of reserved funds securing the Directors' Charges. The purpose of the CCAA Release is to achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the Golf Town Entities' current circumstances.

12. It is anticipated that the Company will be in a positon to complete wind-down matters and terminate the CCAA and Chapter 11 proceedings on a coordinated basis in or around April 2018.

13. The Stay Period (as defined in the Initial Order) currently expires on March 30, 2018. An extension of the Stay Period to the earlier of (a) the CCAA Termination Date, and (b) May 31, 2018, will provide the Golf Town Entities with the time needed to complete remaining manners and exit from creditor protection.

14. The relief requested in the CCAA Termination Order is supported by the Monitor.

15. The provisions of the CCAA and this Court's equitable and statutory jurisdiction thereunder.

16. Rules 1.04, 1.05, 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

17. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this Motion:

1. The affidavit of Brian Cejka sworn March 22, 2018;

2. The Monitor's Eighth Report; and

3. Such further and other materials as counsel may advise and this Court may permit.

Date: March 22, 2018

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TO: THE SERVICE LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT* ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF GOLF TOWN CANADA HOLDINGS INC., GOLF TOWN CANADA INC. AND GOLF TOWN GP II INC.

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ONTARIO
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COMMERCIAL LIST

Proceeding commenced at Toronto

NOTICE OF MOTION
(Motion Returnable March 29, 2018)

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Court File No. CV-16-11527-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	**)**	**THURSDAY, THE 29TH**
	)	
JUSTICE	**)**	**DAY OF MARCH, 2018**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GOLF TOWN CANADA HOLDINGS INC., GOLF TOWN CANADA INC. AND GOLF TOWN GP II INC.

Applicants

CCAA TERMINATION ORDER

THIS MOTION made by Golf Town Canada Holdings Inc., Golf Town Canada Inc. ("**GT Canada**"), Golf Town GP II Inc., Golfsmith International Holdings LP and Golf Town Operating Limited Partnership (collectively, the "**Golf Town Entities**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Brian Cejka (the "**CRO**") sworn March 22, 2018, the Eighth Report of FTI Consulting Canada Inc. ("**FTI**") as the Court-appointed Monitor of the Golf Town Entities (the "**Monitor**") dated March 22, 2018 (the "**Eighth Report**") and the affidavits sworn in support of the approval of the fees and disbursements of the Monitor and its counsel, and on hearing the submissions of counsel for each of the Golf Town Entities, the Monitor and such other counsel as were present and wished to be heard, and on reading the affidavit of service, filed:

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Initial Order of this Court dated September 14, 2016 (as amended, the "**Initial Order**").

DISTRIBUTION OF FUNDS

2. **THIS COURT ORDERS** that the Monitor is authorized and directed to hold a reserve of funds from proceeds of the Golf Town Entities (the "**Reserve**") from time to time in an amount determined by the Monitor, in consultation with counsel to the Golf Town Entities, which Reserve shall be sufficient for the payment of:

(a) any claim secured by the Charges granted by this Court pursuant to the Initial Order;

(b) any expense or obligation incurred by the Golf Town Entities that relates to the period from and after the date of the Initial Order or is otherwise payable pursuant to the Initial Order; and

(c) any other amounts appropriate in the circumstances to ensure the availability of sufficient funds to undertake and complete the orderly wind-down of the Golf Town Entities and these proceedings and all ancillary activities in connection therewith, including any assignments in bankruptcy in respect of the Golf Town Entities pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**").

3. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in any other Order of this Court, the Monitor is hereby authorized and directed, subject to the prior written consent of the CRO, to distribute to BNY Trust Company of Canada, in its capacity as Canadian co-trustee (the "**Trustee**") under the Secured Notes Indenture (as defined below), in one or more distributions (each a "**Distribution**" and, collectively, the "**Distributions**"), all funds or proceeds in respect of the Golf Town Entities held by the Monitor in excess of the amount of the Reserve determined at the time of such Distribution, provided that, for greater certainty, the aggregate amount of all Distributions made to the Trustee on behalf of the Golf Town Entities shall not

exceed the aggregate obligations owing by the Golf Town Entities pursuant to the indenture dated as of July 24, 2012, as amended (the "**Secured Notes Indenture**"), pursuant to which GT Canada and Golfsmith International Holdings, Inc. (collectively with their affiliates, the "**Company**") issued the 10.50% senior second lien notes due 2018 (the "**Secured Notes**"). For greater certainty, this paragraph shall apply to all funds or proceeds in respect of the Golf Town Entities that are held by or come into the possession of the Monitor following the CCAA Termination Date (as defined below) (the "**Post-Termination Proceeds**").

4. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) the assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the BIA and any order issued pursuant to such petition; or

(c) any provisions of any federal or provincial legislation,

the Distributions shall be binding on any trustee in bankruptcy or receiver that may be appointed and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

APPROVAL OF MONITOR'S ACTIVITIES

5. **THIS COURT ORDERS** that the activities and conduct of the Monitor prior to or on the date hereof in relation to the Golf Town Entities and these proceedings are hereby ratified and approved.

6. **THIS COURT ORDERS** that the reports of the Monitor filed to date in these proceedings (including the Eighth Report), and the activities and conduct of the Monitor described in each of such reports, are hereby approved.

APPROVAL OF FEES AND DISBURSEMENTS OF THE MONITOR

7. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from September 14, 2016 to February 28, 2018, and its fees and disbursements, estimated not to exceed $60,000, for the completion of remaining activities in connection with these proceedings, all as set out in the affidavit of Paul Bishop sworn March 21, 2018, are hereby approved.

8. **THIS COURT ORDERS** that the fees and disbursements of Osler, Hoskin & Harcourt LLP, in its capacity as counsel to the Monitor, for the period from September 1, 2016 to February 28, 2018, and its fees and disbursements, estimated not to exceed $50,000, for the completion of remaining activities in connection with these proceedings, all as set out in the affidavit of Tracy Sandler sworn March 22, 2018, are hereby approved.

TERMINATION OF CCAA PROCEEDINGS

9. **THIS COURT ORDERS** that upon the filing of a certificate of the Monitor in substantially the form attached hereto as Schedule "A" (the "**Monitor's Certificate**") confirming that all matters to be attended to in connection with the Golf Town Entities and proceedings in respect of the Company have been completed, the proceedings shall be terminated without any further act or formality (the "**CCAA Termination Date**"). For greater certainty, the Monitor's Certificate may be filed and the CCAA Termination Date may occur notwithstanding one or more Distributions are expected to occur following the CCAA Termination Date.

10. **THIS COURT ORDERS** that the Charges shall be and are hereby terminated, released and discharged as of the CCAA Termination Date. Notwithstanding the foregoing, where the Monitor continues to hold a Reserve at the CCAA Termination Date with respect to a Charge, such Charge, in an amount equal to the corresponding Reserve amount held by the Monitor, shall not be terminated, released or discharged until such time as the corresponding Reserve amount is distributed or released pursuant to the terms of this Order.

11. **THIS COURT ORDERS** that each of the Golf Town Entities shall be authorized, in its discretion or at the discretion of the Monitor, to make an assignment in bankruptcy pursuant to the BIA on or after the CCAA Termination Date, and the Monitor is hereby authorized to file any such assignment in bankruptcy for and on behalf of any Golf Town Entity and to take any

steps reasonably incidental thereto. FTI is hereby authorized to act as trustee in bankruptcy in respect of any Golf Town Entity that makes an assignment in bankruptcy pursuant to the BIA.

DISCHARGE OF THE MONITOR

12. **THIS COURT ORDERS AND DECLARES** that effective on the CCAA Termination Date, the Monitor shall be and is hereby discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Date, provided that, notwithstanding its discharge herein, the Monitor shall remain Monitor for the performance of such incidental or ancillary duties as may be required to complete the administration of the Golf Town Entities' estate or these proceedings following the CCAA Termination Date, including the duty to effect a Distribution of any Post-Termination Proceeds pursuant to the terms of this Order and the discretion to authorize an assignment in bankruptcy pursuant to paragraph 11 hereof.

13. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the termination of these proceedings or the discharge of the Monitor, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, any of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, any other Order of this Court in these proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA Termination Date, including in connection with any actions taken by FTI following the CCAA Termination Date with respect to the Golf Town Entities or these proceedings.

RELEASE

14. **THIS COURT ORDERS** that (i) the present and former direct and indirect shareholders, directors, officers, employees, legal counsel and advisors of the Golf Town Entities (or any of them) or Golfsmith International Holdings GP Inc., and (ii) the Monitor and its legal counsel (the persons listed in clauses (i) and (ii) being collectively, the "**Released Parties**") are hereby forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, recoveries, and obligations of

whatever nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the CCAA Termination Date or completed pursuant to the terms of this Order in respect of the Company, the business, operations, assets, property and affairs of the Company wherever or however conducted or governed, the administration and/or management of the Company, the Secured Notes Indenture, the Secured Notes and these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph 14 shall waive, discharge, release, cancel or bar any claim against the Directors and Officers that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

EXTENSION OF THE STAY OF PROCEEDINGS

15. **THIS COURT ORDERS** that the Stay Period (as defined in and used throughout the Initial Order) be and is hereby extended to and including the earlier of (i) the CCAA Termination Date, and (ii) May 31, 2018.

GENERAL

16. **THIS COURT ORDERS** that the Golf Town Entities or the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

17. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to give effect to this Order and to assist the Golf Town Entities and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Golf Town Entities and the Monitor and their respective agents

as may be necessary or desirable to give effect to this Order, or to assist the Golf Town Entities and the Monitor and their respective agents in carrying out the terms of this Order.

_____

Schedule A – Form of Monitor's Certificate

Court File No. CV-16-11527-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Applicants

MONITOR'S CERTIFICATE

RECITALS

A. FTI Consulting Canada Inc. was appointed as the Monitor of the Golf Town Entities in the within proceedings pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 14, 2016.

C. Pursuant to the Order of this Court dated March 29, 2018 (the "**CCAA Termination Order**"), the Monitor shall be discharged and these proceedings shall be terminated upon the filing of this Monitor's Certificate with the Court.

D. Unless otherwise indicated herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the CCAA Termination Order.

THE MONITOR CONFIRMS the following:

1. All matters to be attended to in connection with the Golf Town Entities and proceedings in respect of the Company have been completed.

ACCORDINGLY, the CCAA Termination Date as defined in the CCAA Termination Order has occurred on the date set forth below.

DATED at Toronto, Ontario this _____ day of _____, 2018.

FTI Consulting Canada Inc., in its capacity as Monitor of the Golf Town Entities, and not in its personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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CCAA TERMINATION ORDER

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Applicants

AFFIDAVIT OF BRIAN CEJKA

(sworn March 22, 2018)

I, Brian Cejka, of the City of Dallas, in the State of Texas, MAKE OATH AND SAY:

1. I am a Managing Director of Alvarez & Marsal North America, LLC (together with its affiliates, "**A&M**") and the Chief Restructuring Officer (the "**CRO**") of the Golf Town and Golfsmith corporate group (collectively, the "**Company**"). Prior to becoming CRO, I was a member of the A&M engagement team that has provided financial advisory services to the Company since June 2014. As such, I have personal knowledge of the Company and the matters to which I depose in this affidavit.

2. On September 14, 2016, Golf Town Canada Holdings Inc., Golf Town Canada Inc. ("**GT Canada**") and Golf Town GP II Inc. (collectively, the "**Applicants**") sought and obtained an

Order of this Court (as amended, the "**Initial Order**") providing creditor protection to the Applicants under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). The protections and authorizations in the Initial Order were also extended to Golfsmith International Holdings LP ("**Holdings LP**") and Golf Town Operating Limited Partnership ("**Golf Town LP**" and, together with the Applicants and Holdings LP, the "**Golf Town Entities**"). Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor (the "**Monitor**") of the Golf Town Entities in the CCAA proceedings.[1]

3. Concurrently with the CCAA application, certain entities affiliated with the Golf Town Entities that carried on business as "Golfsmith" in the United States (collectively, the "**U.S. Debtors**") initiated voluntary proceedings pursuant to title 11, chapter 11 ("**Chapter 11**") of the *United States Code* in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") to provide stability to the Golfsmith Business while the U.S. Debtors advanced restructuring alternatives. The U.S. Debtors ultimately completed a sale of substantially all of their assets in a transaction that closed in November 2016.

4. On September 30, 2016, this Court granted an Approval and Vesting Order approving the going concern sale of the Golf Town Business (the "**Golf Town Transaction**") to Golf Town Limited (the "**Purchaser**"). The Golf Town Transaction closed on October 31, 2016. Since the closing of the Golf Town Transaction, the Golf Town Entities and their advisors have been working diligently to complete an orderly transition of the Golf Town Business to the Purchaser and to work with Golfsmith to achieve a coordinated exit from creditor protection.

[1] Capitalized terms used and not otherwise defined in this affidavit have the meanings given to them in the affidavit of David Roussy sworn September 13, 2016.

5. Following an extended period of discussions and negotiations, the U.S. Debtors and certain of their stakeholders have reached agreement on a consensual global settlement (the "**Settlement**") that resolves a dispute with respect to the payment of certain administrative priority claims, authorizes the distribution of remaining funds to the Company's Secured Noteholders, and achieves a dismissal of the Chapter 11 proceedings with the support of key stakeholders of the U.S. Debtors. The Settlement and the dismissal procedures were approved by the Bankruptcy Court on January 23, 2018 and the U.S. Debtors expect to implement the Settlement and exit from Chapter 11 protection by April 30, 2018. The Company's expected proceeds upon completion of the CCAA and Chapter 11 proceedings will be insufficient to repay in full the obligations of Golf Town and Golfsmith under the second lien Secured Notes, and accordingly there is no value remaining for unsecured creditors of the Company.

6. The wind-down of the Golf Town Entities is substantially complete and the Golf Town Entities are in a position, subject to this Court's approval, to distribute their remaining estate and to terminate the CCAA proceedings concurrently with the completion of the Chapter 11 proceedings. Accordingly, this affidavit is sworn in support of the Golf Town Entities' motion for an Order (the "**CCAA Termination Order**") that, among other things:

(a) authorizes and directs the Monitor to hold a reserve of funds from proceeds of the Golf Town Entities (the "**Reserve**") from time to time to provide for the payment of certain amounts in connection with the completion of wind-down matters;

(b) authorizes and directs the Monitor, subject to prior written consent of the CRO, to distribute, in one or more distributions, the remaining proceeds of the Golf Town Entities' estate to BNY Trust Company of Canada, in its capacity as Canadian co-

trustee (the "**Canadian Indenture Trustee**") under the indenture (the "**Secured Notes Indenture**") pursuant to which the Company's 10.50% senior second lien notes due 2018 (the "**Secured Notes**") were issued;

(c) approves the activities of the Monitor and the fees and disbursements of the Monitor and its counsel;

(d) provides for the termination of the CCAA proceedings and the discharge of the Monitor on the date (the "**CCAA Termination Date**") on which the Monitor files a certificate confirming that all matters to be attended to in connection with the Golf Town Entities and proceedings in respect of the Company have been completed;

(e) releases (i) all current and former direct and indirect shareholders, directors, officers, employees, legal counsel and advisors of the Golf Town Entities (or any of them) or Golfsmith International Holdings GP Inc., and (ii) the Monitor and its counsel (the persons listed in clauses (i) and (ii) being collectively, the "**Released Parties**") from all present and future claims and obligations based on any act, omission, transaction, dealing or other occurrence taking place prior to the CCAA Termination Date or completed pursuant to the CCAA Termination Order (the "**CCAA Release**");

(f) extends the CCAA stay of proceedings until the earlier of (i) the CCAA Termination Date, and (ii) May 31, 2018; and

(g) provides certain other related and ancillary relief.

7. The proposed CCAA Termination Order will facilitate the completion of remaining CCAA matters in an efficient and orderly manner that preserves the remaining value of the Golf Town Entities' estate. The process set forth in the CCAA Termination Order will operate in parallel to the dismissal process approved by the Bankruptcy Court and enable the Company to achieve a coordinated exit from creditor protection in the near term.

I. OVERVIEW OF DEVELOPMENTS IN THE CCAA AND CHAPTER 11 PROCEEDINGS

A. CCAA Proceedings

8. The background to the Golf Town Entities' CCAA filing is described in detail in the affidavit of David Roussy sworn September 13, 2016 (the "**Initial Affidavit**") in support of the Initial Order and in the other affidavits filed by the Golf Town Entities in the course of these proceedings. The following chart sets out the key dates and developments in the CCAA proceedings:

Date	Development
Sept. 14, 2016	Initial Order granted.
Sept. 30, 2016	Approval and Vesting Order granted approving the Golf Town Transaction. Stay Period extended to January 31, 2017.
Oct. 27, 2016	Assignment Order granted in respect of 11 Golf Town real property leases.
Oct. 31, 2016	Closing of the Golf Town Transaction. Commencement of the one-year transition services period in respect of the Golf Town Business pursuant to the TSA.
Jan. 31, 2017	Stay Period extended to July 31, 2017.
July 28, 2017	Stay Period extended to December 15, 2017.
Oct. 31, 2017	End of the transition services period in respect of the Golf Town Business pursuant to the TSA.

Date	Development
Dec. 12, 2017	Stay Period extended to March 30, 2018. Monitor granted and authorized to exercise enhanced powers to facilitate the wind-down of the Golf Town Entities.

9. The Golf Town Entities obtained CCAA protection on September 14, 2016 to provide the Golf Town Entities with breathing space while they sought to complete the going concern transition of the Golf Town Business to the Purchaser. Under the Golf Town Transaction, the Purchaser assumed the real property leases for Golf Town's former head office and 48 of the 55 retail locations operated by Golf Town at the commencement of the CCAA proceedings, including the 11 leases assigned to the Purchaser pursuant to the Assignment Order. The real property leases that were not assumed by the Purchaser were disclaimed pursuant to the CCAA and operations at these locations were discontinued in November 2016. The Golf Town Entities no longer carry on any retail or business operations.

10. In connection with the closing of the Golf Town Transaction, Golf Town, the Purchaser and Golfsmith International Holdings, Inc. ("**Golfsmith International**")[2] entered into a Transition Services Agreement (the "**TSA**") to facilitate the orderly transition of the Golf Town Business. Pursuant to the TSA, Golfsmith International provided transition services to the Purchaser in respect of the Golf Town Business for a one-year period that ended on October 31, 2017. The wind-down of the Golf Town Entities is now substantially complete.

[2] Golfsmith International is a U.S. Debtor subject to the Chapter 11 proceedings.

B. Chapter 11 Proceedings

11. In connection with the Chapter 11 proceedings, the U.S. Debtors sold substantially all of their assets to Dick's Sporting Goods and a joint venture of three sales agents pursuant to a transaction (the "**Golfsmith Transaction**") that closed on November 2, 2016. In addition, the U.S. Debtors completed a sale of their head office and adjoining real property in Austin, Texas in January 2017. As a result of the Golfsmith Transaction and the sale of the Austin property, the U.S. Debtors sold substantially all of their business and assets.

12. Following the completion of the Golfsmith Transaction and related transition support services, the U.S. Debtors undertook wind-down activities and worked to finalize arrangements to facilitate their exit from the Chapter 11 proceedings in an efficient manner. In December 2017, the U.S. Debtors, the unsecured creditors committee of the U.S. Debtors (the "**Creditors' Committee**") and the U.S. co-trustee under the Secured Notes Indenture (the "**U.S. Indenture Trustee**") reached agreement on the Settlement, including the treatment of claims asserted against the U.S. Debtors in respect of stub period rent and goods supplied to the U.S. Debtors in the 20 days prior to their Chapter 11 filing for which priority was asserted pursuant to Section 503(b)(9) of the Bankruptcy Code.

13. Pursuant to the Settlement, the U.S. Debtors agreed to pay all stub period rent claims and establish a reserve for the payment of 503(b)(9) claims in an amount equal to the lesser of US$1.25 million and 50% of the value of allowed 503(b)(9) claims. The Settlement achieves a consensual resolution of landlord and supplier priority claims and facilitates the completion of the Chapter 11 cases through a dismissal process that is supported by the key stakeholder groups of the U.S. Debtors, including the Secured Noteholders and the Creditors' Committee.

14. At a hearing on January 23, 2018, the U.S. Debtors obtained Bankruptcy Court approval of the Settlement, in the form of an order approving procedures for the allowance, settlement and payment of 503(b)(9) claims (the "**503(b)(9) Procedures Order**") and an order authorizing the dismissal of the Chapter 11 cases upon the completion of remaining wind-down matters (the "**Dismissal Authorization Order**"). A copy of the Dismissal Authorization Order is attached hereto as Exhibit "A".

15. The Dismissal Authorization Order, among other things:

(a) approves an initial distribution of US$5,315,000 to the U.S. Indenture Trustee (together with the Canadian Indenture Trustee, the "**Indenture Trustee**") for the benefit of Secured Noteholders, which distribution was made in February 2018;

(b) directs that all funds of the U.S. Debtors, after the satisfaction of administrative expenses (including those in connection with the Settlement) and other wind-down obligations, be distributed to the Indenture Trustee for the benefit of Secured Noteholders; and

(c) approves a form of order (the "**Dismissal Order**") that dismisses the Chapter 11 cases upon certification of the U.S. Debtors' counsel that all preconditions to dismissal have been completed and all administrative expenses have been settled.

16. The Dismissal Order includes a comprehensive release by the "Releasing Parties" that becomes effective upon the entry of the Dismissal Order. The "Releasing Parties" for purposes of the Chapter 11 Release are each of the U.S. Debtors and all of their non-debtor affiliates (including the Golf Town Entities and Golfsmith International Holdings GP Inc.) (collectively,

the "**Company Parties**") and their respective estates; the Creditors' Committee; the Indenture Trustee (defined in the Dismissal Order as the "Second Lien Trustee"); the Second Lien Parties; each holder of a stub rent claim that is paid after December 22, 2017 and enters into a stipulation with the U.S. Debtors regarding the allowance of its stub rent claim; each holder of an allowed 503(b)(9) claim that enters into a settlement agreement with the U.S. Debtors; and each of the aforementioned party's respective past, present and future, officers, directors, employees, controlling stockholders, affiliates, subsidiaries, advisors and other specified parties.

17. Pursuant to the Chapter 11 Release, the Releasing Parties grant a full and complete release of each other Releasing Party from any and all claims, liabilities or debts relating in any way to, or arising from any transaction with or in connection to, the Company Parties or their estates of whatever kind or nature, except for each Releasing Party's obligations under the Dismissal Order, the Dismissal Authorization Order, the 503(b)(9) Procedures Order and/or any stipulation.

18. The Settlement was negotiated amongst the U.S. Debtors and their key stakeholder groups, and notice of the Settlement, the proposed Chapter 11 Release and the other relief sought by the U.S. Debtors pursuant to the Bankruptcy Court orders was provided to stakeholders of the U.S. Debtors. In light of the nature of the Settlement and the Chapter 11 Release, the Indenture Trustee provided all Secured Noteholders with a copy of the U.S. Debtors' motion for the Dismissal Authorization Order. In addition to describing the Chapter 11 Release, the U.S. Debtors' motion, a copy of which (without exhibits) is attached hereto as Exhibit "B", also indicated at paragraph 25 that:

(a) Golf Town would bring a motion in the CCAA proceedings seeking approval from this Court to distribute its remaining estate for the benefit of the Secured Noteholders and to terminate the CCAA proceedings concurrently with the dismissal of the Chapter 11 proceedings;

(b) in connection with its motion, Golf Town intended to seek a court-ordered release in favour of certain parties, including Golf Town's former and current officers, directors, employees, shareholders and advisors; and

(c) all materials filed in the CCAA proceedings, including the motion for the CCAA Termination Order (once filed), are made available on the Monitor's case website.

19. I am informed by restructuring counsel to the U.S. Debtors, Weil, Gotshal & Manges LLP, that no objections with respect to the Settlement or the Dismissal Authorization Order were advanced by Secured Noteholders and that all other stakeholder objections were resolved consensually prior to the hearing.

20. The Settlement and the associated Bankruptcy Court orders achieve a consensual resolution of the competing claims to the U.S. Debtors' estate and facilitate the completion of the Chapter 11 proceedings in an efficient and cost-effective manner. The U.S. Debtors currently expect to complete wind-down matters and terminate the Chapter 11 proceedings by April 30, 2018.

21. The process set forth in the proposed CCAA Termination Order will facilitate the termination of the CCAA proceedings on a timeline consistent with the expected timing for the termination of the Chapter 11 proceedings. Taken together, the dismissal process in the

Chapter 11 proceedings and the process set forth in the CCAA Termination Order will enable the Company to complete remaining wind-down matters, distribute its remaining proceeds to the Secured Noteholders, and terminate the CCAA and Chapter 11 proceedings in an efficient and coordinated manner.

II. ESTATE VALUE AND DISTRIBUTIONS

22. As authorized pursuant to previous orders of this Court and the Bankruptcy Court, the Company has used certain of the proceeds from business operations and the completed sale transactions to repay in full the obligations under the DIP Facility and the first lien pre-filing Credit Facility.

23. The remaining proceeds of the Golf Town Entities' estate are held by the Monitor. As set out in the cash flow forecast to be attached to the Monitor's Eighth Report, the Golf Town Entities are expected to have aggregate gross proceeds of approximately $8.2 million for distribution to Secured Noteholders after payment of the expenses necessary to complete remaining wind-down matters. Pursuant to the Approval and Vesting Order, the Monitor has reserved certain estate proceeds to ensure the availability of funding in connection with the completion of the CCAA proceedings and the final administration of the Golf Town Entities' estate. Additional information with respect to such reserves will be provided in the Monitor's report to be filed in connection with the Golf Town Entities' motion for the CCAA Termination Order.

24. As described in greater detail in the Initial Affidavit, the Secured Notes have an aggregate principal amount of C$125 million and were issued by GT Canada, as Canadian issuer, and Golfsmith International, as U.S. issuer. The obligations under the Secured Notes Indenture

are guaranteed by all material entities in the Golf Town and Golfsmith corporate group, including Golf Town Canada Holdings Inc., Golf Town GP II Inc. and Golf Town LP, each of which is subject to the CCAA proceedings. The Secured Notes are secured by a security interest in substantially all of the assets and property of Golf Town and Golfsmith.

25. At the outset of the CCAA proceedings, counsel to the Monitor conducted a review of the security granted by the Golf Town Entities in its personal property to secure the amounts owing to the First Lien Lenders under the Credit Agreement and the amounts owing to the Secured Noteholders under the Notes Indenture. As set out in the Monitor's First Report dated September 27, 2016, the Monitor's security opinion, subject to the assumptions and qualifications contained therein, states that the personal property security granted in favour of the Secured Noteholders under the Secured Notes Indenture is valid and enforceable and creates valid security interests in substantially all of the personal property of the Golf Town Entities pursuant to the *Personal Property Security Act* (Ontario) and similar legislation in each of the nine Canadian provinces in which the Golf Town Business carried on business operations.

26. Having regard to the expected proceeds of Golf Town and Golfsmith upon completion of the CCAA and Chapter 11 proceedings, there will be insufficient proceeds to repay in full the Company's obligations under the Secured Notes Indenture. It is currently estimated that Secured Noteholders will receive an aggregate recovery of approximately 14% of the principal amount of the Secured Notes. Accordingly, except with respect to certain administrative and priority claims, there is no value for unsecured creditors of the Company, including unsecured creditors of the Golf Town Entities.

III. THE CCAA TERMINATION ORDER

27. The Golf Town Entities are requesting approval of the CCAA Termination Order to facilitate the completion of remaining wind-down matters and the termination of the CCAA proceedings in an efficient and cost-effective manner that preserves remaining value for the benefit of creditors with a remaining economic interest. The material aspects of the proposed CCAA Termination Order are described below.

A. Distributions and Reserves

28. The CCAA Termination Order authorizes the Monitor to distribute the Golf Town Entities' remaining proceeds to the Canadian Indenture Trustee, subject to the holdback of any Reserve determined at the time of such distribution to ensure the availability of sufficient funds for the payment of (i) any claim secured by a Court-ordered priority Charge (including the fees and disbursements of the Monitor and its counsel), (ii) post-filing obligations and other amounts payable pursuant to the Initial Order, and (iii) other amounts in connection with the orderly wind-down of the CCAA proceedings and the Golf Town Entities, including any assignments in bankruptcy.

29. The CCAA Termination Order authorizes the Monitor to disburse the remaining proceeds to the Canadian Indenture Trustee in one or more distributions (including the disbursement of funds or proceeds that are held by or come into the possession of the Monitor following the CCAA Termination Date ("**Post-Termination Proceeds**")), in an aggregate amount up to the total obligations of the Golf Town Entities pursuant to the Secured Notes Indenture. This approach will provide the Monitor with appropriate flexibility as to the amount and timing of distributions and ensure that the maintenance of any Reserve necessary to fund remaining wind-

down matters will not prevent the Monitor, if appropriate, from distributing the bulk of the Golf Town Entities' remaining estate to the Canadian Indenture Trustee prior to the termination of the CCAA proceedings. I understand that the proposed timing and amounts of distributions to the Canadian Indenture Trustee will be described in the Monitor's Eighth Report.

B. Termination of the CCAA Proceedings and Discharge of the Monitor

30. The CCAA Termination Order provides that the CCAA proceedings shall be terminated upon the filing by the Monitor of a certificate confirming that all matters to be attended to in connection with the Golf Town Entities and proceedings in respect of the Company have been completed. The Order provides that the Monitor shall be discharged as Monitor effective on the CCAA Termination Date, provided that, notwithstanding the discharge, the Monitor shall remain Monitor for the performance of incidental or ancillary duties as may be required to complete the administration of the Golf Town Entities' estate or the CCAA proceedings, including the duty to effect a distribution of any Post-Termination Proceeds.

31. As described above, the Golf Town Entities expect that remaining wind-down matters in the CCAA and Chapter 11 proceedings will be completed in or around April 2018 and that the Monitor will be in a position to deliver the Monitor's certificate at that time.

C. CCAA Release

32. The CCAA Termination Order provides for the release of the Released Parties, consisting of (i) all current and former direct and indirect shareholders, directors, officers, employees, legal counsel and advisors of the Golf Town Entities (or any of them) or Golfsmith International Holdings GP Inc., and (ii) the Monitor and its counsel. The Order provides for the release of all

present and future claims and obligations in respect of the Released Parties based on any act, omission, transaction, dealing or other occurrence taking place prior to the CCAA Termination Date or completed pursuant to the CCAA Termination Order (as defined in the Order, the "**Released Claims**"). The CCAA Release does not release any claim against the Directors and Officers that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

33. The CCAA Release will facilitate the distribution of the Golf Town Entities' remaining estate and the completion of these proceedings without the need to expend estate resources in connection with the development and implementation of a plan of compromise or arrangement and the completion of related procedural steps.

34. The Golf Town Entities have determined that the time and expense associated with undertaking a claims procedure is not in the best interests of the Golf Town Entities or its stakeholders, given that Secured Noteholders will suffer a substantial deficiency on the amounts owed to them and there is no value for unsecured creditors. Neither the Golf Town Entities nor the Monitor are aware of the existence or assertion of any claims against the Released Parties. The purpose of the CCAA Release is to achieve certainty and finality for the Released Parties in the most efficient and appropriate manner given the Golf Town Entities' current circumstances.

35. The Released Parties, including the directors, officers and advisors of the Golf Town Entities and Golfsmith International Holdings GP Inc. and the Monitor and its counsel, have made significant contributions to the Company's restructuring efforts and to achieving the best possible outcome to these CCAA proceedings. The release of these parties is reasonable and appropriate in the circumstances and will facilitate the completion of these CCAA proceedings in an efficient and orderly manner, including through the release of reserved funds securing the

Directors' Charges. In the circumstances, the CCAA Release is therefore in the best interests of the Golf Town Entities and their stakeholders.

36. I understand that notice of the Golf Town Entities' motion for the CCAA Termination Order will be provided to the CCAA service list and certain other interested parties on or shortly following the date of this affidavit.

D. Extension of the CCAA Stay of Proceedings

37. The current stay of proceedings in respect of the Golf Town Entities expires on March 30, 2017. The CCAA Termination Order provides for the extension of the Stay Period to and including the earlier of (i) the CCAA Termination Date, and (ii) May 31, 2018.

38. The Golf Town Entities continue to act diligently and in good faith to advance the wind-down of the Golf Town estate and the completion of these CCAA proceedings. The Golf Town Entities expect to be in a position to terminate the CCAA proceedings prior to May 31, 2018 but are requesting an extension of the stay of proceedings until that outside date to avoid incurring the expense of bringing another motion in these CCAA proceedings in the event that remaining matters cannot be completed prior to the end of the current Stay Period. Given the Golf Town Entities' existing circumstances, I do not believe that any creditor will suffer any material prejudice as a result of the extension of the Stay Period as set forth in the CCAA Termination Order. I understand that the Monitor supports the proposed extension of the Stay Period.

IV. CONCLUSION

39. In connection with the CCAA proceedings, the Golf Town Entities have completed a sale of substantially all of their business and assets and transitioned the Golf Town Business to the

Purchaser on a going concern basis for the benefit of its stakeholders. Having negotiated and obtained Bankruptcy Court approval of a consensual global Settlement with its key stakeholders in the Chapter 11 proceedings, the Company is now in a position to distribute its remaining proceeds and to achieve a coordinated exit from its CCAA and Chapter 11 proceedings. The proposed CCAA Termination Order will enable the Golf Town Entities, with the assistance of the Monitor, to complete remaining matters in a cost-effective and efficient manner and bring these CCAA proceedings to an orderly conclusion.

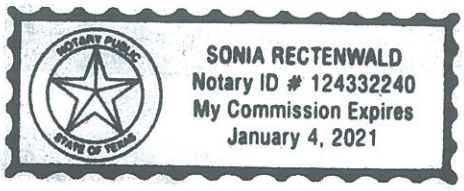
40. Accordingly, I swear this affidavit in support of the CCAA Termination Order and for no improper purpose.

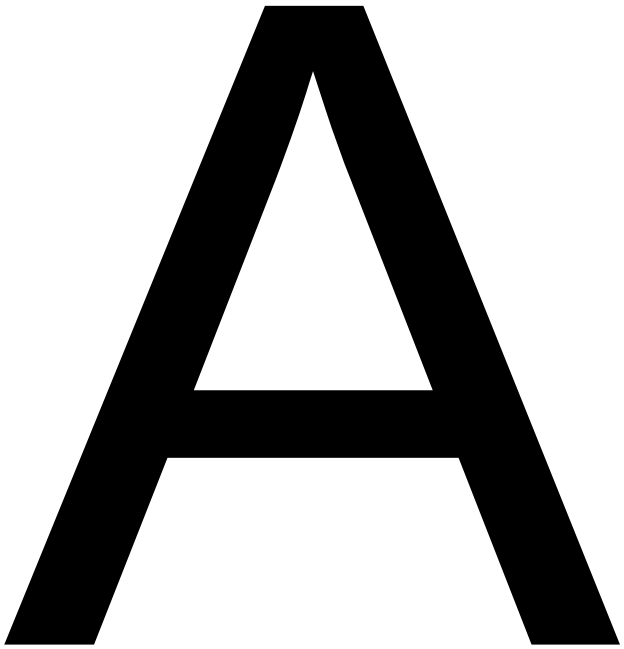
SWORN before me at the City of Houston, in the State of Texas, on March 22, 2018.

Sonia Rectenwald

A Commissioner for taking affidavits

Brian Cejka

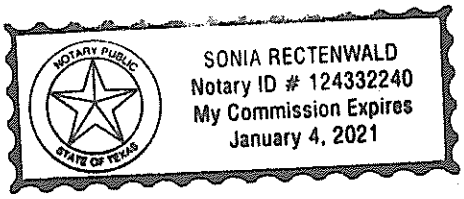




THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF BRIAN CEJKA
SWORN BEFORE ME THIS 22ND DAY OF MARCH, 2018

Sonia Rectenwald

Commissioner for Taking Affidavits



ORIGINAL

35

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	**Chapter 11**
GOLFSMITH INTERNATIONAL HOLDINGS, INC., *et al.*,	**Case No. 16-12033 (LSS)**
Debtors.[1]	**Jointly Administered**
	Re: Docket No. 1162

ORDER APPROVING (I) FORM OF ORDER PURSUANT TO SECTIONS 105(a), 305(a) AND 1112(b) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 1017 AUTHORIZING DISMISSAL OF THE DEBTORS' CASES, (II) PROCEDURES FOR SUBMISSION OF SUCH ORDER UNDER CERTIFICATION OF COUNSEL AND (III) CERTAIN RELATED RELIEF

Upon the joint motion, dated December 22, 2017 (the "**Motion**"),[2] of Golfsmith International Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), and the official committee of unsecured creditors (the "**Creditors' Committee**") for entry of an order pursuant to sections 105(a), 305(a) and 1112(b) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 1017(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") seeking approval of a form of Dismissal Order dismissing the Debtors' chapter 11 cases under certification of counsel, all as more fully described in the Motion; and the Global Settlement having been negotiated at arm's length and being fair, reasonable, and adequate and in the best interests of the Debtors, their estates, and their creditors; and the Court having jurisdiction to consider the Motion and the relief requested

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Golfsmith International Holdings, Inc. (4847); GMAC Holdings, LLC (3331); Golf Town USA Holdco Limited (5562); Golf Town USA Holdings Inc. (7038); Golf Town USA, L.L.C. (0259); Golfsmith 2 GP, L.L.C. (2218); Golfsmith Europe, L.L.C.(2408); Golfsmith Incentive Services, L.L.C. (2730); Golfsmith International, Inc. (7337); Golfsmith International, L.P. (4257); Golfsmith Licensing, L.L.C. (5499); Golfsmith NU, L.L.C. (2404); and Golfsmith USA, L.L.C. (2405). The Debtors' corporate headquarters is located at 11000 North IH-35, Austin, TX 78753.

[2] Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Motion.

therein 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 February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and after due deliberation and sufficient cause appearing therefor:

1. The Motion is granted to the extent provided for herein.

2. This Order shall be effective and binding upon the Debtors, the Creditors' Committee, the Second Lien Noteholders, and all other parties in interest.

3. The form of Dismissal Order is hereby approved in its entirety in the form attached hereto as **Exhibit 1**. Notwithstanding the foregoing, the dismissal of any one or more of the Debtors' chapter 11 cases shall remain subject to this Court's entry of the Dismissal Order.

4. The Debtors are authorized to submit to the Court under certification of counsel (the "**Certification**") the approved form of Dismissal Order for one or more of the Debtors' chapter 11 cases under the circumstances described in the Motion, which such certification and this Order may be served on the general service list established in these chapter 11 cases. The Debtors shall not be required to send the Certification to the Debtors' entire matrix of creditors and parties in interest as such parties received adequate notice of the proposed dismissal through notice of the hearing on the Motion.

5. Immediately prior to, upon, or after dismissal of the chapter 11 cases, each Debtor is authorized and empowered to take all reasonably necessary steps to dissolve and/or terminate under applicable state law without the requirement of obtaining stockholder or equivalent approval. The appropriate officer of the Debtors is authorized to execute and file all necessary documents and take all such actions as may be necessary or appropriate to effectuate the dissolution and/or termination of the Debtors under applicable law.

6. The Debtors are authorized to make the distributions detailed in the Motion in accordance with the Wind Down Budget attached hereto as **Exhibit "2"**.

7. Upon the funding of all reserves, including the 503(b)(9) Reserve, in accordance with the Wind Down Budget, the Challenge Period (as defined in the DIP Order) shall expire without further order of the Court.

8. Within fourteen (14) days of the Court's entry of this Order, the Debtors shall make an initial distribution to the Second Lien Trustee for the benefit of Second Lien Noteholders on account of the Second Lien Notes claims in accordance with, and subject to, the Wind Down Budget (the "**Initial Noteholder Distribution**"). Notwithstanding anything to the contrary in this Order, the 503(b)(9) Reserve shall not be funded until the Initial Noteholder Distribution is made.

9. After the satisfaction of Administrative Expenses and other costs necessary to dissolve, terminate or otherwise wind down each of the Debtors and/or the establishment of sufficient reserves to pay all such amounts, any unused funds in the Debtors' estates shall be distributed to the Second Lien Trustee for the benefit of the Second Lien Noteholders on account of the Second Lien Notes claims.

10. Prime Clerk LLC is hereby empowered and authorized to act as the disbursement agent of and for the Debtors' estates, *nunc pro tunc* to the date of the filing of the Motion, in order to implement distributions to holders of allowed 503(b)(9) Claims, Stub Rent Claims and, to the extent necessary, other Administrative Expenses.

11. Pursuant to sections 105(a) and 554 of the Bankruptcy Code and Bankruptcy Rule 6007, the Debtors are authorized to abandon and destroy, or cause to be abandoned and destroyed, any and all Books and Records in accordance with applicable law. For the avoidance of doubt, if the Debtors seek to dispose of any Books and Records that contain personally identifiable information and applicable law requires the Debtors to destroy (rather than abandon) such Books and Records, the Debtors shall destroy such Books and Records as and to the extent required by applicable law.

12. To the extent applicable, Rule 6004(h) of the Bankruptcy Rules is waived, and this Order shall be effective and enforceable immediately upon entry.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

14. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order and any other order of this Court entered in these chapter 11 cases.

Dated: January 23, 2018
Wilmington, Delaware

THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Dismissal Order

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	**Chapter 11**
GOLFSMITH INTERNATIONAL HOLDINGS, INC., *et al.*,	**Case No. 16-12033 (LSS)**
Debtors.[1]	**Jointly Administered**
	Re: Docket No. ___

ORDER PURSUANT TO SECTIONS 105(a), 305(a), 349, AND 1112(b) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 1017 AUTHORIZING DISMISSAL OF CHAPTER 11 CASE OF [DEBTOR] [CASE NO. 16-]

Upon the joint motion, dated December 22, 2017 (the "**Motion**"),[2] of Golfsmith International Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, the "**Debtors**"), and the official committee of unsecured creditors (the "**Creditors' Committee**") for entry of an order pursuant to sections 105(a), 305(a) and 1112(b) of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 1017(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") seeking dismissal of the Debtors' chapter 11 cases, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein 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 February 29, 2012; and consideration of the Motion and the requested relief being a core

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Golfsmith International Holdings, Inc. (4847); GMAC Holdings, LLC (3331); Golf Town USA Holdco Limited (5562); Golf Town USA Holdings Inc. (7038); Golf Town USA, L.L.C. (0259); Golfsmith 2 GP, L.L.C. (2218); Golfsmith Europe, L.L.C.(2408); Golfsmith Incentive Services, L.L.C. (2730); Golfsmith International, Inc. (7337); Golfsmith International, L.P. (4257); Golfsmith Licensing, L.L.C. (5499); Golfsmith NU, L.L.C. (2404); and Golfsmith USA, L.L.C. (2405). The Debtors' corporate headquarters is located at 11000 North IH-35, Austin, TX 78753.

[2] Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Motion.

proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and the Court having entered the *Order Approving (I) Form of Order Pursuant to Sections 105(a), 305(a) and 1112(b) of the Bankruptcy Code and Bankruptcy Rule 1017 Authorizing Dismissal of the Debtors Cases and (II) Procedures for Submission of Such Order Under Certification of Counsel* [Docket No. ____] (the "**Dismissal Authorization Order**"); and the Debtors having filed the Certification [Docket No. ___] which certified that all preconditions to dismissal have been completed and Administrative Expenses have been paid, resolved, or otherwise settled; and after due deliberation and sufficient cause appearing therefor:

1. The Motion is granted to the extent set forth herein.

2. Pursuant to sections 105(a), 305(a) and 1112(b) of the Bankruptcy Code and Bankruptcy Rule 1017, the chapter 11 case(s) of [insert each Debtor's case being dismissed pursuant to this Order] [are/is] hereby dismissed.

3. Effective and binding on each Releasing Party (as defined herein) upon entry of this Order, the Company Parties, each of the Company Parties' respective estates (to the extent applicable), the Creditors' Committee, the Second Lien Trustee, the Second Lien Parties, the Creditor Releasing Parties,[3] and each of the afore-mentioned party's respective past, present,

[3] The defined term "Creditor Releasing Parties" includes each holder of a Stub Rent Claim that is paid after the date of filing of the Motion (*i.e.*, December 22, 2017) and enters into a stipulation with the Debtors regarding the allowance of its Stub Rent Claim (each, a "**Landlord Stipulation**") and each holder of a 503(b)(9) Claim that is

and future officers, members, directors, employees, controlling stockholders, partners, agents, brokers, contractors, servants, affiliates, subsidiaries, parents, departments, divisions, insurers, attorneys, advisors, predecessors, successors, and assigns (collectively, the "**Releasing Parties**"), grant a full, complete, and unconditional release of each other Releasing Party, from any and all claims or counterclaims, causes of action, remedies, damages, liabilities, debts, suits, demands, actions, costs, expenses, fees, controversies, set-offs, third-party actions, or proceedings relating in any way to, or arising from any transaction with or in connection to, the Company Parties or their estates of whatever kind or nature, whether at law, equity, administrative, arbitration, or otherwise, whether known or unknown, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, which any such Releasing Party may have, or has ever had, against any and each of the other Releasing Parties, without exception or limitation, including, without limitation, any and all claims based on any avoidance or other powers afforded any such Releasing Party under the Bankruptcy Code, except for each Releasing Party's obligations under this Order, the Dismissal Authorization Order, the 503(b)(9) Procedures Order, and/or a Stipulation.

4. Upon entry of an Order dismissing all of the Debtors' cases, Prime Clerk shall be relieved of its responsibilities as the Debtors' claims and noticing agent in the chapter 11 cases. In accordance with Local Rule 2002-1(f)(ix), within fourteen (14) days of entry of such Order, Prime Clerk shall (a) forward to the Clerk of the Court an electronic version of all imaged claims, (b) upload the creditor mailing list into CM/ECF, (c) docket a combined final claims register containing claims against each Debtor, and (d) box and transport all original claims to the Philadelphia Federal Records Center, 14700 Townsend Road, Philadelphia, Pennsylvania

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allowed pursuant to the 503(b)(9) Procedures by, among other things, entering into a Settlement Agreement (as defined in the 503(b)(9) Procedures Motion) (together with a "**Landlord Stipulation**," each a "**Stipulation**"); provided, however, that to the extent that a Stipulation modifies the scope of the release set forth in paragraph 3 of

19154 and docket a completed SF-135 Form indicating the accession and location numbers of the archived claims.

5. Notwithstanding section 349 of the Bankruptcy Code, prior orders of this Court, including the Dismissal Authorization Order and the ability of the Debtors to dissolve immediately prior to, upon, or after dismissal pursuant thereto, shall survive dismissal of these chapter 11 cases.

6. To the extent applicable, Rule 6004(h) of the Bankruptcy Rules is waived, and this Order shall be effective and enforceable immediately upon entry.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

8. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order and any other order of this Court entered in these chapter 11 cases.

Dated: _____, 2018
Wilmington, Delaware

THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

this Order, the release provided in such Stipulation shall control.

Exhibit 2

Wind Down Budget

Golfsmith International

Winddown Budget

(USD, 000's)

	Winddown Forecast			
	Jan-18	Feb-18	Post Feb-18	Forecast Total
Collateral Recovery (1)	$ -	$ 889	$ -	$ 889
Estate Wind-down Expenses	(406)	(180)	(260)	(846)
Other Bankruptcy Items:				
Estate Wind-down - Professionals	(169)	(238)	(516)	(923)
Utility Deposit Credit	-	-	286	286
AP	(396)	(99)	-	(495)
UCC - 503(b)(9) Claims Settlement (2)	(1,250)	-	-	(1,250)
UCC - Stub Rents Settlement	(1,844)	-	-	(1,844)
Other	(45)	-	(65)	(110)
	$ (3,704)	$ (337)	$ (296)	$ (4,337)
Total Cash Flow	$ (4,110)	$ 372	$ (556)	$ (4,294)
Cash Balance				
Beginning Balance	11,419	1,994	2,366	11,419
Net Cash Flow	(4,110)	372	(556)	(4,294)
2nd Lien Distribution - Golfsmith (3)	(5,315)	-	(1,811)	(7,125)
Ending Cash Balance	$ 1,994	$ 2,366	$ -	$ -

Notes:

(1) Includes collateral on account of existing letters of credit.
(2) The final payout will be 50% of the reconciled claim amount up to $1.25 million in aggregate.
(3) Excludes CCAA Monitor Reserves that will be paid directly to the 2nd Lienholders.

Notice Recipients

District/Off: 0311−1	User: Nicki	Date Created: 1/24/2018
Case: 16−12033−LSS	Form ID: pdfodc	Total: 212

Recipients submitted to the BNC (Bankruptcy Noticing Center) without an address:

cr	Nike USA, Inc. ("Nike")
intp	NW Natural
cr	Calloway Golf Interactive
cr	Calloway Golf Canada Ltd
cr	Machado San Antonio Partners
intp	Stephen F. Greenberg
intp	David J. Folds
intp	Jefferies LLC
intp	IBM Corporation
intp	Alvarez & Marsal North America, LLC
cr	Smith Investment Holdings, LLC
intp	Robert E. Wagner
intp	Angelica Acosta
intp	Sheila A. Clarke
intp	Lisa Yen
intp	Zhao Liu

TOTAL: 16

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TOTAL: 96

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cr	Dallas County	Linebarger Goggan Blair & Sampson,LLP	c/o Elizabeth Weller	2777 N Stemmons Frwy Ste 1000	Dallas, TX 75207
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cr	Westfield LLC	c/o Niclas Ferland, Esq.	LeClairRyan	545 Long Wharf Drive, 9th Floor	New Haven, CT 06511
clagent	Prime Clerk	www.primeclerk.com	830 Third Avenue	9th Floor	New York, NY 10022
cr	Weingarten Realty Investors	Attn: Jenny J. Hyun, Esq.	2600 Citadel Plaza Dr., Suite 125	Houston, TX 77008	
cr	Harris County	c/o John P. Dillman	Post Office Box 3064	Houston, TX 77253−3064	
cr	Montgomery County	c/o John P. Dillman	Post Office Box 3064	Houston, TX 77253−3064	
cr	Bexar County	Linebarger Goggan et al			
cr	Dollar Tree Stores, Inc.	c/o Richard A. Barkasy	Schnader Harrison Segal & Lewis LLP	824 N. Market Street, Suite 800	Wilmington, DE 19801
cr	JBG/Woodbridge Retail, LLC	c/o Bradshaw Rost, Esq.	Tenenbaum & Saas, P.C.	4504 Walsh Street, Suite 200	Chevy Chase, MD 20815
cr	US 41 & I−285 Company LLC	c/o Michael S. Tucker, Esq.	Ulmer & Berne LLP	1660 West 2nd Street, Suite 1100	Cleveland, OH 44113−1448
cr	Callaway Golf Company	2180 Rutherford Rd.	Carlsbad, CA 92008		

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cr Maricopa County Treasurer 222 N. Central Avenue, Suite 1100 Phoenix, AZ 85004
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10734487	Attn: Marie−Josee Dube IBM Corporation 275 Viger East Montreal, OC H2X 3R7 Canada
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10601730	Bexar County c/o Don Stecker 711 Navarro, Suite 300 San Antonio, TX 78205
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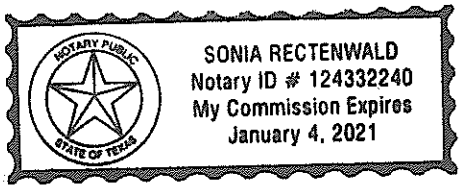
TOTAL: 100

B

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF BRIAN CEJKA
SWORN BEFORE ME THIS 22ND DAY OF MARCH, 2018

Sonia Rectenwald

Commissioner for Taking Affidavits



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re	:	**Chapter 11**
GOLFSMITH INTERNATIONAL HOLDINGS, INC., *et al.*,	:	**Case No. 16-12033 (LSS)**
Debtors.[1]	:	**Jointly Administered**
	:	**Hr'g Date: January 23, 2018 at 11:00 a.m. (ET)**
	:	**Obj. Deadline: January 5, 2018 at 4:00 p.m. (ET)**

JOINT MOTION OF DEBTORS AND CREDITORS' COMMITTEE FOR ENTRY OF AN ORDER PURSUANT TO SECTIONS 105(a), 305(a), 349, AND 1112(b) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 1017 (I) AUTHORIZING THE DISMISSAL OF THE DEBTORS' CASES UNDER CERTIFICATION OF COUNSEL AND (II) GRANTING CERTAIN RELATED RELIEF

Golfsmith International Holdings, Inc. and its debtor affiliates (collectively, the "**Debtors**" or "**Golfsmith**") and the official committee of unsecured creditors in the above-captioned chapter 11 cases (the "**Creditors' Committee**" and, together with the Debtors, the "**Movants**") respectfully represent:

Preliminary Statement[2]

1. The Debtors commenced these chapter 11 cases to preserve their business as a going concern and maximize the value of their assets through either one or more sale transactions or a plan of reorganization. The Debtors achieved that goal when, on November 2, 2016 and January 25, 2017, they successfully closed sales constituting substantially all of their

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Golfsmith International Holdings, Inc. (4847); GMAC Holdings, LLC (3331); Golf Town USA Holdco Limited (5562); Golf Town USA Holdings Inc. (7038); Golf Town USA, L.L.C. (0259); Golfsmith 2 GP, L.L.C. (2218); Golfsmith Europe, L.L.C.(2408); Golfsmith Incentive Services, L.L.C. (2730); Golfsmith International, Inc. (7337); Golfsmith International, L.P. (4257); Golfsmith Licensing, L.L.C. (5499); Golfsmith NU, L.L.C. (2404); and Golfsmith USA, L.L.C. (2405). The Debtors' corporate headquarters is located at 11000 North IH-35, Austin, TX 78753.

[2] Capitalized terms used but not otherwise defined in this Preliminary Statement shall have the respective meanings ascribed to them in the body of this motion (this "**Motion**").

assets. Such sales resulted in the payment in full of the Debtors' debtor in possession financing and First Priority Obligations and, consequently, those claims were completely released.

2. After the closings, the Debtors, the Creditors' Committee, and the Second Lien Parties (whose claims were not paid or released as part of the Sales) negotiated in good faith and at arm's length regarding potential ways for the Debtors to exit chapter 11 and provide a distribution to their creditors. As a result of such negotiations, the parties reached a Global Settlement, which is comprised of the procedures embodied in this Motion and the 503(b)(9) Procedures Motion. The Global Settlement, among other things, resolves the contentious issues of whether the Debtors may surcharge the Second Lien Collateral to pay the Stub Rent Claims and 503(b)(9) Claims, enables the Debtors to pay the Stub Rent Claims in full and provide a meaningful distribution to the holders of 503(b)(9) Claims and positions the Debtors to promptly exit from chapter 11. Moreover, the Global Settlement provides for sufficient funding to pay all other valid and undisputed administrative expenses, sufficient funding to complete the Debtors' wind down under applicable state law, the expiration of the Challenge Period, mutual and consensual releases and a significant distribution to the Second Lien Trustee for the benefit of Second Lien Noteholders.

3. Given the closing of the Sales and the lack of any remaining assets to monetize, the Debtors, the Creditors' Committee, and the Second Lien Parties have decided that implementing the Global Settlement through dismissal of these chapter 11 cases and the 503(b)(9) Procedures Motion is the most effective way to conclude these cases. Importantly, the Movants do not believe that it is possible to propose a confirmable chapter 11 plan. However, even if it was possible, confirmation will take too long, be too expensive, and substantially increase administrative costs. Moreover, given that substantially all of the Debtors' assets have

already been liquidated, conversion of these cases to cases under chapter 7 will only add another layer of administrative expenses without any attendant benefit to the Debtors' creditors. In sum, the Global Settlement is the Debtors' best exit option from chapter 11. Based on these circumstances, dismissal makes the most practical and economic sense and the Motion should be granted.

Background

4. On September 14, 2016 (the "**Petition Date**"), each of the Debtors commenced with the United States Bankruptcy Court for the District of Delaware (the "**Court**") a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On September 23, 2016, the United States Trustee for the District of Delaware (the "**U.S. Trustee**") appointed the Creditors' Committee. No trustee or examiner has been appointed in these chapter 11 cases.

5. Simultaneously with the commencement of these chapter 11 cases, certain of Golfsmith's non-Debtor Canadian affiliates operating as Golf Town ("**Golf Town**") commenced a proceeding (the "**CCAA Proceeding**") under the Companies' Creditors Arrangement Act (the "**CCAA**") in the Ontario Superior Court of Justice (Commercial List) in Canada (the "**Canadian Court**").

6. Information regarding the Debtors' businesses, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Brian E. Cejka in Support of the Debtors' Chapter 11 Petitions and Related*

Requests for Relief [Docket No. 3] (the "**Cejka Declaration**"),[3] which is incorporated by reference herein.

7. As described in the Cejka Declaration, the Debtors commenced these chapter 11 cases with the ultimate goal of implementing a value-maximizing transaction for their creditor constituencies either through a stand-alone plan of reorganization or a going-concern sale. Since the Petition Date, the Debtors have accomplished their chapter 11 objectives by, among other things, (i) concluding the Store Closing Sales (defined below), (ii) selling substantially all of their assets, including their corporate headquarters located in Austin, Texas, (iii) rejecting or assuming and assigning, as the case may be, their unexpired leases of non-residential real property and executory contracts, (iv) obtaining critical post-petition debtor in possession financing to facilitate the foregoing restructuring strategies and (v) repaying significant portions of their secured indebtedness, including the DIP Facility (as defined below) and the First Priority Obligations.

A. The Debtors' Prepetition Indebtedness and the DIP Facility

8. As of the Petition Date, the Company's[4] outstanding funded debt obligations totaled approximately $195.7 million. Pursuant to the First Lien Credit Agreement, the First Lien Lenders provided the borrowers thereunder (which included certain of the Debtors) with, among other things, (i) $135 million in aggregate principal amount under the First Lien Revolving Credit Facility including the $10 million First Lien LC Facility, and (ii) the CDN$15 million First Lien FILO Facility. As of the Petition Date, the First Lien Lenders were owed (i)

[3] Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Cejka Declaration or the 503(b)(9) Procedures Motion, as applicable.

[4] As set forth and described in greater detail in the Cejka Declaration, the "**Company**" includes both the Debtors and Golf Town.

approximately $89.3 million under the First Lien Revolving Credit Facility, and (ii) approximately $11.4 million (CDN$15 million) outstanding under the First Lien FILO Facility.

9. On July 24, 2012, Golfsmith International Holdings Inc. and non-Debtor Golf Town Canada Inc. issued, in a private placement, 125,000,000 units for aggregate gross proceeds of CDN$125 million (approximately $95.0 million). As of the Petition Date, the aggregate principal amount outstanding under the Second Lien Notes was CDN$125 million. The Second Lien Notes are secured by a second priority security interest in and continuing lien on substantially all of the assets of the Issuers and Second Lien Guarantors.

10. On the Petition Date, the Debtors filed the *Motion of Debtors for Interim and Final Orders (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Superpriority Administrative Expense Status, (IV) Granting Adequate Protections, (V) Modifying Automatic Stay, and (VI) Scheduling a Final Hearing* [Docket No. 16] pursuant to which the Debtors sought authorization to enter into a $135 million senior secured superpriority revolving debtor in possession facility (the "**DIP Facility**"). The DIP Facility was comprised of an asset-based revolving credit facility, a letter of credit subfacility, and a swingline loan subfacility that was provided by the Prepetition ABL Lenders (as defined in the DIP Motion). The terms of the DIP Facility contemplated a "creeping" roll-up of the outstanding funding obligations under the First Lien Facility.

11. On October 17, 2016, the Court entered the *Final Order (I) Approving Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, and (V) Modifying Automatic Stay* [Docket No. 314] (the "**DIP Order**"). Pursuant to paragraph 47 of the DIP Order, the Debtors waived their rights under section 506(c) of the Bankruptcy Code to

surcharge the DIP Agent, DIP Lenders, or First Priority Secured Parties, or any of their respective claims, the DIP Collateral, or the First Lien Collateral to pay the expenses of these chapter 11 cases. No similar concession was made as to the Second Priority Secured Parties (as defined in the DIP Order).

12. Paragraph 44 of the DIP Order provides for a period (the "**Challenge Period**") in which the Creditors' Committee, among other parties in interest, may challenge (a "**Challenge**") the liens of the First Lien Agent and the Second Lien Trustee[5] or the Prepetition Obligations. By agreement, the Creditors' Committee's rights to bring a Challenge to the liens of the Second Lien Trustee and the Second Priority Obligations (as defined in the DIP Order) have not yet expired as the Challenge Period has been extended from time to time by consent.

B. The GOB Closing Stores and the Sales of Substantially All of the Debtors' Assets

13. On October 13, 2016, the Court entered an order [Docket No. 267] (the "**GOB Order**") authorizing the Debtors to close 20 underperforming Golfsmith stores (the "**GOB Closing Stores**") pursuant to the Store Closing Procedures (as defined therein). The Debtors have (i) sold the inventory, furniture, fixtures, and equipment at the GOB Closing Stores in accordance with the Store Closing Procedures and (ii) rejected the leases associated therewith and abandoned certain property located thereat.

14. After a robust auction process, on November 2, 2016, the Court entered an order [Docket No. 457] (the "**Sale Order**") approving the sale (the "**Sale**") of substantially all of the Debtors' assets (other than the real property where the Debtors' corporate headquarters was located (the "**Headquarters**")) to Dick's Sporting Goods, Inc. ("**DSG**") and a contractual joint

[5] The "**Second Lien Trustee**" is defined herein as The Bank of New York Mellon and BNY Trust Company of Canada, not in their individual capacities but solely in their respective capacities as co-trustee under the Indenture pursuant to which the Second Lien Notes were issued.

venture of Hilco Merchant Resources, LLC, Gordon Brothers Retail Partners, LLC, and Tiger Capital Group, LLC (collectively, the "**JV Agent**"). In addition to the going-concern sale to DSG, under the Sale Order, the Debtors entered into the Agency Agreement (as defined in the Sale Order) with the JV Agent pursuant to which the JV Agent has concluded store closing sales at the retail locations identified on Exhibit B to the Sale Order. On November 2, 2016, the Sale closed.

15. On January 19, 2017, the Court entered an order [Docket No. 676] pursuant to which the Debtors sold the Headquarters (the "**HQ Sale**" and, together with the Sale, the "**Sales**") to B.H. Management Inc. On January 19, 2017, the HQ Sale closed. As a result of the Sales, the Debtors have sold substantially all of their assets.

16. The proceeds of the Sales were used to repay, in full, the DIP Obligations and the First Priority Obligations, but were not used to repay the Second Priority Obligations (as defined in the DIP Order). Accordingly, all of the Debtors' remaining assets constitute Second Lien Collateral (as defined in the DIP Order) that is no longer subject to a senior lien.

C. The 503(b)(9) Procedures Motion

17. Contemporaneously herewith, the Debtors and the Creditors' Committee, as part of the Global Settlement (as is described in greater detail below) and with the support of the Second Lien Parties (as defined below), jointly filed the *Joint Motion of Debtors and Creditors' Committee for Entry of Order Establishing Procedures for the Allowance, Settlement, and Payment of 503(b)(9) Claims from the 503(b)(9) Reserve* (the "**503(b)(9) Procedures Motion**") requesting entry of an order authorizing and approving procedures (the "**503(b)(9) Procedures**") for the settlement, reconciliation, allowance and payment (the "**503(b)(9) Distribution**") of claims arising under section 503(b)(9) of the Bankruptcy Code (the "**503(b)(9)**

Claims") from up to $1.25 million (the "**503(b)(9) Reserve**"). While the entire 503(b)(9) Reserve will be funded upon entry of the Proposed Order (as defined below) pursuant to the Wind Down Budget (as defined below), the amount of such reserve that will ultimately be used to pay 503(b)(9) Claims that are allowed pursuant to the 503(b)(9) Procedures will be equal to the lesser of (i) $1.25 million and (ii) an amount that is sufficient to pay 50% of the aggregate amount of all 503(b)(9) Claims that are allowed pursuant to the 503(b)(9) Procedures.

D. The Global Settlement

18. The procedures described herein and in the 503(b)(9) Procedures Motion comprise a settlement (the "**Global Settlement**") of substantially all issues among the Debtors, the Creditors' Committee, Fairfax Financial Holdings Limited ("**Fairfax**"), and certain investment funds managed by CI Investments Inc. ("**CI**" and, together with Fairfax, the "**Second Lien Parties**"),[6] including the threshold issue of whether allowed 503(b)(9) Claims and landlord claims on of account stub rent (the "**Stub Rent Claims**") are proper surcharges of Second Lien Collateral.[7] As discussed above, the DIP Order did not waive the Debtors' rights under section 506(c) of the Bankruptcy Code to surcharge the Second Lien Collateral. The Second Lien Parties dispute that the Debtors may surcharge such collateral to pay 503(b)(9) Claims and Stub Rent Claims, to which the Creditors' Committee disagrees. However, the Global Settlement resolves such issues.

19. The Global Settlement contemplates the fair resolution of 503(b)(9) Claims in advance of the 503(b)(9) Distribution, which will be made from Second Lien

[6] The Debtors understand that Fairfax and CI hold approximately forty percent (40%) in the aggregate principal amount of the Second Lien Notes.

[7] The Second Lien Trustee has joined in this request for approval of the Global Settlement subject to the rights of the beneficial holders of the Second Lien Notes to object or be heard or to direct the Second Lien Trustee and/to object with respect to this Motion and the 503(b)(9) Procedures Motion.

Collateral. It also contemplates the prompt payment of Stub Rent Claims, conditioned on each landlord's execution of a stipulation to be submitted under certification of counsel. It provides for the expiration of the Challenge Period upon the funding of the 503(b)(9) Reserve and other reserves for Administrative Expenses as set forth in the Wind Down Budget. It authorizes Prime Clerk LLC ("**Prime Clerk**"), the Debtors' administrative advisor and claims and noticing agent in these chapter 11 cases, to act as the Debtors' disbursement agent,[8] *nunc pro tunc* to the date of the filing of this Motion, with respect to allowed 503(b)(9) Claims, Stub Rent Claims and, to the extent necessary, other Administrative Expenses. And it accomplishes these goals through the dismissal procedures described in this Motion and the 503(b)(9) Procedures set forth in the 503(b)(9) Procedures Motion. Absent a settlement of these claims and the agreement embodied herein on how such claims will be reconciled and paid, litigation would likely ensue potentially eroding the value that otherwise would be available to pay such claims.

20. Given that the Global Settlement is comprised of the interwoven procedures set forth in this Motion and the 503(b)(9) Procedures Motion, the Debtors, the Creditors' Committee and the Second Lien Parties have agreed that this Motion may only be approved in conjunction with the entry of the 503(b)(9) Procedures Order, and *vice versa*. In short, the Global Settlement represents a reasonable, good-faith compromise of issues and provides the Debtors with an economically effective and practical means to fully and finally resolve substantially all outstanding issues in these chapter 11 cases and exit chapter 11.

[8] Paragraph 1(a) of the engagement letter annexed to the Court's *Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a), Fed. R. Bankr. P. 2014 and 2016, and Local Rules 2014-1 and 2016-1 Authorizing the Employment and Retention of Prime Clerk LLC as Administrative Advisor to the Debtors* Nunc Pro Tunc *to the Petition Date* [Docket No. 231] provides that Prime Clerk is authorized to "provide the [Debtors] with consulting . . . services regarding . . . disbursements . . . and any other services agreed upon by the parties or otherwise required by court . . . orders . . . ."

Jurisdiction

21. This Court has jurisdiction to consider the 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 February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), the Debtors consent 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 consistent with Article III of the United States Constitution. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

22. By this Motion, pursuant to sections 105(a), 305(a), 349, 554, and 1112(b) of title 11 of the United States Code (the "**Bankruptcy Code**") and rules 1017 and 6007 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") the Movants jointly request entry of an order, substantially in the form attached as **Exhibit "A"** (the "**Proposed Order**"), (i) approving a form of order substantially in the form attached to the Proposed Order as **Exhibit 1** (the "**Dismissal Order**") dismissing the Debtors' chapter 11 cases; (ii) authorizing dismissal of one or more of these chapter 11 cases on a rolling basis by submission of the form of Dismissal Order under certification of counsel certifying that all preconditions to dismissal have been completed, all known, undisputed, and valid administrative expenses of the applicable Debtor have been satisfied, resolved, adequately reserved for or otherwise settled, and the initial distribution has been made to the Second Lien Trustee for the benefit of Second Lien Noteholders; (iii) approving the wind down budget attached to the Proposed Order as **Exhibit**

"2" (the "**Wind Down Budget**"); (iv) approving the mutual releases contained in the Dismissal Order; (v) authorizing each Debtor to take all reasonably necessary steps to dissolve under applicable law; (vi) authorizing Prime Clerk to act as the Debtors' disbursement agent, *nunc pro tunc* to the date of the filing of this Motion, with respect to allowed 503(b)(9) Claims and Stub Rent Claims, and, if necessary, other Administrative Expenses, and (vii) authorizing the Debtors to abandon and destroy, in accordance with applicable law, any and all of the books and records (collectively, the "**Books and Records**") maintained by the Debtors that were not sold in connection with the Sales.

Procedures for Dismissal

23. The Proposed Order and the form of Dismissal Order contemplate the dismissal of the chapter 11 cases of one or more of the Debtors upon the filing of a certification of counsel certifying that all preconditions to dismissal have been completed, all known, undisputed, and valid administrative expenses of the applicable Debtor have been satisfied, resolved, adequately reserved for or otherwise settled, and the initial distribution has been made to the Second Lien Trustee for the benefit of Second Lien Noteholders. The relevant terms of the Proposed Order and the Dismissal Order are as follows:

a. **Distributions to the Second Lien Trustee and Certain Holders of Administrative Expenses**
It permits distributions to the Second Lien Trustee and holders of Administrative Expenses. Within fourteen (14) days of the Court's entry of the Proposed Order, the Debtors shall make the initial distribution to the Second Lien Trustee for the benefit of Second Lien Noteholders on account of the Second Lien Notes claims in accordance with the Wind Down Budget (the "**Initial Noteholder Distribution**") and shall fund the 503(b)(9) Reserve and all other reserves necessary to pay Administrative Expenses in accordance with the Wind Down Budget;[9] provided, however, that the 503(b)(9) Reserve shall not be funded until the Initial Noteholder Distribution is made. After the satisfaction of

[9] For the avoidance of doubt, the Debtors, *via* Prime Clerk, intend to pay undisputed Stub Rent Claims on or before the hearing date on this Motion pursuant to stipulations with landlords that will be approved by this Court.

Administrative Expenses and other costs necessary to dissolve or otherwise wind down each of the Debtors and/or the establishment of sufficient reserves to pay all such amounts, any funds remaining in the Debtors' estates shall be distributed to the Second Lien Trustee for the benefit of the Second Lien Noteholders on account of the Second Lien Notes claims.

b. **Authorization of Prime Clerk to Act as Disbursing Agent**
It empowers and authorizes Prime Clerk to act as the disbursement agent of and for the Debtors' estates, *nunc pro tunc* to the date of the filing of this Motion, in order to implement distributions to holders of allowed 503(b)(9) Claims, Stub Rent Claims and, to the extent necessary, other Administrative Claims.

c. **Dismissal of One or More Debtor Entities on a Rolling Basis**
It allows for the dismissal of the chapter 11 cases of one or more Debtor entities on a rolling basis because the Debtors believe that certain Debtor entities have little to no assets of value, no operations, and few, if any, creditors, and, as a result, the Debtors may want to seek dismissal of these Debtors' chapter 11 cases sooner than others.

d. **Dismissal Only Upon Certain Conditions Having Been Met**
It authorizes the Debtors to submit the Dismissal Order under certification of counsel upon (i) the satisfaction, resolution, or settlement of known, undisputed, and valid ordinary course and other administrative expenses, including allowed 503(b)(9) Claims, Stub Rent Claims, fees due under 28 U.S.C. § 1930, professionals' fees, and any contingency administrative expenses, each as set forth in the Wind Down Budget (collectively, the "**Administrative Expenses**") and (ii) the Initial Noteholder Distribution.

e. **Dissolution of the Debtors**
It authorizes and empowers each Debtor, immediately prior to, upon, or after dismissal of its respective chapter 11 case, to take all reasonably necessary steps to dissolve and/or terminate its existence under applicable state law without stockholder or equivalent approval, to the extent otherwise required under applicable state law. Moreover, the Wind Down Budget provides the Debtors with sufficient funding to complete their wind down and to take all other necessary steps to dissolve and/or terminate their existence under applicable state law.

f. **Abandonment or Destruction of the Books and Records in Accordance with Applicable Law**
Pursuant to sections 105(a) and 554 of the Bankruptcy Code and Bankruptcy Rule 6007, it authorizes the Debtors to abandon and destroy, or cause to be abandoned and destroyed, any and all Books and Records in accordance with applicable law.

g. **Approval of Wind Down Budget and Expiration of Challenge Period** It approves the Wind Down Budget attached thereto as **Exhibit "2"**. Upon the funding of all reserves according to, and as set forth in, the Wind Down Budget, the Challenge Period shall expire without further order of the Court.

24. Additionally, each of the Debtors and all of the Debtors' non-Debtor affiliates (which include, without limitation, those parties that initiated or received the benefit of the CCAA Proceeding, including Golfsmith International Holdings GP Inc.) (collectively, the "**Company Parties**"), each of the Company Parties' respective estates (to the extent applicable), the Creditors' Committee, the Second Lien Trustee, the Second Lien Parties, and each of the foregoing parties' respective past, present, and future officers, directors, affiliates, and certain other related parties have each agreed to grant mutual releases in favor of each other as provided for in the form of Dismissal Order. Further, each holder of a Stub Rent Claim that is paid after the date of filing of this Motion and enters into a stipulation with the Debtors regarding the allowance of its Stub Rent Claim and each holder of a 503(b)(9) Claim that is allowed pursuant to the 503(b)(9) Procedures (collectively, the "**Creditor Releasing Parties**") are also subject to the mutual releases. The Movants believe that such releases should be non-controversial because these releasing parties have voluntarily agreed to provide the releases.

25. To facilitate an efficient and coordinated exit from creditor protection for the entire corporate group, Golf Town will bring a motion in the CCAA Proceeding seeking approval from the Canadian Court to distribute its remaining estate to the Second Lien Trustee for the benefit of Second Lien Noteholders and to terminate the CCAA Proceeding concurrently with the dismissal of these chapter 11 cases. In connection with its motion, Golf Town intends to seek a court-ordered release in favor of certain parties, including Golf Town's former and current officers, directors, employees, shareholders and advisors, which would release any claims against such parties, including those of the Second Lien Parties. It is expected that the

motion will be heard by the Canadian Court in January 2018 and that the CCAA Proceeding will be terminated in the first quarter of 2018.[10]

Basis for Relief

A. The Dismissal Should Be Approved Because an Orderly End to these Chapter 11 Cases Is in the Best Interests of Creditors and the Debtors' Estates.

26. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

27. Section 1112(b) of the Bankruptcy Code provides that a court may dismiss a chapter 11 case "for cause." 11 U.S.C. § 1112(b). Section 1112(b)(1) states, in relevant part, that "on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause." *Id*. Whether "cause" exists is determined on a case-by-case basis, and the decision to dismiss a chapter 11 case rests in the sound discretion of the Court. *See In re Preferred Door Co.*, 990 F.2d 547, 549 (10th Cir. 1993) (noting that the bankruptcy court has broad discretion to dismiss a bankruptcy case for several causes, including the debtor's inability to effectuate a plan); *In re Nugelt, Inc.*, 142 B.R. 661, 665 (Bankr. D. Del. 1992) (stating that "[c]ourts have wide latitude in determining whether cause exists to convert or dismiss" a chapter 11 bankruptcy case); *In re Young*, 76 B.R. 376, 378 (Bankr. D. Del. 1987) (holding that section 1112(b) permits the court in its discretion to dismiss a chapter 11 case, and that the determination of whether cause has been shown must be made on a case-by-case basis).

[10] Materials filed in the CCAA Proceeding, including Golf Town's motion for termination of the CCAA Proceeding (once filed), are made available on the website of the Canadian Court-appointed monitor and accessible at the

28. Section 1112(b)(4) of the Bankruptcy Code outlines a non-exhaustive list of sixteen grounds constituting "cause" for dismissal of a chapter 11 case. 11 U.S.C. § 1112(b). One such ground is the "substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation." 11 U.S.C. § 1112(b)(4)(A). Significantly, courts have interpreted a "'reasonable likelihood of rehabilitation' to refer to the debtor's ability to restore the viability of its business." *Loop Corp. v. U.S. Tr.*, 379 F.3d 511, 516 (8th Cir. 2004) (citations omitted). Here, the Debtors are experiencing substantial and continuing diminution in the value of their estates, and continue to incur additional administrative expenses daily. *Id.* ("In the context of a debtor who has ceased business operations and liquidated virtually all of its assets, any negative cash flow—including that resulting only from administrative expenses—effectively comes straight from the pockets of the creditors. This is enough to satisfy the first element of [§ 1112(b)(4)(A)]."). Further, the Debtors have "no reasonable likelihood of rehabilitation" in these chapter 11 cases because the Debtors have disposed of all of their assets through the Sales, leaving no business left to reorganize. *Id*. ("Because the debtors here intended to liquidate their assets rather than restore their business operations, they had no reasonable likelihood of rehabilitation.") (internal citations omitted).

29. In addition to the non-exhaustive list outlined by section 1112(b)(4) of the Bankruptcy Code, courts may consider the "totality of the circumstances" in determining whether sufficient cause exists. *See In re SGL Carbon Corp.*, 200 F.3d 154, 160 (3d Cir. 1999) (noting that the factors enumerated in section 1112(b)(4) are "not exhaustive and . . . a court may consider whether other facts and circumstances qualify as 'cause.'"). Importantly, courts may find sufficient cause if a debtor is unable "to effectuate a plan" or where there is not a

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following address: http://cfcanada.fticonsulting.com/GolfTown.

"reasonable possibility of a successful reorganization within a reasonable period of time." *In re Am. Capital Equip., LLC*, 688 F.3d 145, 161, 162 n.10 (3d Cir. 2012) (holding that "the 'inability to effectuate a plan' remains a viable basis for dismissal because the listed examples of cause [in section 1112(b)] are not exhaustive."); *see also Bronson v. Thompson (In re Bronson)*, 2013 WL 2350791, at *8 (B.A.P. 9th Cir. May 29, 2013) ("When it becomes apparent to the court that the debtor will not be able to confirm and effectuate a plan within the foreseeable future, the bankruptcy court should exercise its discretion under § 1112(b) to dismiss or convert.").

30. Inability to effectuate a plan arises when a debtor lacks the capacity to "formulate a plan or carry one out" or where the core for a workable plan of reorganization does not exist. *Preferred Door*, 990 F.2d at 549 (citing *Hall v. Vance*, 887 F.2d 1041 (10th Cir. 1989)). In these cases, in the absence of the Global Settlement, on an absolute priority basis, all distributable cash will be distributed to the Debtors' secured creditors in accordance with the priority of their respective liens. Junior creditors, including administrative and priority creditors which must be paid in full in order to confirm a plan, would not receive a recovery on account of their claims. Accordingly, under the present circumstances, the Debtors lack the capacity to confirm a plan.

31. In contrast, the Global Settlement provides a means for the Debtors to use the Second Lien Collateral to satisfy, resolve, or otherwise settle known, undisputed, and valid Administrative Expenses. Accordingly, dismissing these cases pursuant to the Global Settlement represents a reasonable and fair compromise of issues and positions the Debtors to provide a distribution to holders of allowed 503(b)(9) Claims, Stub Rent Claims, and the Second Lien Trustee for the benefit of Second Lien Noteholders.

32. Once a court determines that cause exists to dismiss a chapter 11 case, the court must also evaluate whether dismissal is in the best interests of creditors and the estate. 11 U.S.C. § 1112(b); *see In re Mazzocone*, 183 B.R. 402, 411 (Bankr. E.D. Pa. 1995). Here, the Debtors have liquidated substantially all of their assets. Now, the only significant remaining task is to distribute the Debtors' remaining cash among holders of known, undisputed, and valid ordinary course Administrative Expenses and the Second Lien Trustee for the benefit of Second Lien Noteholders. Moreover, the only viable alternative to dismissal—conversion of the chapter 11 cases to chapter 7—would create significant and unnecessary administrative expenses without enhancing the prospect for recoveries. Conversion is thus unwarranted and not in the best interests of creditors or the Debtors' estates. Dismissal of these chapter 11 cases, on the other hand, will eliminate the continued accrual of any administrative expense obligations and bring closure to these cases in a timely and efficient manner.

33. Courts may consider a variety of factors in determining whether to dismiss a chapter 11 case or convert it to a chapter 7 case, including the following:

(a) whether some creditors received preferential payments, and whether equality of distribution would be better served by conversion rather than dismissal;

(b) whether there would be a loss of rights granted in the case if it were dismissed rather than converted;

(c) whether the debtor would simply file a further case upon dismissal;

(d) the ability of the trustee in a chapter 7 case to reach assets for the benefit of creditors;

(e) in assessing the interest of the estate, whether conversion or dismissal of the estate would maximize the estate's value as an economic enterprise;

(f) whether any remaining issues would be better resolved outside the bankruptcy forum;

(g) whether the estate consists of a "single asset";

(h) whether the debtor had engaged in misconduct and whether creditors are in need of a chapter 7 case to protect their interests;

(i) whether a plan has been confirmed and whether any property remains in the estate to be administered; and

(j) whether the appointment of a trustee is desirable to supervise the estate and address possible environmental and safety concerns.

See, e.g., *In re Ramallo Bros. Printing Inc.*, No. 14-01948, 2015 WL 3862970 (Bankr. D.P.R. Jun. 22, 2015) (citing *In re Costa Bonita Beach Resort*, 513 B.R. 184 (Bankr. D.P.R. 2014); *In re Helmers*, 361 B.R. 190, 196 (Bankr. D. Kan. 2007).

34. A number of the factors weigh in favor of dismissal of the Debtors' chapter 11 cases. First, the Debtors will not file a further case upon dismissal. To the contrary, the Debtors plan to utilize a dismissal to effectuate an orderly wind down under applicable state law. Second, all of the Debtors' assets have been liquidated and are subject to the Second Lien Noteholders' liens, therefore any chapter 7 trustee would incur administrative expenses that may have no source of payment and thus add an additional layer of administrative expenses without any attendant benefit. Finally, the dismissal contemplated by the Global Settlement will maximize the value of the Debtors' estates by minimizing the amount of wind-down costs and providing a meaningful recovery to the Debtors' creditors who, in the context of a chapter 7 conversion, may not receive any recovery. Accordingly, dismissing the Debtors' cases pursuant to the Global Settlement provides a fair and reasonable outcome that is in the best interests of the Debtors' estates.

35. Courts also consider the preferences expressed by the creditors themselves in determining what is in their best interests. *See, e.g.*, *In re Camden Ordnance Mfg. Co. of Ark., Inc.*, 245 B.R. 794, 802 (E.D. Pa. 2000) (approving creditors' request to convert case and noting that "creditors are the best judge of their own best interests"). Here, the Debtors' key remaining

creditor constituencies—the Second Lien Parties and the Creditors' Committee—have agreed to a settlement that is premised on the dismissal of the cases, which is an agreement that they would not have made unless it was in their best interest under the circumstances.

36. Because the Movants believe that no plan may be confirmed in these cases under the present circumstances, and because the factors in favor of dismissal outweigh those in favor of conversion, the Movants have met their burden of proof to show "cause" exists to dismiss their chapter 11 cases under section 1112(b) of the Bankruptcy Code. Moreover, the Global Settlement that is embodied in the procedures set forth in this Motion and the 503(b)(9) Procedures Motion is a fair, reasonable, and cost-effective approach to concluding these chapter 11 cases and is in the best interests of the Debtors' estates and their creditors. Under these circumstances, authorizing dismissal and granting the related relief contemplated by this Motion will allow for the implementation of a solution that maximizes the Debtors' remaining value for as many creditors as possible.

B. In the Alternative, the Movants Request that these Chapter 11 Cases Be Dismissed Under Section 305(a) of the Bankruptcy Code.

37. Section 305(a) of the Bankruptcy Code permits dismissal at any time "if the interests of creditors and the debtor would be better served by such dismissal." 11 U.S.C. § 305(a)(1). Dismissal under section 305(a) requires that both creditors and debtors benefit from the dismissal, rather than applying a simple balancing test to determine whether dismissal is appropriate. *See In re Globao Comunicacoes e Participacoes S.A.*, 317 B.R. 235, 255 (Bankr. S.D.N.Y. 2004) (citing *In re Eastman*, 188 B.R. 621 (9th Cir. B.A.P. 1995). For the reasons previously set forth, dismissal is not only in the interest of the Debtors, but in the interests of all of their creditors. Accordingly, the Debtors' cases may be dismissed pursuant to section 305(a) of the Bankruptcy Code.

C. Dismissal Is Both Permissible and Appropriate in these Chapter 11 Cases.

38. Other than dismissal, the proposed form of Dismissal Order provides for, among other things, (i) a provision ensuring that prior orders of this Court survive dismissal of these chapter 11 cases, and (ii) consensual, mutual releases. The Movants submit that none of the relief sought is controversial. Further, to the extent that the relief sought in the Proposed Order and the Dismissal Order constitute a "structured dismissal," it is both permissible and appropriate. Specifically, the Debtors' request to dismiss these chapter 11 cases as part of the Global Settlement does not violate the United States Supreme Court's decision in *Cyzewski v. Jevic Holding Corp.*, 137 S.Ct. 973 (2017) because the Motion does not seek to make distributions to creditors in violation of the absolute priority rule. In particular, the Debtors are only seeking to pay secured creditors and administrative creditors. To the extent known and undisputed, administrative creditors will be paid in full, except for holders of allowed 503(b)(9) Claims, which will have agreed to a partial payment of their 503(b)(9) Claims pursuant to the 503(b)(9) Procedures. As a result, the procedures and payments described in this Motion and the 503(b)(9) Procedures Motion do not violate the holding in *Jevic*.

39. In this case, dismissal is appropriate because the Debtors are not using the process to evade either plan confirmation or conversion. With respect to plan confirmation, as explained throughout this Motion, under the present circumstances, the Debtors lack the funding necessary to confirm a plan. The Debtors are only using a dismissal to resolve and pay their known, undisputed, and valid ordinary course Administrative Expenses, to make a distribution to their sole remaining secured creditor and to effectuate the dissolution and/or termination of each of the Debtors under applicable state law. Likewise, the Debtors are not using a dismissal to

evade conversion. Rather, they are pursuing a dismissal as an *alternative* to conversion, one that is in the best interests of both themselves and their creditors for the reasons set forth above—to avoid a time-consuming chapter 7 process that will only create additional administrative expenses that the Debtors may be unable to pay. For these reasons, dismissal of these chapter 11 cases is not only permissible, it is, in light of the Global Settlement, the option most likely to provide the maximum recovery to as many creditors as possible at minimum expense.

D. The Court Should Authorize the Debtors to Abandon and Destroy Books and Records in Accordance with Applicable Law.

40. Section 554(a) of the Bankruptcy Code provides that "[a]fter notice and a hearing, [a debtor] may abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." Additionally, section 105(a) of the Bankruptcy Code provides, in pertinent part, that "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." Bankruptcy Rule 6007 provides that a debtor may abandon property of the estate by giving notice of the proposed abandonment to various parties and allowing those parties to file an objection.

41. The Movants request that the Court, pursuant to sections 105(a) and 554 of the Bankruptcy Code and Bankruptcy Rule 6007 authorize the Debtors to abandon and destroy the Books and Records in accordance with applicable law. As of the filing of this Motion, the Debtors have stored with a service provider over 1,500 boxes of their Books and Records, including store records (*e.g.*, employee records and sales, customer, and inventory data), certain legal documents and information, and other financial data. The Debtors have sold substantially all of their assets through the Sales, no longer have any operating business, and have largely wound up their affairs. Unless otherwise required to be maintained and stored under applicable

law, the Books and Records will be simply of no value to the Debtors after dismissal of these chapter 11 cases and the proposed dissolution, and the Debtors should not be forced to incur the costs associated with maintaining and storing the Books and Records—an asset with no value.

D. Binding Effect of Prior Stipulations, Settlements, Rulings, Orders, and Judgments.

42. The Movants request that all orders of this Court entered in these chapter 11 cases remain in full force and effect and survive the dismissal of these chapter 11 cases. Although section 349 of the Bankruptcy Code provides that dismissal will typically reinstate the prepetition state of affairs by revesting property in the debtor and vacating orders and judgments of the bankruptcy court, a bankruptcy judge may "for cause, orde[r] otherwise." 11 U.S.C. § 349(b). "[T]his provision appears to be designed to give courts the flexibility to 'make the appropriate order to protect rights acquired in reliance on the bankruptcy case." *Jevic*, 137 S.Ct. at 984.

43. The Movants submit that cause exists to allow all stipulations, settlements, rulings, orders, and judgments entered by the Court during these chapter 11 cases to be given continued effect, notwithstanding the requested dismissal. The Debtors have been in chapter 11 for over one year and have sought and obtained this Court's approval of numerous transactions including, most significantly, the Sales. Unless the Court orders otherwise, section 349 of the Bankruptcy Code could unravel the effect of the orders entered in these chapter 11 cases. By allowing the orders of this Court to remain in full force and effect and survive dismissal, the Court will preserve the benefits of all parties' efforts and achievements.

Waiver of Bankruptcy Rule 6004(h)

44. The Movants request a waiver of the fourteen-day stay requirement under Bankruptcy Rule 6004(h). It is essential that the Debtors be able to consummate the transactions

contemplated by the Motion as soon as possible to minimize administrative expenses of their estates and thereby maximize creditor recoveries. Accordingly, the Movants request that the Proposed Order and the Dismissal Order be effective immediately upon entry and that the fourteen-day stay imposed by Bankruptcy Rules 6004(h), be waived, to the extent such stay apply.

No Prior Request

45. No previous motion for the relief sought herein has been made to this or any other Court.

Notice

46. Notice of this Motion will be provided to: (i) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Jane Leamy, Esq.); (ii) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 (Attn: Lawrence C. Gottlieb, Esq. and Michael Klein, Esq.) and Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801 (Attn: Christopher A. Ward, Esq. and Shanti M. Katona, Esq.), counsel to the Creditors' Committee; (iii) Morgan, Lewis & Bockius LLP, One Federal Street, 32nd Floor, Boston, MA 02110 (Attn: Sandra J. Vrejan, Esq., Julia Frost-Davies, Esq., and Amelia C. Joiner, Esq.) and Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne, Esq.), counsel to Antares Capital LP, as (a) successor in interest to the Agent under the Debtors' prepetition ABL Credit Facility, and (b) DIP Agent under the Debtors' DIP Facility; (iv) Carter Ledyard & Milburn LLP, Two Wall Street, New York, New York 10005 (Attn: James Gadsden, Esq.), as counsel to (a) The Bank of New York Mellon, as U.S. Co-Trustee and U.S. Collateral Agent under the Senior Secured Note Indenture, and (b) BNY Trust Company of Canada, as Canadian Co-

Trustee and Canadian Collateral Agent under the Senior Secured Note Indenture; (v) OCPI GT SPV Limited, 100 University Avenue, Toronto, Ontario M5H 4H2 (Attn: Andrew Prodanyk), as guarantor under the SPV Holdco Guarantee; (vi) Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7 (Attn: Robert J. Chadwick and Melaney Wagner), as counsel to Golf Town in the CCAA Proceeding; (vii) FTI Consulting Canada Inc., the Canadian Court-appointed monitor in the CCAA Proceeding (the "**Monitor**"), TD South Tower, 79 Wellington Street West, Toronto Dominion Centre, Suite 2010, P.O. Box 104, Toronto, ON M5K 1G8 (Attn: Paul Bishop and Jim Robinson); (viii) Osler, Hoskin & Harcourt LLP, 100 King Street West, 1 First Canadian Place, Suite 6200, P.O. Box 50, Toronto, Ontario M5X 1B8 (Attn: Tracy Sandler), as counsel to the Monitor; (ix) the Securities and Exchange Commission; (x) the Internal Revenue Service; (xi) the United States Attorney's Office for the District of Delaware; (xii) all creditors that the Debtors reasonably believe may hold 503(b)(9) Claims; (xiii) the Debtors' landlords; (xiv) Iron Mountain; and (xv) all parties who have requested service of notices pursuant to Bankruptcy Rule 2002. The Debtors will serve notice of this Motion only, and will not serve a copy of the Motion itself, on all of the Debtors' creditors.

WHEREFORE, the Movants respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit "A"**, and grant such other and further relief to the Movants as is just and proper.

Dated: December 22, 2017
Wilmington, Delaware

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GOLF TOWN CANADA HOLDINGS INC., GOLF TOWN CANADA INC. AND GOLF TOWN GP II INC.

Applicants

Court File No: CV-16-11527-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

AFFIDAVIT OF BRIAN CEJKA
(Sworn March 22, 2018)

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MOTION RECORD OF THE APPLICANTS
(Motion Returnable March 29, 2018)

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