THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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APPEAL FROM HAMPTON COUNTY
Court of Common Pleas

Perry M. Buckner, Circuit Court Judge

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Case No. 2015-001948

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Melinda Cook..... Respondent,

v.

Blitz U.S.A., Inc., Fred's, Inc., Tiger Express Varnville, LLC, and James Nix, Defendants,

Of whom Fred's, Inc., is the.....Appellant.

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RESPONDENT'S MOTION TO DISMISS AS UNAPPEALABLE

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Respondent Melinda Cook ("Cook") moves this Court for an order dismissing the above-captioned appeal as not immediately appealable. Appellant Fred's, Inc. ("Fred's") filed a Notice of Appeal on September 10, 2015, from an Order denying Fred's Motion to Reconsider.[1] On September 25, 2015, this Court directed the parties to address the appealability of the Order. Cook now files this Motion to Dismiss as Unappealable on the basis that the Order has the effect of denying a motion to dismiss or motion for summary judgment and, therefore, is not immediately appealable.

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[1] The Court entered an identical order in a companion case on appeal, Appellate Case No. 2015-001947. Respondent is also filing a motion to dismiss that appeal.

## PROCEDURAL HISTORY

This case arises out of personal injuries suffered by Cook's minor son, Jacob N., resulting from a defective gas can manufactured by Blitz USA, Inc., and sold by Fred's. In November 2010, Cook's son, then five-years-old, suffered severe burns to a significant portion of his body when a Blitz gas can used by his father exploded and sprayed fuel onto Jacob N. Cook filed a complaint in 2013 seeking recovery of her son's medical expenses. A separate action was filed by Alice B. Hazel, as Guardian ad Litem for Cook's son. Cook filed the action against Blitz U.S.A., Inc., Fred's Inc., Tiger Express Varnville, LLC, and James Nix. In 2011, Defendant Blitz and its related entities filed for Chapter 11 bankruptcy in the United States Bankruptcy Court for the District of Delaware due to the filing of dozens of lawsuits across the country arising out of its defective gas cans. *In re Blitz USA, Inc., et al.*, Case No. 11-13063 (Bankr. Del.). In January 2014, the Bankruptcy Court entered an Order ("Bankruptcy Order") approving a plan of liquidation for Blitz. (**Exh. 1**, Pl.'s Memo. in Opp., Exh. A). The Bankruptcy Order created a trust funded with money from Wal-Mart and Blitz Participating Insurer Policies to pay personal injury claims covered by those Participating Insurer Policies. The Bankruptcy Order contained a release of those qualifying claims "channeled" to the trust. Fred's was not a party to the bankruptcy case and no insurance policy of Fred's paid money into the trust.

On May 20, 2014, Fred's sent a letter to counsel for Cook, asking that Cook stipulate to the ***dismissal*** of Fred's based on the Bankruptcy Order. (**Exh. 2**, Letter and Stipulations). On September 5, 2014, after Cook refused to stipulate to the dismissal, Fred's filed a Motion to Permanently Enjoin or Alternatively to Stay Proceedings as to

Fred's, arguing that the Bankruptcy Order released it from all liability because Cook's claim against it is allegedly one channeled to the trust. (**Exh. 3**, Motion).

On October 27, 2014, the Court heard the identical motions to enjoin or stay in this case and the companion case together. At the hearing, Cook made a motion to amend the complaint to dismiss causes of action against Blitz, remove the products liability causes of action against Fred's, and proceed against Fred's on only the remaining general negligence cause of action. (**Exh. 4**, Order). Cook also submitted a memorandum in opposition to Fred's motion at the hearing. (Exhs. 1, 4). The Court granted Cook's motion to file an Amended Complaint in an Order filed November 18, 2014. (Exh. 4). The Amended Complaint alleges Fred's continued to sell the gas cans even after it knew they were dangerous and failed to warn customers of the known dangers. (Exh. 5, Am. Cmplt. pp. 2-3).

The Court denied Fred's motion. (Exh. 4). It held that the Bankruptcy Order released and channeled to the trust only claims that fell within the coverage of a Participating Insurer Policy. (Exh. 4 p. 5). Because the policies under which Fred's claimed protection covered only product liability claims, Cook's general negligence claim asserting damages from ***Fred's own negligence*** rather than any conduct of Blitz did not fall within the scope of the policies. *Id.* Therefore, the lower Court held the Bankruptcy Order did not release Fred's from liability or channel Cook's negligence claim to the trust. *Id.* The Court denied Fred's motion and ordered the case to "proceed based on the Amended Complaint." *Id.*

On January 21, 2015, Fred's file a Motion to Reconsider arguing Cook's general negligence claim is a derivative product liability claim and that as a vendor, it is entitled

to indemnification from Blitz. (**Exh. 6**, Mot. to Reconsider). The Court denied the motion to reconsider in an Order filed July 9, 2015. (**Exh. 7**). The Court held that general negligence and product liability negligence claims have different elements of proof. *Id.* It further held the general negligence claim is outside the scope of the Bankruptcy Order. *Id.*

Fred's filed a Notice of Appeal from only the Order denying the motion to reconsider. (Not. of Appeal) ("Fred's Inc., appeals the order . . . dated June 30, 2015."). For the reasons stated below, Cook requests the Court dismiss the appeal as not immediately appealable.

**ARGUMENT**

The Court should dismiss the appeal as not immediately appealable. Fred's appeals from an Order that has the effect of denying a motion to dismiss or motion for summary judgment. "[T]he denial of a motion to dismiss is not directly appealable." *Levi v. N. Anderson County EMS*, 409 S.C. 374, 382, 762 S.E.2d 44, 48 (Ct. App. 2014) (internal quotation marks omitted). To the extent the Order denying the motion to reconsider is treated as one for summary judgment because the Court considered matters outside the pleadings, it is also unappealable. *See Watson v. Underwood*, 407 S.C. 443, 453, 756 S.E.2d 155, 160 (Ct. App. 2014) ("The denial of a motion for summary judgment is not appealable because it does not finally determine anything about the merits or strike a defense.").

Although the motion is labeled as seeking to "permanently enjoin" or "stay" the proceedings, it is really a motion to dismiss based on the argument that the Bankruptcy Order prevents Cook from stating a cause of action against Fred's. This Court must look

past labels on motions and orders and, instead, "look to the effect of an interlocutory order to determine its appealability." *Thornton v. S.C. Elect. & Gas Corp.*, 391 S.C. 297, 304, 705 S.E.2d 475, 479 (Ct. App. 2011); *see also Morrow v. Fundamental Long-Term Care Holdings, LLC*, 412 S.C. 534, 540, 773 S.E.2d 144, 147 (2015) ("We are therefore free to evaluate the trial court's order as what it is—not merely what it appears to be . . . .").

The essence of Fred's argument is that the Bankruptcy Order releases it from liability because Cook's claim falls within the category of claims channeled to the trust. Fred's motion is based on allegations that it should be released from claims related to a Blitz gas can. (Exh. 3 p. 3, arguing Fred's is a "Released Party"). Finding a party is released from liability has the effect of dismissing an action. *See* 66 Am. Jur. 2d *Release* § 1 ("A release terminates litigation or a dispute and it is meant to be a final expression of settlement . . . ."). Therefore, the denial of a party's motion seeking an order releasing it from liability has the effect of denying a motion to dismiss. Such an order is not appealable.

"The determination of whether a party may immediately appeal an order issued before or during trial is governed primarily by S.C. Code Ann. § 14-3-330." *Hagood v. Sommerville*, 362 S.C. 191, 195, 607 S.E.2d 707, 708 (2005). "An order generally must fall into one of several categories set forth in that statute in order to be immediately appealable." *Id.* at 195, 607 S.E.2d at 708. The Order denying Fred's motion to reconsider, from which Fred's appeals, does not involve the merits or affect a substantial right under §§ 14-3-330(1)-(2). *See Brown v. County of Berkeley*, 366 S.C. 354, 361, 622 S.E.2d 533, 537 (2005) ("To involve the merits of a case, the order must finally

determine some substantial matter forming the whole or a part of some cause of action or defense. To affect a substantial right, the order must determine the action and prevent a judgment from which an appeal might be taken or discontinue the action." (internal quotation marks and citation omitted)). To the extent Fred's argues that it has a right under the Bankruptcy Order to avoid trial, "[a]voidance of trial is not a 'substantial right' entitling a party to immediate appeal of an interlocutory order." *Shields v. Martin Marietta Corp.*, 303 S.C. 469, 470, 402 S.E.2d 482, 483 (1991).

The Order denying Fred's motion is also not a "special proceeding" or "summary application" under § 14-3-330(3). Finally, the Order denying Fred's motion to reconsider is not one denying an injunction under § 14-3-330(4) because it is not a motion for an injunction within the meaning of § 14-3-330(4). Fred's filed a motion to "permanently enjoin" based on the language of the Bankruptcy Order, not based on the legal requirements of an injunction. *See* Exh. 3, pp. 2-3; *Brown*, 366 S.C. at 359, 622 S.E.2d at 536 ("To obtain an injunction, a party must demonstrate a likelihood of success on the merits, irreparable harm, and the absence of an adequate remedy at law."). Fred's never made a motion for a preliminary injunction under Rule 65, SCRCP, which is generally a prerequisite for permanent injunction. *See Beaufort County v. Butler*, 316 S.C. 465, 467, 451 S.E.2d 386, 388 (1994) ("As a general rule, a permanent injunction should not be issued on an application for a preliminary injunction.").

The Bankruptcy Order is an order from a case involving Blitz and its related entities. Fred's is not a party to it and paid no money to contribute to the trust for personal injury claims. The lower Court's Order in this case held that Fred's is not entitled to the protections of the Bankruptcy Order as to Cook's general negligence claim.

It did not refuse an injunction. The Court's denial of the motion to "permanently enjoin" Cook's action against Fred's has the effect of denying a motion to dismiss or for summary judgment. Therefore, it is not appealable.

## CONCLUSION

Respondent Cook requests the Court dismiss the appeal as not immediately appealable and remand the case to circuit court.

Respectfully submitted,

October 1, 2015

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PROOF OF SERVICE

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The undersigned certifies that a copy of the foregoing *Respondent's Motion to Dismiss as Unappealable* has been served upon the following counsel of record by mailing one copy by United States Mail, addressed as shown below this ___ day of _____, 2015.

Matthew C. LaFave
P.O. Box 1149
Columbia, SC 29202

[*Signature block appears on the following page.*]

October 1, 2015

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| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| COUNTY OF HAMPTON | ) | CIVIL ACTION NO.: 2013-CP-25-351 |
| ALICE B. HAZEL AS GAL FOR JACOB C. NIX,<br>Plaintiff, | ) | **PLAINTIFF'S MEMORANDUM IN OPPOSTION TO DEFENDANT FRED'S MOTION TO PERMANENTLY ENJOIN OR ALTERNATIVELY TO STAY PROCEEDINGS** |
| v. | ) | |
| BLITZ U.S.A., INC., FRED'S INC., TIGER EXPRESS VARNVILLE, LLC, & JAMES NIX<br>Defendant. | ) | |

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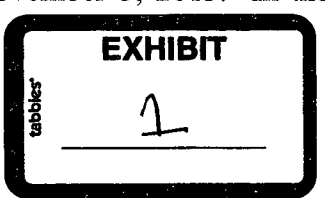
Plaintiff Melinda Cook ("Cook") submits this Memorandum in Opposition to Defendant Fred's, Inc.'s ("Fred's") Motion to Permanently Enjoin or Alternatively to Stay Proceedings as to Fred's. Fred's Motion is based on an order of the United States Bankruptcy Court for the District of Delaware. The Court should deny Fred's Motion because Cook's claims in the Amended Complaint against Fred's are not within the scope of the bankruptcy release or injunction and do not involve the liability or property of the bankruptcy debtor—Defendant Blitz U.S.A. Therefore, the Order of the Bankruptcy Court does not enjoin or stay Cook's claims against Fred's.

This case arises out of personal injuries suffered by Cook's son, Jacob C. Nix ("Nix"), resulting from a defective gas can manufactured by Defendant Blitz USA, Inc., and sold by Fred's. On November 5, 2010, Nix suffered severe burns to a significant portion of his body when a Blitz gas can used by his father exploded, spraying fuel onto Nix. Nix was 5 years old at the time of his injuries. Plaintiff Cook filed this action on November 5, 2013, against Defendants Blitz USA, Inc; Fred's, Inc.; Tiger Express Varnville, LLC; and James Nix. Plaintiff filed a Motion to Amend Complaint and Amended Complaint on November 5, 2013. In the



Amended Complaint, Plaintiff alleges Fred's is liable for ***its own*** negligence for continuing to sell the gas cans with knowledge of their dangerous nature. (Am. Cmplt.)

Defendant Blitz and its related entities filed for Chapter 11 bankruptcy in November 2011 in the United States Bankruptcy Court for the District of Delaware. In its Motion to Permanently Enjoin or Stay Proceedings filed in August 2014, Fred's argues that an order of the Bankruptcy Court in Blitz's bankruptcy case releases Fred's from all liability alleged in Cook's civil tort case, and seeks an order enjoining or staying Cook's claims against Fred's. For the reasons stated below, and any additional submissions, exhibits, and arguments of counsel to be presented at or before a hearing on the motion, Cook requests this Court deny Fred's Motion.

## BACKGROUND

Plastic gas cans manufactured by Defendant Blitz have been the subject of dozens of lawsuits across the country. The gas cans are alleged to be defectively designed and tend to cause flashback explosions resulting from ignition of gasoline vapors outside the cans that follow the vapor trail back into the container. As part of the resolution of its bankruptcy and liquidation, Blitz sought to settle its liability for dozens of personal injury claims pending and anticipated across the country, in addition to settling claims of its other creditors. *See* 7-1100 *Collier on Bankruptcy* ¶ 1100.01 (stating the approach to Chapter 11 bankruptcy "must strike a balance between" the corporate debtor "and the desire to preserve creditors' and stockholders' existing legal rights to the greatest extent possible"). The following additional, related debtors filed for Chapter 11 bankruptcy and joined Blitz U.S.A. for administration of the bankruptcy: Blitz Acquisition Holdings, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC, F3 Brands LLC, LAM 2011 Holdings, LLC, and MiamiOK LLC (collectively the "Debtors").[1] *In re Blitz USA, Inc., et al.*, Case No. 11-13063 (Bankr. Del.).

[1] These entities are defined as "Debtors" in the Confirmation Order and Plan of Liquidation documents discussed in this memorandum. (Exh. A Confirmation Order p. 1 n. 1; Exh. B Plan of Liquidation Exh. 1 pp. 4, 14, 24).

On July 24, 2013, Blitz filed a *Motion for Order Under 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002, 6004, and 9019 Approving Settlement and Authorizing Debtors to (I) Compromise, Settle Release and Dismiss Claims of and Against the Debtors Pursuant to Insurance Term Sheet, and (II) Sell Certain Insurance Policies Back to the Participating Insurers Free and Clear of Liens, Claims, Interests and Other Encumbrances.* On January 30, 2014, the Bankruptcy Court filed *Findings of Fact, Conclusions of Law and Order Confirming Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* ("Confirmation Order") (attached as **Exhibit A**). The Confirmation Order approved the proposed "First Amended Joint Plan of Liquidation" ("Plan") (attached as **Exhibit B**). The Plan is ninety-two pages and includes over two hundred pages of exhibits. Fred's bases its argument for dismissal on the Confirmation Order and Plan.

## ARGUMENT

Fred's motion should be denied because Cook's claims against Fred's are unrelated to the Blitz bankruptcy and unrelated to any conduct of Blitz. Rather, the claims against Fred's for continuing to sell a product it knew to be dangerous relate solely to Fred's negligence and are not subject to the release or injunction in the Confirmation Order and Plan. Therefore, this Court should interpret the Confirmation Order and Plan to allow Cook to proceed with her claims against Fred's and deny the motion to enjoin or stay.

"When construing written judgments, courts consider the circumstances present at the time of entry and do not consider the meaning of particular provisions of the judgment in isolation but in the context of the whole judgment." *Id.* Considering the context and all provisions of the Confirmation Order and Plan, it is apparent the release and channeling injunction are not as broad as Fred's argues.

### I. EFFECT OF THE CONFIRMATION ORDER AND PLAN

The Confirmation Order and Plan provide for the creation of a trust fund to pay personal injury claims that could have been asserted against Blitz insurance policies, either directly

through Blitz or through indemnification or contribution of a vendor of Blitz gas cans. Under the Confirmation Order and Plan, a plaintiff seeking to recover compensation for injuries from those Blitz insurance policies is limited to filing a claim with the Trust. The Confirmation Order and Plan do not govern personal injury claims asserted as to non-Blitz insurance policies. Here, Cook's action against Fred's should not be enjoined or stayed because it is limited to non-Blitz insurance policies and arises out of Fred's own negligence rather than any action as to which Fred's could seek a right of contribution or indemnification from Blitz.

An explanation of the Plan and Confirmation Order—fifty-three pages long and incorporating over two hundred pages of exhibits—requires discussion of numerous defined terms and definitions. The definitions are taken from Exhibit 1 to the Plan and are incorporated into the Confirmation Order. (Exh. A, Confirmation Order p. 1 n.2). Relevant to Plaintiff's personal injury claims at issue, the Confirmation Order and Plan provide for the establishment of the Blitz Personal Injury Trust (the "Trust"). The Trust is funded with over $163,000,000.00, consisting of money paid by Wal-Mart and by "Participating Insurer Policies" which agreed to buy back Blitz Insurance Policies and place the purchase money into the Trust. (Exh. A, Confirmation Order p. 8). The Blitz Insurance Policies were the company's "primary remaining assets." (Exh. A, Confirmation Order p. 10). "Participating Insurer Policies" are defined as "[a]ny ***Blitz*** Insurance Policy issued by a Participating Insurer." (Exh. 1 p. 20 to Exh. B, Plan) (emphasis added). Exhibit 6 to the Plan is a list of the Participating Insurance Policies required to fund the Trust.

The Participating Insurance Policy under which Fred's claims absolution of liability is Old Republic Insurance Company, Policy numbers MWZY58888 and IRE 98445. (*See* Exh. 6 to Exh. B, Plan; Exh. D to Fred's Motion). Fred's submitted to the Court a Certificate of Liability Insurance which names "Blitz, U.S.A., Inc." as the Insured and Fred's as the "Certificate Holders." (Exh. D to Fred's Motion). The Old Republic policy numbers are only for products

liability insurance and umbrella liability. *Id.* It does not include any form of general liability, including commercial general liability. *Id.*

In addition to creating the Trust, the Confirmation Order and Plan also contains a release of liability and injunction as to certain entities and claims. It is these two provisions which Fred's asserts entitle it to an injunction or stay of Cook's claims.

**A. The Release**

The Confirmation Order provides for a release of liability of Protected Parties[2] for Blitz Personal Injury Claims.[3] The scope of the release is not so broad as to release every claim against Fred's that in any way relates to a Blitz gas can. For example, the release would not absolve Fred's from liability for injuries suffered when its employee dropped a Blitz gas can on a customer's head while stocking the shelves. The terms of the release evidence an intent to limit its scope to claims falling within those covered by the Participating Insurer Policies. This makes sense, as only claims for which the plaintiff is compensated should be released. Fred's paid no money into the Trust and no insurance policy of Fred's covering its general negligence paid money to the Trust. There was no consideration paid to release Fred's liability outside of what was covered by the Participating Insurer Policies for products liability. The scope of the release does not include Fred's general liability for its own negligence.

**B. The Channeling Injunction**

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[2] A Protected Party includes a vendor of Blitz gas cans. (Exh. 1 p. 22 to Exh. B, Plan).

[3] A "Blitz Personal Injury Claim" is defined as:

> All Claims for damages or other relief for, based upon, arising out of, relating to or in any way involving bodily injury and/or property damage that occurred on or before 12:01 AM CST on July 31, 2012, and shall include asserted claims, whether known or unknown, based upon, arising out of, or in any way involving the products, premises or operations of the Debtors and, without any limitation of the foregoing shall include any such claims against Wal-Mart directly or indirectly relating to the Debtors' products, premises or operations, and any direct action claims by a claimant ***against the Participating Insurers***.

(Exh. 1 p. 8 to Exh. B, Plan) (emphasis added).

Under the "Channeling Injunction," a "Blitz Personal Injury Trust Claim against the Protected Parties, or any of them, shall be permanently stayed, restrained, and enjoined," and "channeled" to the trust, unless the claim falls within an exception to the Channeling Injunction or is otherwise not within the scope of the claims covered by the Trust. (Exh. A, Order p. 30). Cook's claims against Fred's involve Fred's actions and conduct concerning its business choice to sell a dangerous product. It is not a claim made against a Participating Insurer Policy that is intended to be channeled to the Trust.

> The monies contributed to the Blitz Personal Injury Trust by the Participating Insurers . . . represent consideration for the buy back of the Participating Insurance Policies in effect for the period from the Release Date to July 31, 2012, the channeling of Blitz Personal Injury Trust Claims ***covered by the Participating Insurance Policies*** to the Blitz Personal Injury Trust, and the releases granted to the Participating Insurers under the Plan.

(Exh. B to Confirmation Order, Blitz Personal Injury Trust Agreement, p. 14, ¶ 2.3) (emphasis added).

The Confirmation Order states "[***u]nless otherwise provided in the Plan and this Confirmation Order***, the sole and exclusive remedy of holders of Blitz Personal Injury Trust Claims against the Debtors and the Protected Parties shall be against the Blitz Personal Injury Trust, and no such Blitz Personal Injury Trust Claims may be asserted against the Debtors or any Protected Party." (Exh. 1, Confirmation Order p. 21 ¶ 7) (emphasis added). The qualification "unless otherwise provided" means that there are necessarily some situations in which a holder of a personal injury claim may be asserted against a vendor protected party. As explained below, this case is one of those situations.

Fred's paid no money into the Trust. No insurance policy paid for by Fred's paid money into the Trust. Despite these facts, Fred's seeks an order of this Court absolving it of ***all*** liability for Cook's injuries, whether or not such claims are attributable to Blitz and whether or not such claims are covered by a Participating Insurer Policy. This is not supported by the plain language of the Confirmation Order and Plan, and was not the intent of those documents.

## II. THE CONFIRMATION ORDER AND PLAN SHOULD NOT BE INTERPRETED TO RELEASE THIRD PARTY FRED'S FROM ITS INDEPENDENT LIABILITY COVERED BY NON-PARTICIPATING, NON-BLITZ INSURANCE POLICIES

The particular inquiry here is whether the *claims* against Fred's are released and subject to the channeling injunction. It is not whether Fred's as a party is released. Cook asserts the claims for Fred's independent negligence are not released and enjoined because they do not fall within the products liability coverage of the Blitz Participating Insurance Policies and are based on Fred's own conduct, not conduct for which it may seek indemnification or contribution from Blitz.

The basis and logic for releasing and enjoining only claims covered by Blitz Participating Insurance Policies is plainly stated in the Confirmation Order.

> A Vendor, officer, director and/or shareholder of Blitz sued on a Blitz Personal Injury Claim might be entitled to ***coverage under the Participating Insurer Policies***. If any of the foregoing are insured under the respective policies, they could tender the Blitz Personal Injury Claims ***to the Participating Insurers for defense and indemnity***. Accordingly, any settlement relating to, and the buy-back of, the Participating Insurer Policies must also resolve all claims against Vendors, officers, directors, and shareholders ***to the same extent such claims are being resolved against the Debtors***.

(Exh. A, Confirmation Order p. 12 ¶ I.(7)) (emphasis added). The release and enjoining of claims against a vendor such as Fred's is limited to the extent of the release and enjoining of the debtor Blitz. This is logical because Blitz is the debtor who should benefit from bankruptcy protections. Fred's and its insurers should not receive a windfall of liability absolution greater than that afforded to the bankruptcy debtor. Plaintiff's claim does not trigger coverage under the Participating Insurer Policies and is not a claim against the Debtor Blitz which is resolved by the Trust, released, and enjoined.[4] Fred's could not seek indemnity against Blitz for its own negligence in continuing to sell the gas cans with knowledge of their dangerous nature.

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[4] This position is consistent with bankruptcy law allowing a third-party entity who pays a claim on which it is a *codebtor* with the bankrupt debtor to subrogate the rights of the creditor to the extent of payment. *See* 11 U.S.C. § 509(a) ("Except as provided in subsection (b) or (c) of this section, an entity that is liable with the debtor on, or that has secured, a claim of a creditor against the debtor, and that pays such claim, is subrogated to the rights of such creditor to the extent of such payment.").

The Confirmation Order makes clear that a claim which is not covered by the Participating Insurer Policies is not covered by the Trust and, therefore, should not be released or enjoined.

> [A]ny Blitz Personal Injury Claim asserted against the Debtors, if successful, would ultimately be paid from the proceeds of the Blitz Insurance Policies (***subject to the policies' terms and conditions and any applicable coverage defenses***). To the extent any third party has a claim against the Participating Insurers, ***such claim must arise out of an incident subject to coverage under one or more of the Participating Insurer Policies.***

(Exh. A, Confirmation Order p. 10 ¶H.1.(5)(a)) (emphasis added). The claims against Fred's in the Amended Complaint do not arise out of an incident subject to coverage under the products liability Participating Insurer Policy as to which Fred's was an additional insured. The claims are for general negligence, not products liability. There is no basis to enjoin or stay Cook's claims against Fred's, because Cook does not seek recovery from any asset of the debtor's bankruptcy estate.

"In a Chapter 11 case, the debtor receives a discharge as to all of its debts upon entry of an order of confirmation of its plan of reorganization." *In re Market Square Inn*, 163 B.R. 64, 66 (Bankr. W.D. Pa. 1994) (citing 11 U.S.C. § 1141). The concepts of discharge and injunction in bankruptcy protect the assets of the debtor's bankruptcy estate from further claims. "The Bankruptcy Code is designed to afford debtors with a fresh start." 9 Am. Jur. 2d *Bankruptcy* § 7; *see also Whitesel v. Lloyd (In re Lloyd)*, 2000 WL 33712304 (Bankr. D. Del. 2000) ("The overriding purpose of the Bankruptcy Code is to relieve debtors from the weight of oppressive indebtedness and provide them with a fresh start."). If Fred's and its insurers are allowed protection and absolution under Blitz's bankruptcy beyond what is necessary to protect the debtor and bankruptcy estate, they will in effect escape liability and be unjustly enriched. The Confirmation Order and Plan cannot be read so broadly as to release Fred's from all liability in any way relating to a Blitz gas can. Under Fred's interpretation of the Bankruptcy Court documents, a customer who is hit on the head by a Blitz gas can that fell off of the shelf at a Fred's store would be enjoined from bringing an action against Fred's. There must be a logical limit to Fred's release from liability and the enjoinment of claims related to Blitz gas cans. Cook

asserts the release and enjoinment are limited to claims covered by the Participating Insurer Policy as to which Fred's is an additional insured or as to which Fred's could seek contribution or indemnity against Blitz.

The "Term Sheet" (attached as **Exhibit C**) presented with the Motion to approve settlement supports Plaintiff's position that the Confirmation Order and Plan do not absolve all liability as to any insurance policy but only as to claims covered by a Blitz Participating Insurer Policy. The first sentence of the Term Sheet states "The Debtors, the Committee, the ***Participating Insurers***, the Participating Blitz Personal Injury Claimants, and Wal-Mart have agreed to a Settlement of any and all past, present, and future issues that could arise ***between them*** with respect to the Blitz Personal Injury Claims." (Exh. C, Term Sheet p. 1) (emphasis added). The Settlement was not intended to release vendors from liability covered by ***any*** insurance policy—only to release them from liability for claims covered by the Blitz Participating Insurer Policies.[5]

The Term Sheet plainly states the purpose of the release of liability is to prevent future claims against the ***Participating Insurers***. The "releases shall be sufficient to provide finality to the ***Participating Insurers*** from all claims, rights, demands, and obligation of any kind or nature arising out of or relating to the Subject Policies, brought by or on behalf of any person or entity insured thereunder . . . ." (Exh. C, Term Sheet p. 6, ¶ C.5.). Cook's claims are neither covered by nor asserted against the Participating Insurers. Plaintiff's position is further supported by federal bankruptcy law regarding injunctions issued in situations such as this one. Generally, "discharge of a debt of the debtor does not affect the liability of any other entity on, or the property of any other entity for, such debt." 11 U.S.C. § 524(e).

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[5] This is further supported by the definition of "Released Parties" on page 3 of the Term Sheet, which states "'Released Parties' shall mean the Debtors, ***the Participating Insurers***, Wal-Mart and any other person or entity ***insured under the Subject Policies*** . . . ." (Exh. C, Term Sheet p. 3, definition s.) (emphasis added). This definition includes only liability subject to a Participating Insurance policy. It does not release a party from liability subject to a non-participating insurer for the third-party entity's independent negligence.

The Participating Insurer Policies paying into the Trust should be released from liability. A non-participating, non-Blitz insurer would receive an unnecessary, unfair, and inequitable windfall if it is released from liability to the disadvantage of the injured Plaintiff who is not made whole by payment from the Trust. Fred's maintains non-participating, non-Blitz insurance policies that cover ***its*** liability for general negligence in continuing to sell gas cans with knowledge of the dangerous nature of the product. Plaintiff incurred $_____ in medical expenses alone. The payment he received from the Trust amounted to only $ _____. The payment from the Trust does not make Plaintiff whole and, therefore, he is entitled to continue the case against Fred's seeking relief available from non-participating, non-Blitz insurance policies.

## III. PLAINTIFF'S CLAIM AGAINST FRED'S IS EXEMPT FROM THE CHANNELING INJUNCTION

Even if the Court were to find that the release and channeling injunction apply in this case, Cook's claim is exempt from the channeling injunction, and Fred's motion should be denied. Under the terms of the injunction, "any suit, legal action, or other proceeding . . . in any forum in the United States against or affecting any Protected Party, shall be stayed, enjoined or otherwise prohibited from continuation as to any Protected Party ***except*** for those parties excepted from the channeling injunction provided in paragraph 10(b) of this Confirmation Order." (Exh. A, Confirmation Order p. 33 ¶ 11) (emphasis added). Paragraph 10(b) specifically exempts certain claims from the Channeling Injunction. (Exh. A, Confirmation Order pp. 31-32). Applicable to Cook's action against Fred's, the Order states:

> [T]he Channeling Injunction shall not enjoin: . . . (6) the rights of any Entity to assert any claim, debt, obligation or liability for payment against a Non-Participating Insurer.

(Exh. A, Confirmation Order p. 32). "Non-Participating Insurers" are defined as "Collectively: Hartford Insurance Company, Lumbermens Mutual Casualty Company, Admiral Insurance Company, American International Group, Nautilus Insurance Company, Arrowood Indemnity, RSUI Group, Inc., and ***any other Blitz Insurer who is not a Participating Insurer.***" (Exh. 1 p.

19 to Exh. B, Plan). Therefore, a claim claim against a Non-Participating Insurer may proceed. It follows that, if a Non-Participating Blitz Insurer may still be liable, then surely a ***non-participating non-Blitz insurer***—even further removed from contribution to the Trust and entitlement to release of liability—should also remain liable.

The Plan specifically provides for the situation here, in which an injured plaintiff continues litigation against a Non-Participating, non-Blitz Insurer. It allows for setoff according to state law. The Plan specifies

> Any right, claim or cause of action that a Non-Participating Insurer may have been entitled to assert against any Participating Insurer . . . shall be channeled to and become a right, claim or cause of action solely as a setoff claim solely against the Blitz Personal Injury Trust and not against or in the name of the Participating Insurer in question. Any such right, claim, or cause of action to which a Non-Participating Insurer may be entitled, shall be solely a setoff against any recovery of the Blitz Personal Injury Trust from that Non-Participating Insurer . . . . [A]ny setoff shall be determined, calculated and applied solely as a matter of applicable non-bankruptcy law without regard to the Plan or any bankruptcy law or decision.

(Exh. B, Plan p. 42, ¶ 6.5). Therefore, the Plan contemplated litigation for personal injury claims would continue, and permits such litigation, outside of the Blitz Personal Injury Trust against non-participating insurers.

Cook's claims against Fred's as to its own liability and against non-participating, non-Blitz insurers are exempt from the channeling injunction. The Bankruptcy Court in a *Blitz* bankruptcy did not intend to enjoin and release claims beyond those covered by the Blitz Participating Insurers. Therefore, this Court should deny Fred's Motion and allow Cook's case to continue.

## IV. FRED'S LIABILITY, AS ASSERTED IN THE AMENDED COMPLAINT, IS NOT DEPENDENT ON ANY LIABILITY OF BLITZ AND DOES NOT TRIGGER A RIGHT TO INDEMNIFICATION OR CONTRIBUTION.

The Confirmation Order states the Channeling Injunction and releases "are essential and necessary ***for the Debtors*** because, among other reasons, the Protected Parties would not be willing to make their contributions to the Blitz Personal Injury Trust . . . without the protection provided by the Channeling Injunction and Releases." (Exh. A, Confirmation Order p. 23 ¶ (23))

(emphasis added). The reason for this statement is that the Protected Parties paying into the Trust wanted to ensure they were not subject to any further payment arising from a Blitz personal injury claim. The Participating Insurer policies that paid in are protected—Cook does not assert a claim against them. Cook asserts a claim for *Fred's liability* against *non-participating non-Blitz* insurance policies.

Cook is not seeking to hold Fred's liable based on any liability of Blitz. Rather, Cook seeks to hold Fred's liable for its own negligence in choosing to continue to sell a product it knew to be dangerous to Fred's consumers. The release and injunction apply to Blitz's liability for its alleged negligence, not to Fred's liability for its own negligence. Further, there is no risk of Cook's claims triggering liability of Blitz or a Participating Insurer Policy because the claims do not trigger a right of Fred's to indemnification or contribution from Blitz.

The terms of the Confirmation Order explain that a "Vendor" such as Fred's is included as a Protected Party only to the extent it could submit a claim for defense and indemnity to a Blitz Participating Insurer Policy.

> A Vendor . . . of Blitz sued on a Blitz Personal Injury Claim might be entitled to coverage under the Participating Insurer Policies. If any of the foregoing are insureds under the respective policies, they could tender the Blitz Personal Injury Claims to the Participating Insurers ***for defense and indemnity***. Accordingly, any settlement relating to, and the buy-back of, the Participating Insurer Policies must also resolve all claims against Vendors . . . ***to the same extent such claims are being resolved against the Debtors***, which justifies the inclusion of the Vendors . . . as Protected Parties under the Plan.

(Exh. 1, Confirmation Order p. 12 ¶ I.(7)) (emphasis added).

Indemnity is "compensation in which a first party is liable to pay a second party for a loss or damage the second party incurs to a third party." *Vermeer Carolina's, Inc. v. Wood/Chuck Chipper Corp.*, 336 S.C. 53, 60, 518 S.E.2d 301, 305 (Ct. App. 1999). Indemnity "may arise by contract (express or implied) or by operation of law as a matter of equity between the first and second party." *Id.* at 60, 518 S.E.2d at 305. There is no allegation or evidence of contractual indemnity in this case. Therefore, we proceed to discuss only equitable indemnification. There are at least two exceptions or situations in which equitable indemnification does not apply. First,

there is no equitable indemnification where the "second party," Fred's in this case, has "personal negligence of his own [that] joined in causing the injury." *Id.* The basis for this exception is that "[e]quitable indemnity cases involve a fact pattern in which the first party is at fault, but the second party is not." *Id.* at 63, 518 S.E.2d at 307. "If the second party is also at fault, he comes to court without equity and has no right to indemnity." *Id.* Here, Fred's is at fault for continuing to sell gas cans with knowledge of their dangerous nature. Therefore, equitable indemnification does not apply.

Second, to the extent Fred's attempts to argue that it and Blitz are joint tortfeasors as to Nix's injuries, this also prohibits a right to indemnification. The second exception to equitable indemnity is a case involving joint tortfeasors. "Under South Carolina law, there can be no indemnity among mere joint tortfeasors." *Id.* at 64, 518 S.E.2d at 307; *see also Scott v. Freuhauf Corp.*, 302 S.C. 364, 370-71, 396 S.E.2d 354, 357-58 (1990) (same). This is because, "[p]arties that have no legal relation to one another and who owe the same duty of care to the injured party share a common liability and are joint tortfeasors without a right of indemnity between them." *Id.*

Finally, there is no right to contribution implicated by the continuation of Cook's case against Fred's. As stated above, the Plan specifically covers this situation and provides that any right of action for contribution is to be settled by state setoff laws and not asserted against the Participating Insurer or collected from the Trust. (Exh. B, Plan, p. 42 ¶ 6.5). This is consistent with South Carolina law, which provides "that once a joint tortfeasor obtains a release from a plaintiff, he is no longer liable for contribution claims arising from injuries subject to that release." *Cowden Enters. V. East Coast Millwork Distribs.*, 363 S.C. 540, 544, 611 S.E.2d 259, 261 (Ct. App. 2005).

## CONCLUSION

For the reasons stated above, the Court should deny Fred's Motion to Permanently Enjoin or Alternatively to Stay Proceedings as to Fred's.

Respectfully submitted,

PETERS, MURDAUGH, PARKER,
ELTZROTH & DETRRICK, P.A.

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ATTORNEYS FOR PLAINTIFF

October __, 2014
Hampton, South Carolina

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

| | |
|---|---|
| In re: | Chapter 11 |
| BLITZ U.S.A., Inc., et al.,[1] | Case No. 11-13603 (PJW) |
| Debtors. | (Jointly Administered) |
| | **Re: Docket Nos.** 2007, 2008 & 2005, 2014 |

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING DEBTORS' AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS' FIRST AMENDED JOINT PLAN OF LIQUIDATION**

A HEARING HAVING BEEN HELD BEFORE THE COURT AND CONCLUDED on January 28, 2014 (the "**Confirmation Hearing**"), to consider confirmation of the *Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation*, dated December 18, 2013 (including all exhibits thereto and as modified, the "**Plan**"),[2] proposed by the debtors and debtors-in-possession in the above-captioned cases (collectively, the "**Debtors**"), together with the Official Committee of Unsecured Creditors (the "**Committee**," and collectively, the "**Proponents**);

IT APPEARING TO THE COURT that the *Disclosure Statement for the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation*, dated December 18, 2013 [Docket No. 2000-2] (the "**Disclosure Statement**") was approved by the

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: LAM 2011 Holdings, LLC (8742); Blitz Acquisition Holdings, Inc. (8825); Blitz Acquisition, LLC (8979); Blitz RE Holdings, LLC (9071); Blitz U.S.A., Inc. (8104); and MiamiOK LLC (2604). The location of the Debtors' corporate headquarters and the Debtors' service address is: 309 North Main Street, Miami, OK 74354.

[2] Capitalized terms used herein without definition have the meanings provided for in the Plan. In addition, any term used in the Plan or this Confirmation Order that is not defined in the Plan or this Confirmation Order, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules.



EXHIBIT A of Exhibit 1 tabbies

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Court on December 18, 2013, pursuant to the *Order (A) Approving the Disclosure Statement; (B) Approving Form and Manner of Notice of Confirmation Hearing; (C) Approving Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Plan; (D) Estimating Each Blitz Personal Injury Claim at $1.00 for Voting Purposes; (E) Approving Notice and Objection Procedures in Respect Thereof and (F) Granting Related Relief* [Docket No. 2005] (the "**Disclosure Statement Order**"), which, among other things, also established procedures for the solicitation and tabulation of votes to accept or reject the Plan, scheduled a hearing on confirmation of the Plan and approved related notice procedures;

IT FURTHER APPEARING TO THE COURT that solicitation and noticing procedures with respect to the Plan approved by the Court pursuant to the Disclosure Statement Order have been followed as set forth in the *Certification of P. Joseph Morrow IV with Respect to the Tabulation of Votes on the Debtors' and Official Committee of Unsecured Creditors First Amended Joint Plan of Liquidation* sworn to on January 23, 2014 [Docket No. 2111] (the "**Voting Declaration**"); and affidavits of service having been executed by Kurtzman Carson Consultants, LLC (the "**Balloting Agent**") with respect to the mailing of notice of the Confirmation Hearing and solicitation materials in respect of the Plan in accordance with the Disclosure Statement Order (collectively, the "**Affidavits of Service**") and having been filed with the Court [Docket Nos. 2025, 2026, 2027, 2028, 2029, 2037, 2054 and 2082];

IT FURTHER APPEARING TO THE COURT that on January 6, 2014, the Proponents filed with the Court, as Exhibit 3 to the Plan, the form of the Blitz Liquidating Trust Agreement [Docket No. 2041], together with any other documents necessary to implement the Plan, the "**Plan Documents**");

IT FURTHER APPEARING TO THE COURT that on January 15, 2014, the Proponents filed the *Notice of Rescheduling of Confirmation Hearing Date and Time* [Docket No. 2065] stating that the hearing to consider confirmation of the Plan had been adjourned to January 28, 2014 at 9:30 a.m. (Eastern Time) before the Honorable Peter J. Walsh, Judge of the Bankruptcy Court, in the United States Courthouse, at 824 Market Street, Wilmington, Delaware 19801.[3]

IT FURTHER APPEARING TO THE COURT that the deadline for filing objections to the Plan has passed;

IT FURTHER APPEARING TO THE COURT that the deadline for casting ballots to accept or reject the Plan has passed and that the results of voting have been certified by the Balloting Agent, acting as voting agent for the balloting permitted for Classes 3(a) and 3(b) (Blitz Personal Injury Trust Claims), and Classes 4(a) and 4(b) (General Unsecured Claims), pursuant to the Disclosure Statement Order and as set forth in the Voting Declaration;

IT FURTHER APPEARING TO THE COURT that the following have been filed or offered in support of the Plan: (a) the *Declaration of Rocky Flick in Support of Confirmation of the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2133] (the "**Flick Declaration**"); (b) the *Declaration of Ken McClain in Support of Confirmation of the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2135] (the "**McClain Declaration**"); (c) *Declaration of Brian Mottet on behalf of Wal-Mart Stores, Inc. with respect to the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2114] (the "**Mottet Declaration**"); (d) the *Declaration of Christian Michalik in Support of he Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2104]

[3] The confirmation hearing time was subsequently moved to 2:30 p.m. at the request of the parties to allow for a mediation session before Chief Judge Kevin Gross, Judge of the Bankruptcy Court, among the Proponents and the remaining objectors.

(the "**Michalik Declaration**"); (e) the *Declaration of Timothy P. Harkness in Support of the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2105] (the "**Harkness Declaration**"); (f) the *Declaration of Robert Elmburg in Support of the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2108] (the "**Elmburg Declaration**"); (g) the *Declaration of James A. Pearson in Support of Confirmation of the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2134] (the "**Pearson Declaration**"); (h) the *Declaration of Jeffrey Roberts in Support of Confirmation of the Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2118] (the "**Roberts Declaration**"); (i) the Declaration of Steve Snyder in Support of Confirmation of Debtors' and Official Committee of Unsecured Creditor's First Amended Joint Plan of Liquidation [D.I. 2147] (the "**Snyder Declaration**," and with the Flick Declaration, McClain Declaration, Mottet Declaration, Michalik Declaration, Harkness Declaration, Elmburg Declaration, Pearson Declaration, Roberts Declaration, collectively, the "**Declarations**"); (j) the *Expert Report of James Marshall, Jr.* [D.I. 2113] (the "**Marshall Report**"); (k) the *Expert Report of Denise Neumann Martin* [D.I. 2112] (the "**Martin Report**"); (l) that certain Bates White Report Regarding the Participating Insurer Settlement admitted as evidence at the hearing on the Insurance Settlement Motion (the "**Bates White Report**," and with the Marshall Report and the Martin Report, collectively the "**Expert Reports**"); and (m) the record from the December 18, 2013 hearing approving the Insurance Settlement Motion (the "**December 18, 2013 Record**");

IT FURTHER APPEARING TO THE COURT that the following objections to confirmation of the Plan have been filed: (a) *Objection of Newby Claimant to Confirmation of*

*the Debtors' and Official Committee of Unsecured Creditors' First Amended Plan of Liquidation* [D.I. 2090]; (b) *Objection of Estate of Joseph M. Cataldi and Lori Cataldi (as Guradian, Parent, and Natural Guardian for Minors Michael Cataldi and Brianna Cataldi) to Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2091]; (c) *Objection to Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2092]; and (d) *The United States Trustee's Objection to Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* [D.I. 2116] (collectively, the "**Objections**"), each of which was withdrawn and resolved on the record at the Confirmation Hearing.

NOW, THEREFORE, based upon the Court's review of (a) the Disclosure Statement, (b) the Plan, (c) the Plan Documents, (d) the Declarations and the Expert Reports, each of which was admitted into the record without objection, (e) the Voting Declaration, (f) all of the other evidence proffered or adduced, filings and arguments of counsel during these Chapter 11 Cases and the Confirmation Hearing, including the December 18, 2013 Record; and after due deliberation thereon and good cause appearing therefor, and for the reasons set forth on the record at the Confirmation Hearing:

**IT IS HEREBY FOUND AND DETERMINED THAT:**

A. Findings of Fact and Conclusions of Law. The findings of fact and the conclusions of law stated in this Confirmation Order and on the record at the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to the proceeding by Bankruptcy Rule 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

B. Jurisdiction; Venue; Core Proceeding. This Court has jurisdiction over the Debtors' Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue in the District of Delaware was proper as of the Petition Date and continues to be proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L) over which this Court has exclusive jurisdiction.

C. Transmittal and Mailing of Solicitation Materials and Notices. The solicitation materials and notices prescribed by the Disclosure Statement Order were served in compliance with the Disclosure Statement Order, and such service was adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing and the other deadlines and matters required to be noticed pursuant to the Disclosure Statement Order was given in compliance with the Bankruptcy Rules and the Disclosure Statement Order, and no other or further notice is or shall be required.

D. Adequacy of Voting Procedures. All procedures used to distribute the solicitation materials to the appropriate creditors entitled to vote on the Plan and to tabulate the ballots returned by creditors were fair and were conducted in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order. Votes for acceptance or rejection of the Plan were solicited and cast in good faith, and only after transmittal of the approved Disclosure Statement, and otherwise in compliance with Bankruptcy Code sections 1125 and 1126 and Bankruptcy Rules 3017 and 3018. As evidenced by the Voting Declaration, all Ballots were properly tabulated.

E. Good Faith Solicitation – 11 U.S.C. § 1125(e). Based on the record before the Court in the Chapter 11 Cases, the Proponents, and any of their respective directors, officers, employees, members, participants, agents, representatives, partners, affiliates, counsel, other

advisors, successors or assigns, have acted in good faith within the meaning of Bankruptcy Code sections 1125(e) and 1129(a)(3), and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order in connection with all of their respective activities relating to the solicitation of acceptances of the Plan and their participation in the activities described in Bankruptcy Code section 1125, and are entitled to the protections afforded by Bankruptcy Code section 1125(e).

F. Impaired Class that Has Voted to Accept or Reject the Plan. Classes 3(a), 3(b), 4(a) and 4(b) are impaired and, as evidenced by the Voting Declaration, which certified both the method and results of the voting, have voted to accept the Plan pursuant to the requirements of Bankruptcy Code sections 1125 and 1126. Thus, at least one impaired Class of Claims has voted to accept the Plan.

G. Classes Deemed to have Accepted or Rejected the Plan. Classes 1(a), 1(b), 2(a) and 2(b) are not impaired under the Plan and are deemed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Classes 5(a), 5(b), 6(a) and 6(b) are not expected to receive any distributions under the Plan and are deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g).

H. Releases, Channeling Injunction, Exculpation and Indemnification Provisions. The Releases and Channeling Injunction with respect to each Protected Party, as set forth in Sections 4.3.3, 4.34 and 7.2 and (ii) exculpation and limitation of liability with respect to each Exculpated Party, as set forth in Section 15.4 of the Plan are appropriate under applicable law. The Court's findings of fact to support the approval of the Releases and Channeling Injunction, based on the record established at the Confirmation Hearing, including the Declarations, the Expert Reports, and the December 18, 2013 Record are set forth below.

(1) *Fairness.*

(a) The Participating Insurers, on behalf of themselves and all entities covered under the Participating Insurer Policies, are contributing $137,540,639.36 to the Blitz Personal Injury Trust, through the buy-back of the Participating Insurer Policies. Moreover, the Participating Insurers have previously provided the Debtors' Estates with approximately $200,000 to fund a portion of the notice costs in connection with the Blitz Personal Injury Claim Bar Date Order. This payment, and the compromises by the Participating Insurers providing for the payment, is a substantial contribution and is critical to the Plan.

(b) In connection with the Insurance Settlement, Wal-Mart is contributing $26,429,360.64 to the Blitz Personal Injury Trust. Wal-Mart contends that the amount of cash it contributed to fund the Blitz Personal Injury Trust is in excess of the contribution, if any, needed to satisfy the self-insured retention obligations and activate coverage under the Participating Insurance Policies. In addition, Wal-Mart is contributing $1.54 million to the Blitz Liquidating Trust to fund distributions to holders of Administrative Expense Claims and General Unsecured Claims against the USA Debtors' Estates. Moreover, Wal-Mart has previously provided the Debtors' Estates with approximately $100,000 to fund a portion of the notice costs in connection with the Blitz Personal Injury Claim Bar Date Order. Finally, Wal-Mart has agreed to waive significant claims against the Debtors' Estates and agreed to relinquish valuable insurance rights and against the Participating Insurer Policies consented to the Insurance Buy-Back in connection with the Insurance Settlement. The consideration provided by Wal-Mart constitutes a substantial contribution and is critical to the Plan.

(c) In connection with the BAH Settlement, Blitz Acquisitions Holdings, Inc., on behalf of the BAH Released Parties, is paying $6.25 million (plus up to an additional $250,000 to pay the Flick Claim, to the extent it is allowed) to the USA Debtors' Estates. Without this infusion of funds, the USA Debtors would be administratively insolvent. The BAH Settlement Payment would not be possible without the consent of all the BAH Released Parties. As additional consideration, Mr. Michalik, Mr. Aurelio, Kinderhook Capital Fund II, LP and Kinderhook Industries II, LP are also waiving their claims against the USA Debtors. The consideration provided by the BAH Released Parties constitutes a substantial contribution and is critical to the Plan.

(d) As reflected in the Voting Declaration, 95.29% (81 out of 85) of the holders of Blitz Personal Injury Claims in Class 4(a) of the Plan that voted on the Plan and 100% (3 out of 3) of the holders of Blitz Personal Injury Claims in Class 4(b) of the Plan have voted to accept the Plan. On the record at the Confirmation Hearing, three of the parties that had originally voted against confirmation of the Plan announced that they were changing their votes to votes in support of the Plan. As a result of those announcements, only one vote against confirmation of the Plan in Class 4(a) remains, and that claimant did not object to confirmation of the Plan. Accordingly, the Plan has been overwhelmingly accepted by the classes of creditors affected by the Releases and the Channeling Injunction and there is no remaining objection to confirmation of the Plan.

(e) Expert testimony as to the valuation of the pending Covered Blitz Personal Injury Claims in the tort system was provided at the Confirmation Hearing by Wal-Mart. The Court finds this evidence credible. The Court finds this evidence consistent with the evidence adduced in the December 18, 2013 Record. No contrary evidence was provided in the record. The aggregate value of the Covered Blitz Personal Injury Claims would be $102.9 million if those claims were litigated in the tort system. The Blitz Personal Injury Trust is being funded with $163,970,000 in funds from the Insurance Settlement Payment. Further, of the 61 Covered Blitz Personal Injury Claims projected to be included in the Non-Appealing Fund, the aggregate value of those claims, if litigated in the tort system would be $96.8 million. Similarly, of the 32 pending Covered Blitz Personal Injury Claims projected to be eligible for participation in the Special Circumstances Fund, the aggregate value of those claims, if litigated in the tort system, would be $6.1 million. The Blitz Personal Injury Trust will have sufficient assets on the Effective Date to process and pay Covered Blitz Personal Injury Trust Claims in accordance with the terms of the Plan, the Blitz Liquidating Trust Agreement and the Blitz Personal Injury TDP. The Plan, through the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP, has criteria, rules and procedures that are reasonable and equitable to process, evaluate, allow or disallow, and pay (where applicable) Covered Blitz Personal Injury Trust Claims in a similar and fair manner. Because the allocations contained in the Blitz Personal Injury TDP provide substantially greater recoveries to holders of Covered Blitz Personal Injury Claims than their projected recoveries in the tort system, the holders of Covered Blitz Personal Injury Claims are receiving fair consideration in exchange for the Releases and the Channeling Injunction.

(f) The Blitz Personal Injury TDP provides a fair and equitable mechanism for holders of Covered Blitz Personal Injury Claims to reject the offers they receive from the Blitz Personal Injury Trust and proceed to mediation/arbitration, and ultimately the tort system, to liquidate their respective Covered Blitz Personal Injury Claims.

(g) Holders of Blitz Personal Injury Trust Claims arising prior to the Release Date retain their rights under the Assigned Blitz Insurance Policies issued by the Non-Participating Insurers. Accordingly, these claimants are receiving fair consideration in exchange for the Releases and the Channeling Injunction.

(2) *Necessity to the Reorganization.* The Releases and the Channeling Injunction are critical to the success of the Plan. Without the Releases and the Channeling Injunction, the Protected Parties are not willing to make their contributions under the Plan. Moreover, the BAH Settlement and the Insurance Settlement are mutually dependent on each other and neither can be consummated without the other. Absent those contributions, the Plan is not feasible.

(3) *Record Supports Specific Findings.* The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the Release, Channeling Injunction and exculpation provisions contained in the Plan.

(4) *Extraordinary Circumstances.* These Chapter 11 Cases were precipitated by a significant number of personal injury claims arising out of accidents involving the Debtors' products. The increasing number of Blitz Personal Injury Claims ultimately drove the Debtors into bankruptcy where they were forced to sell substantially all their assets. The Debtors' primary remaining assets, the proceeds from the Blitz Insurance Policies, are the subject of numerous substantial coverage issues, including whether all of the self-insured retentions had been exhausted to trigger coverage under certain of the Participating Insurer Policies. Moreover, Wal-Mart vigorously defended its rights as an additional insured under the Participating Insurer Policies both pre- and post-petition. After months of arms-length, contentious negotiations before Chief Judge Kevin Gross and Judge Richard A. Cohen (Ret.), the Debtors, the Committee and the Protected Parties came to terms on a global settlement that formed the foundation of the Plan. These extensive efforts and substantial contributions by each of the Protected Parties, along with the magnitude of the recoveries, provided under the Plan to holders of Allowed Claims constitute extraordinary circumstances warranting the Releases and Channeling Injunction set forth in the Plan.

(5) *Identity of Interest.* There is a substantial identity of interest between the Debtors and the Protected Parties, such that a Blitz Personal Injury Claim asserted against a Protected Party is essentially a claim against the Debtors.

(a) *Participating Insurers.* The Participating Insurers are the Debtors' insurance providers under the Participating Insurer Policies. The Blitz Insurance Policies are the primary remaining assets of the Debtors' Estates. Accordingly, any Blitz Personal Injury Claim asserted against the Debtors, if successful, would ultimately be paid from the proceeds of the Blitz Insurance Policies (subject to the policies' terms and conditions and any applicable coverage defenses). To the extent any third party has a claim against the Participating Insurers, such claim must arise out of an incident subject to coverage under one or more of the Participating Insurer Policies. Because any claim successfully asserted against a Participating Insurer will be paid from the proceeds of the Participating Insurer Policies, a claim against a Participating Insurer will directly reduce the coverage available to the Debtors and any other insureds under those policies. Thus, a claim against a Participating Insurer is essentially a claim against the Debtors.

(b) *Wal-Mart.* Each of the supplier agreements in place between Wal-Mart and Blitz U.S.A., Inc. in effect during the period from July 31, 2007 through July 31, 2012 contains a clause that requires (i) Blitz U.S.A., Inc. to defend and indemnify Wal-Mart from all claims and litigation relating to products manufactured by Blitz U.S.A, Inc.; and (ii) that Blitz U.S.A., Inc. is required to obtain or extend its general liability insurance policies to cover Wal-Mart as a named insured or as an insured under a general endorsement. As a result, Wal-Mart is an additional insured under the Participating Insurer Policies. Accordingly, suits against Wal-Mart are covered by the Debtors' insurance and would deplete the assets of the Debtors' Estates.

(c) *BAH Released Parties.* Each of the BAH Released Parties have direct or indirect indemnification and/or coverage rights against the Debtors in connection with any alleged liability in connection with Blitz Personal Injury Claims, arising out of one of more of the following: (i) the Management Services Agreement

dated as of September 21, 2007 among Blitz USA, Inc., Blitz Holdings, LLC (n/k/a LAM 2011 Holdings, LLC) and Kinderhook Industries II, L.P.; (ii) applicable insurance policies; (iii) specific actions or resolutions of the Debtors' Boards of Directors; (iv) certificates of incorporation, certificates of limited partnership, articles of organization or certificates of formation (as applicable); (v) bylaws and operating agreements of the Debtors; or (vi) statutory or common law. Claims asserted by any of the BAH Released Parties under any of the foregoing bases would deplete the assets of the Debtors' Estates.

(d) *Unified Interest.* Each of the Protected Parties share a common goal of resolving their competing and interrelated claims and achieving a fair and equitable distribution of the Debtors' remaining assets through the Plan. Absent the involvement of each of the Protected Parties, none of the settlements required for, or entered into in connection with, the confirmation of the Plan would be possible, and few, if any, assets would be available for distribution to the Debtors' Creditors.

I. Compromise and Settlement. Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, by or against the Debtors, arising out of, relating to or in connection with the business or affairs of or transactions with the Debtors. The Court's specific findings of fact to support the approval of the Insurance Settlement and the BAH Settlement, based on the record established at the Confirmation Hearing, including the Declarations, the Expert Reports and the December 18, 2013 Record, are set forth below.

(1) The Debtors and the Committee performed sufficient due diligence into the scope of the Debtors' available insurance coverage and the likelihood of recovery with respect to Blitz Personal Injury Claims against the Debtors.

(2) The Participating Insurers have asserted the position that certain policies cannot be accessed to satisfy Blitz Personal Injury Claims if litigated in the tort system due to failure to exhaust the self-insured retentions ("**SIRs**") of these certain policies. The Blitz Personal Injury Claims present serious questions concerning the liability of each respective Blitz Insurer and the availability of coverage under the Blitz Insurance Policies.

(3) In the absence of each of the Protected Parties being protected by the Releases and the Channeling Injunction, the continuation of litigation of Blitz Personal Injury

Claims in the tort system would result in the incurrence of costs that would materially diminish the assets available to satisfy Blitz Personal Injury Trust Claims.

(4) The attorneys representing the holders of Blitz Personal Injury Claims appointed to the Committee represent an appropriate cross-section of diverse types of injuries and are adequately representative of all holders of Blitz Personal Injury Claims.

(5) The Committee communicated with holders of Blitz Personal Injury Claims not appointed to the Committee regarding the terms of Blitz Personal Injury TDP and TDP Scoring System.

(6) All communications between the Committee and its representatives, on the one hand, and any holder of a Blitz Personal Injury Claim, on the other, were undertaken in good faith.

(7) A Vendor, officer, director and/or shareholder of Blitz sued on a Blitz Personal Injury Claim might be entitled to coverage under the Participating Insurer Policies. If any of the foregoing are insureds under the respective policies, they could tender the Blitz Personal Injury Claims to the Participating Insurers for defense and indemnity. Accordingly, any settlement relating to, and the buy-back of, the Participating Insurer Policies must also resolve all claims against Vendors, officers, directors and shareholders to the same extent such claims are being resolved against the Debtors, which justifies the inclusion of the Vendors, officers, directors and shareholders as Protected Parties under the Plan.

(8) The potential indemnification claims of Wal-Mart with respect to the Participating Insurer Policies, if successful, would materially deplete the Debtors' available insurance coverage and reduce the assets otherwise available to satisfy Blitz Personal Injury Claims.

(9) Based on the settlements and compromises set forth in the Plan, including the Insurance Settlement, Wal-Mart consented to the Participating Insurers' buyback of the Participating Insurer Policies under 11 U.S.C. § 363(f)(2) thus avoiding any need for litigation of issues under other subparagraphs of 11 U.S.C. § 363(f).

(10) Wal-Mart's contributions to the Plan facilitate/provide for payment to Blitz Personal Injury Claims which do not assert liability against Wal-Mart.

(11) The Participating Insurer Policies are property of the Debtors and the Debtors' estates pursuant to 11 U.S.C. § 541(a).

(12) With the exception of the Blitz Insurance Policies, the Debtors' estates possess few to no assets to fund a recovery for Blitz Personal Injury Trust Claims.

(13) The Debtors appropriately exercised their business judgment in connection with the negotiation and solicitation of the Plan, including considering the input of the Committee with respect to the terms of the Insurance Settlement, the BAH Settlement, the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP.

(14) The distributions to be provided on account of Allowed Covered Blitz Personal Injury Claims represent a better opportunity to recover more funds at a faster pace than would be available by liquidation through the tort system.

(15) The USA Debtors, the BAH Debtors and the Committee performed sufficient due diligence into the claims by and between the USA Debtors on the one hand, and the BAH Debtors and their non-debtor subsidiaries and affiliates on the other, including consideration of the complexity, expense and delay of any litigation resolving such claims and the likelihood of success in such litigation.

(16) The compromises and settlements, including the Insurance Settlement and the BAH Settlement, are in the best interests of the Debtors, the Estates, creditors and other parties in interest, and are fair, equitable and within the range of reasonableness.

J. Deemed Consolidation. Based on, among other things, the Disclosure Statement, the Flick Declaration and the record of the Confirmation Hearing, no class of creditors or interest holders is disadvantaged by the deemed substantive consolidation of the USA Debtors and the BAH Debtors, respectively.

K. Plan Compliance with Bankruptcy Code -- 11 U.S.C. § 1129(a)(1). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code section 1129(a)(1).

(1) *Proper Classification—11 U.S.C. §§ 1122, 1123(a)(1).* Aside from Administrative Expense Claims and Priority Claims, which need not be classified, the Plan designates twelve (12) Classes of Claims and Equity Interests. The Claims and Equity Interests placed in each Class are substantially similar to other Claims and Equity Interests, as the case may be, in each such Class. Valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Equity Interests created under the Plan, and such Classes do not unfairly discriminate among holders of Claims and Equity Interests. Thus, the Plan satisfies Bankruptcy Code sections 1122 and 1123(a)(1).

(2) *Specified Unimpaired Classes—11 U.S.C. § 1123(a)(2).* Article III of the Plan specifies that Classes 1(a), 1(b), 2(a), and 2(b) are unimpaired under the Plan, thereby satisfying Bankruptcy Code sections 1123(a)(2).

(3) *Specified Treatment of Impaired Classes—11 U.S.C. § 1123(a)(3).* Article III of the Plan designates Classes 3(a), 3(b), 4(a), 4(b), 5(a), 5(b), 6(a), and 6(b) as impaired and specifies the treatment of Claims and Equity Interests in those Classes, thereby satisfying Bankruptcy Code section 1123(a)(3).

(4) *No Discrimination—11 U.S.C. § 1123(a)(4).* The Plan provides for the same treatment by the Debtors for each Claim or Equity Interest in each respective Class unless the holder of a particular Claim or Equity Interest has agreed to a less favorable treatment of such Claim or Equity Interest, thereby satisfying Bankruptcy Code sections 1123(a)(4).

(5) *Implementation of Plan—11 U.S.C. § 1123(a)(5).* Articles IV, V, VI, VII and XII of the Plan provide adequate and proper means for its implementation, thereby satisfying Bankruptcy Code sections 1123(a)(5).

(6) *Non-Voting Equity Securities—11 U.S.C. § 1123(a)(6).* The Plan, as a plan of liquidation, contemplates that all Equity Interests of the USA Debtors shall be cancelled as of the Effective Date and that a single share of BAH shall be issued to Kinderhook Capital Fund II, L.P. for purposes of complying with Delaware corporate law and effectuating the BAH Debtors' liquidation under the Plan. As a result thereof, the Plan complies with section 1123(a)(6) of the Bankruptcy Code.

(7) *Selection of Officers and Directors—11 U.S.C. § 1123(a)(7).* The initial trustees of both the Blitz Liquidating Trust and the Blitz Personal Injury Trust have been identified. Similarly, the BAH Plan Administrator has been identified and will be vested with authority to act on behalf of the BAH Debtors post-confirmation. These appointments are consistent with the best interests of holders of Claims and Equity Interests and public policy. Accordingly, the requirements of Bankruptcy Code section 1123(a)(7) are satisfied.

(8) *Additional Plan Provisions—11 U.S.C. § 1123(b).* The Plan's additional provisions are appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code. The failure to specifically address a provision of the Bankruptcy Code in this Confirmation Order shall not diminish or impair the effectiveness of this Confirmation Order.

(a) *Impairment of Claims and Interests and Assumption, Assumption and Assignment or Rejection of Executory Contracts and Unexpired Leases—11 U.S.C. § 1123(b)(1)-(2).* In accordance with Bankruptcy Code section 1123(b)(l), Article III of the Plan impairs or leaves unimpaired, as the case may be, each Class of Claims and Equity Interests. In accordance with Bankruptcy Code section 1123(b)(2), Article VIII of the Plan provides for the rejection of all executory contracts and unexpired leases of the Debtors that have not expired by their own terms as of the Effective Date, except for those executory contracts and unexpired leases that have been assumed, assumed and assigned or rejected pursuant to previous orders of the Bankruptcy Court. The Plan is therefore consistent with Bankruptcy Code section 1123(b)(1)-(2).

(b) *Modification of the Rights of Holders of Claims—11 U.S.C. § 1123(b)(5).* Article III of the Plan modifies or leaves unaffected, as the case may be, the rights of holders of each Class of Claims, and therefore, the Plan is consistent with Bankruptcy Code section 1123(b)(5).

(c) *Other Provisions Not Inconsistent with Applicable Provisions of the Bankruptcy Code —11 U.S.C. § 1123(b)(6).* The Plan includes additional appropriate provisions that are not inconsistent with applicable provisions of the Bankruptcy Code,

including: (a) the provisions of Article XII of the Plan regarding the means for executing and implementing the Plan; (b) the provisions of Article VIII of the Plan governing the treatment of executory contracts and unexpired leases; (c) the provisions of Article VI concerning the preservation of certain rights and defenses with respect to certain insurance policies; (d) the provisions of Article XII of the Plan with respect to the separate substantive consolidation of the USA Debtors and the BAH Debtors; and (e) the provisions of Article XIII of the Plan regarding retention of jurisdiction by the Court over certain matters after the Effective Date. The Plan is therefore consistent with Bankruptcy Code section 1123(b)(6).

(9) *Plan Compliance with Fed. R. Bankr. P. 3016.* The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Court satisfies Bankruptcy Rule 3016(b). Further, the Plan and Disclosure Statement describe in specific and conspicuous language all acts to be enjoined and identify the entities that are subject to the injunction, satisfying Bankruptcy Rule 3016(c) to the extent applicable.

(10) *Compliance with Fed. R. Bankr. P. 3017.* The Proponents have given notice of the Confirmation Hearing as required by Bankruptcy Rule 3017(d) and the Disclosure Statement Order. The solicitation materials prescribed by the Disclosure Statement Order were transmitted to the creditors entitled to vote on the Plan in accordance with Bankruptcy Rule 3017(d).

(11) *Compliance with Fed. R. Bankr. P. 3018.* The solicitation of votes to accept or reject the Plan satisfies Bankruptcy Rule 3018. The Plan was transmitted to all creditors entitled to vote on the Plan, sufficient time was prescribed for such creditors to accept or reject the Plan, and the solicitation materials used and solicitation procedures followed comply with Bankruptcy Code sections 1125 and 1126, thereby satisfying the requirements of Bankruptcy Rule 3018.

L. Compliance with Bankruptcy Code—11 U.S.C. § 1129(a)(2). The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code section 1129(a)(2). Specifically:

(1) The Debtors are proper debtors under Bankruptcy Code section 109.

(2) The Debtors have complied with all applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by order of the Court.

(3) The Proponents have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order, including, but not limited to, the provisions of Bankruptcy Code sections 1125 and 1126 in transmitting the Plan, the Disclosure Statement, the ballots and related documents and notices and in soliciting and tabulating votes to accept or reject the Plan.

M. Plan Proposed in Good Faith—11 U.S.C. § 1129(a)(3). The Proponents have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying Bankruptcy Code section 1129(a)(3). The Proponents' good faith is evident from the Flick Declaration, the McClain Declaration and the record of these Chapter 11 Cases, including the record of the hearing to approve the Disclosure Statement and the record of the Confirmation Hearing. Based upon the evidence proffered at the Confirmation Hearing, the Court finds and concludes that the Plan has been proposed with the legitimate and honest purpose of liquidating the Debtors' assets and distributing any proceeds among the creditors. Moreover, the sufficiency of disclosure, the support of the Debtors' primary constituencies, and the overwhelming acceptance of the Plan by holders of Claims who voted on it, all provide independent evidence of the Proponents' good faith in proposing the Plan in compliance with Bankruptcy Code section 1129(a)(3). Further, the Plan's classification and treatment of Claims and Equity Interests, its compromise provisions, and its provisions respecting the Releases, Channeling Injunction and exculpation have been negotiated in good faith and at arms'-length and are consistent with Bankruptcy Code sections 105, 1122, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142.

N. Payments for Services or Costs and Expenses—11 U.S.C. § 1129(a)(4). Except as otherwise provided in the Plan or certain prior orders of the Court, any payments made or to be made for services or for costs and expenses incurred in connection with the Chapter 11 Cases are subject to the Court's approval. Fees to be paid to the Debtors' retained professionals are subject to the Court's approval, through the fee application process.

O. Directors, Officers and Insiders—11 U.S.C. § 1129(a)(5). Under the Plan, the Debtors' directors and officers are deemed to resign as of the Effective Date of the Plan. The trustees of both the Blitz Liquidating Trust and the Blitz Personal Injury Trust have been

identified. Similarly, the BAH Plan Administrator has been identified and will be vested with authority to act on behalf of the BAH Debtors post-confirmation. The Blitz Personal Injury Trustee and the Blitz Liquidating Trustee are not "insiders," as defined in section 101(31) of the Bankruptcy Code. As required by Section 12.4.2 of the Plan, the board of directors of BAH has chosen a current director of BAH, Louis Aurelio, as the BAH Plan Administrator. The nature of the BAH Plan Administrator's compensation, if any, shall be determined by the board of directors of BAH on or prior to the Effective Date. The Plan therefore complies with Bankruptcy Code section 1129(a)(5).

P. No Rate Changes—11 U.S.C. § 1129(a)(6). This section is inapplicable because there is no governmental regulatory commission that has jurisdiction over the rates that the Debtors charge.

Q. Best Interests of Creditors—11 U.S.C. § 1129(a)(7). The Plan satisfies Bankruptcy Code section 1129(a)(7). The Flick Declaration and the McClain Declaration and other evidence proffered or adduced at the Confirmation Hearing: (1) are persuasive and credible, (2) have not been controverted by other evidence, and (3) establish that each holder of an impaired Claim or Equity Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date. Furthermore, a liquidation under chapter 7 would adversely affect the ultimate proceeds available for distribution to all holders of Allowed Claims in the Chapter 11 Cases. Moreover, the increased costs associated with a liquidation under chapter 7 would substantially reduce the proceeds available for distribution. These costs would include, among other things, administrative fees and costs

payable to a trustee in bankruptcy and professional advisors to such trustee. Based upon the foregoing, the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code. Therefore, the "best interests" test is satisfied with respect to each of these classes.

R. Deemed Acceptance or Rejection by Certain Classes—11 U.S.C. § 1129(a)(8).

(1) Classes 1(a), 1(b), 2(a) and 2(b) are unimpaired and are conclusively presumed to have accepted the Plan under Bankruptcy Code section 1126(f). As to these Classes, Bankruptcy Code Section 1129(a)(8) has been satisfied.

(2) Classes 3(a), 3(b), 4(a) and 4(b) are impaired by the Plan. At least two-thirds in amount and more than one-half in number of the Claims held by Creditors in Classes 3(a), 3(b), 4(a) and 4(b) have voted to accept the Plan, as established by the Voting Declaration, in accordance with Bankruptcy Code Section 1126(c). As to these Classes, Bankruptcy Code section 1129(a)(8) has been satisfied.

(3) Classes 5(a), 5(b), 6(a) and 6(b) are impaired and not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Although Bankruptcy Code section 1129(a)(8) has not been satisfied with respect to Classes 5(a), 5(b), 6(a) and 6(b), the Plan is confirmable because the Plan satisfies Bankruptcy Code section 1129(b) with respect to those Classes of Claims and Equity Interests, as set forth below.

S. Treatment of Administrative, Priority and Tax Claims—11 U.S.C. § 1129(a)(9). Through the provisions of the Plan governing Administrative Expense Claims and Priority Claims, the Plan provides for the payment in full, on the later of (a) the Effective Date, or as soon as reasonably practicable thereafter, and (b) as soon as reasonably practicable after the date such Claim becomes an Allowed Claim, of all Claims entitled to priority under Bankruptcy Code section 507(a). Accordingly, Bankruptcy Code section 1129(a)(9) is satisfied.

T. Acceptance by Impaired Class—11 U.S.C. § 1129(a)(10). Classes 3(a), 3(b), 4(a) and 4(b) have voted to accept the Plan within the meaning of Bankruptcy Code section 1126(c), without the need to include any acceptance of any insider. Therefore, Bankruptcy Code section 1129(a)(10) is satisfied.

U. Feasibility—11 U.S.C. § 1129(a)(11). The evidence proffered or adduced at, or prior to the Confirmation Hearing: (a) is reasonable, persuasive, credible and accurate as of the dates such analysis or evidence was prepared, presented or proffered; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; and (d) establishes that the Debtors will have sufficient funds, including the receipt of the Insurance Settlement Payment and the BAH Settlement Payment upon the Effective Date of the Plan, to satisfy their obligations under the Plan. As a result, the requirements of section 1129(a)(11) of the Bankruptcy Code have been satisfied.

V. Payment of Fees—11 U.S.C. § 1129(a)(12). In accordance with 1129(a)(12) of the Bankruptcy Code, section 2.2 of the Plan provides for the payment of all fees payable under 28 U.S.C. § 1930(a). As a result, the requirements of section 1129(a)(12) of the Bankruptcy Code have been satisfied.

W. Continuation of Retiree Benefits—11 U.S.C. § 1129(a)(13). No retiree benefits existed in the Chapter 11 Cases. As such, the Debtors are not obligated to pay any such benefits and Bankruptcy Code section 1129(a)(13) is inapplicable.

X. Domestic Support Obligations, Individuals and Certain Transfers—11 U.S.C. § 1129(a)(14)-(16). The Debtors are not required to pay any domestic support obligations and, therefore, Bankruptcy Code section 1129(a)(14) is satisfied. The Debtors are not individuals and, accordingly, Bankruptcy Code section 1129(a)(15) is inapplicable in these Chapter 11 Cases. The Debtors are moneyed, business or commercial corporations or trusts, as the case may be and, accordingly, Bankruptcy Code section 1129(a)(16) is inapplicable in these Chapter 11 Cases.

Y. Fair and Equitable; No Unfair Discrimination—11 U.S.C. § 1129(b). Pursuant to Bankruptcy Code section 1129(b), as to any impaired class of unsecured claims or equity interests that rejects a plan, such plan must be "fair and equitable" with respect to each such class. Classes 5(a) and 5(b) Intercompany Claims, and Classes 6(a) and 6(b) Equity Interests will not receive any property under the Plan. No Classes junior to Classes 5(a), 5(b), 6(a) and 6(b) are receiving any recovery and, thus, the "fair and equitable" test has been satisfied. Furthermore, the Plan does not discriminate unfairly against any Class that is deemed to reject the Plan.

Z. Only One Plan—11 U.S.C. § 1129(c). Other than the Plan (including previous versions thereof), no other plan has been presented for confirmation or ever presented and approved for solicitation in the Chapter 11 Cases. Accordingly, the requirements of Bankruptcy Code section 1129(c) have been satisfied.

AA. Principal Purpose—11 U.S.C. § 1129(d). The principal purpose of the Plan is neither the avoidance of taxes nor the avoidance of the requirements of section 5 of the Securities Act of 1933, and no governmental unit has objected to the confirmation of the Plan on any such grounds. The Plan therefore satisfies the requirements of Bankruptcy Code section 1129(d).

BB. Findings Required as Conditions to Confirmation of the Plan. Section 11.1.8 of the Plan requires that certain findings of fact and conclusions of law be contained within this Confirmation Order. While many of these findings of fact and conclusions of law are addressed elsewhere in this Confirmation Order, out of an abundance of caution, and without diminishing any other provision of this Confirmation Order, the Court makes the following additional findings of fact, conclusions of law, orders and/or decrees based on the record established at the Confirmation Hearing:

(1) As of the Petition Date, certain of the Debtors have been named as defendants in personal injury or wrongful death actions seeking recovery for damages allegedly caused by Blitz Products;

(2) The Blitz Personal Injury Trust, as of the Effective Date, will assume the liabilities of the Debtors and the Protected Parties with respect to the Blitz Personal Injury Trust Claims and shall assume all obligations of the Blitz Personal Injury Trust set forth in the Plan Documents;

(3) The Blitz Personal Injury Trust, upon the Effective Date, shall have received the Blitz Personal Injury Trust Assets or the right to receive such assets in accordance with the terms of the Plan and the Plan Documents, as applicable;

(4) Pursuit of the Blitz Personal Injury Trust Claims outside the procedures prescribed by the Plan is likely to threaten the Plan's purpose to deal equitably with Blitz Personal Injury Trust Claims;

(5) The Blitz Personal Injury Trust shall use its assets and income to pay Blitz Personal Injury Trust Claims and Blitz Personal Injury Trust Expenses in accordance with the Plan and the Plan Documents;

(6) The actual amounts and timing of payment to the Blitz Personal Injury Trust Claims cannot be determined at the time of the entry of this Confirmation Order;

(7) Unless otherwise provided in the Plan and this Confirmation Order, the sole and exclusive remedy of holders of Blitz Personal Injury Trust Claims against the Debtors and the Protected Parties shall be against the Blitz Personal Injury Trust, and no such Blitz Personal Injury Trust Claims may be asserted against the Debtors or any Protected Party;

(8) An identity of interests exists between the Debtors and the non-debtor Protected Parties such that a Claim asserted against any non-debtor Protected Party gives rise to a claim against the Debtors by contract and/or operation of the law of indemnity and/or contribution;

(9) The terms of the Channeling Injunction, including any provisions barring actions against third parties, are set out in conspicuous language in the Plan and in the Disclosure Statement and are essential elements of the Plan and the Debtors' liquidating efforts, and are appropriate under the circumstances;

(10) The procedures and payment mechanisms set forth in the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP are fair and equitable to the holders of Blitz Personal Injury Trust Claims and provide reasonable assurance that the Blitz Personal Injury Trust will value, and be in a financial position to pay, Blitz Personal Injury Trust Claims that involve similar claims in substantially the same manner;

(11) The Plan provides a mechanism to address and resolve all, Blitz Personal Injury Trust Claims, as allowed;

(12) The transfer of Blitz Personal Injury Trust Assets to the Blitz Personal Injury Trust does not violate any obligations of the Debtors;

(13) Any transfers of property by the Debtors (i) to the Blitz Liquidating Trust and/or the Blitz Personal Injury Trust (a) are or will be legal, valid and effective transfers of property, (b) vest or will vest the Blitz Liquidating Trust and/or the Blitz Personal Injury Trust, as the case may be, with good title to such property free and clear of all Liens, Claims, encumbrances or Equity Interests, except as expressly provided in the Plan or Confirmation Order, (c) do not and will not constitute avoidable transfers under the Bankruptcy Code or under applicable bankruptcy or nonbankruptcy law, and (d) except as provided otherwise in the Plan Documents, do not and will not subject the Debtors, the Blitz Liquidating Trust, the Blitz Personal Injury Trust and/or the BAH Plan Administrator to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor, transferee or stamp or recording tax liability, and (ii) to holders of Claims under the Plan are for good consideration and value;

(14) The Bankruptcy Court has subject-matter jurisdiction to issue the Channeling Injunction; and the Channeling Injunction is authorized by section 105 of the Bankruptcy Code and/or by the Bankruptcy Court's inherent authority or other statutory authority;

(15) Approval of the Insurance Settlement, the BAH Settlement and any other settlement agreement between the Debtors and any other Entities not previously approved by the Bankruptcy Court is appropriate under Bankruptcy Rule 9019 and the applicable law governing approval of such settlements and compromises and is granted as part of this Confirmation Order;

(16) Upon satisfaction of the conditions set forth in section 14.2.7 of the Plan, each of the Participating Insurers who have paid its share of the Insurance Settlement Payment shall be released and its Participating Insurer Policy was bought back pursuant to the Insurance Policy Buy-Back Order free and clear of all rights, claims, liens, interest, and/or encumbrances in the Participating Insurer Policy pursuant to section 363 of the Bankruptcy Code.

(17) Upon satisfaction of the conditions set forth in section 14.2.7 of the Plan, each of the Protected Parties who has paid its share of the Insurance Settlement Payment, or who had its share of the Insurance Settlement Payment made by another Entity on its behalf, shall be deemed dismissed in any action and any complaint, petition, counterclaim, cross-claim, cause of action or other request for relief shall be deemed withdrawn with prejudice without any further action of such Protected Party. For the avoidance of doubt, those parties excepted from the Releases and Channeling Injunction in paragraphs 10(b)(4), 53 and 54 of this Confirmation Order are not released and any pending complaint, petition, counterclaim, cross-claim, cause of action or other request for relief against such non-released party shall survive;

(18) The Plan complies with all applicable sections of the Bankruptcy Code, and the Debtors have complied with all applicable sections of the Bankruptcy Code;

(19) The substantive consolidation of the USA Debtors for purposes of Distributions as set forth in section 12.1.5 of the Plan and the substantive consolidation of the

BAH Debtors for purposes of Distributions as set forth in section 12.1.6 of the Plan are approved;

(20) In light of the respective direct and indirect benefits provided, or to be provided, to the Blitz Personal Injury Trust or the USA Debtors, as applicable, by, or on behalf of, each Participating Insurer, Wal-Mart or any other Protected Party pursuant to the Insurance Settlement Term Sheet, the identification of the Participating Insurers, Wal-Mart or any other Protected Party in the Channeling Injunction is fair and equitable with respect to any Entity that might subsequently assert Blitz Personal Injury Trust Claims or any other Claim against a Participating Insurer, Wal-Mart or any other Protected Party pursuant to the Insurance Settlement Term Sheet. The Insurance Settlement constitutes a reasonable settlement and fair resolution of the Participating Insurers' alleged liabilities and obligations under the Participating Insurer Policies. The Insurance Settlement constitutes a reasonable settlement and fair resolution of Wal-Mart's alleged liabilities and obligations with respect to any Blitz Personal Injury Trust Claim and Wal-Mart's rights under the Blitz Insurance Policies;

(21) In light of the respective direct and indirect benefits provided, or to be provided, to the Blitz Personal Injury Trust or the USA Debtors, as applicable, by, or on behalf of, each BAH Released Party or any other Protected Party pursuant to the BAH Settlement, the identification of the BAH Released Parties or any other Protected Party in the Channeling Injunction is fair and equitable with respect to any Entity that might subsequently assert Blitz Personal Injury Trust Claims or any other Claim against a BAH Released Party or any other Protected Party pursuant to the BAH Settlement. The BAH Settlement constitutes a reasonable settlement and fair resolution of the BAH Settling Parties' alleged liabilities by the Creditors' Committee on behalf of the USA Debtors' Estates and for the Blitz Personal Injury Claims;

(22) The contributions to be made by Protected Parties to the Blitz Personal Injury Trust and the USA Debtors' Estates are substantial and are a fundamental, integral and essential component of the success and implementation of the Plan;

(23) The Channeling Injunction and Releases, as applied to Blitz Personal Injury Trust Claims against the Protected Parties, are essential and necessary for the Debtors because, among other reasons, the Protected Parties would not be willing to make their contributions to the Blitz Personal Injury Trust or the USA Debtors' Estates without the protection provided by the Channeling Injunction and Releases;

(24) The Plan would not be able to be confirmed and the Insurance Settlement would not be able to be consummated without the BAH Settlement Payment to the USA Debtors' Estates; the BAH Settling Parties would not have agreed to the terms of the BAH Settlement if they did not include the Channeling Injunction and Releases for the BAH Released Parties;

(25) The identification and designation of each Protected Party is fair and equitable with respect to Entities that might subsequently assert Blitz Personal Injury Trust Claims against any such Protected Party, in light of the benefits provided, or to be provided, to the Blitz Personal Injury Trust by or on behalf of the Protected Parties;

(26) In view of the substantial contributions to the Blitz Personal Injury Trust and the USA Debtors' Estates made by or on behalf of the Protected Parties, it is reasonable and fair for the Plan to provide that holders of Blitz Personal Injury Trust Claims be enjoined from pursuing any action against the Protected Parties as set forth in the Plan or this Confirmation Order;

(27) The Plan does not violate any consent to assignment, or similar clause in any Assigned Blitz Insurance Policy;

(28) The Plan does not materially increase any Non-Participating Insurer's risk of providing coverage for any Blitz Personal Injury Trust Claims under the relevant Assigned Blitz Insurance Policy as compared to the risk that was otherwise being borne by such Non-Participating Insurer prior to the Effective Date;

(29) Except for an agreed upon joint press statement with respect to the Insurance Settlement to be released to the public at an agreed upon time, no Insurance Settling Party shall make any statement to the media concerning the Insurance Settlement other than referring the media to such press statement and any court filings not under seal. This paragraph shall not preclude plaintiff's counsel from identifying on their respective websites and in other materials describing their respective law firms, the fact that they were one of the counsel involved in the Insurance Settlement; and

(30) The provisions of this Confirmation Order are non-severable and mutually dependent.

CC. No Objection to Deemed Rejection of Contracts and Leases. No party to an executory contract or unexpired lease to be rejected by the Debtors pursuant to the Plan has objected to such rejection.

DD. Plan Modifications. The modifications reflected in this Confirmation Order (collectively, the "Modifications") do not materially or adversely affect or change the treatment of any holder of a Claim or Equity Interest. Accordingly, pursuant to Bankruptcy Rule 3019, such Modifications do not require additional disclosure under Bankruptcy Code section 1125 or resolicitation of acceptances or rejections under Bankruptcy Code section 1126, nor do they require that holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

EE. Burden of Proof. The Debtors and the Committee, as proponents of the Plan, have met their burden of proving the elements of Bankruptcy Code sections 1129(a) and 1129(b) by a preponderance of the evidence.

FF. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in Bankruptcy Code section 1129.

GG. Retention of Jurisdiction. The Court properly may retain jurisdiction over the matters set forth in Article XIII of the Plan.

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that:**

1. The Insurance Policy Buy-Back Order, attached hereto as **Exhibit A**, is incorporated in full as a part of this Confirmation Order.

2. Approval of Modifications. The Modifications are approved. In accordance with Bankruptcy Code section 1127 and Bankruptcy Rule 3019, all holders of Claims who voted to accept the Plan or who are conclusively presumed to have accepted the Plan are deemed to have accepted the Plan as modified by the Modifications. No Holder of a Claim shall be permitted to change its vote as a consequence of the Modifications. The Plan as modified by the Modifications shall constitute the Plan and all references herein to the Plan shall mean the Plan as so modified.

3. Confirmation of Plan. All requirements for confirmation of the Plan have been satisfied. The Plan, a copy of was filed on the docket at Docket Number 2007, and each of its provisions (whether or not specifically mentioned herein) and all exhibits and schedules thereto as amended to the date hereof are **CONFIRMED** in each and every respect, pursuant to section 1129 of the Bankruptcy Code.

4. Confirmation Hearing Record. The record of the Confirmation Hearing is closed.

5. Formal and Informal Objections to Confirmation. Except as otherwise expressly set forth below in this paragraph, the Objections, as well as any and all other formal and informal objections to Confirmation, are hereby overruled in their entirety. All parties have had a full and fair opportunity to be heard with respect to all issues raised, and all issues that may have been raised, by the objections. Any objection that has been withdrawn is deemed to be withdrawn with prejudice. All objections have been resolved and withdrawn on the terms and subject to the conditions set forth below. The compromises and settlements contemplated by the resolution of such objections described herein are fair, equitable and reasonable, are in the best interests of the Debtors, their respective Estates and Creditors and are expressly approved pursuant to Bankruptcy Rule 9019.

a. Cataldi Claimants: The Cataldi Claimants' motion to allow a late filed Blitz Personal Injury Claim is granted because of the agreement and compromises of the parties and the submission of the motion prior to commencement of the Confirmation Hearing. The Cataldi Claimants (i) shall be eligible to participate in a distribution under the Blitz Personal Injury TDP as Covered Claimants and qualify to apply to the Special Circumstances Fund and (ii) as to the Non-Appealing Fund, agree to accept the offer amount made by the Blitz Personal Injury Trust upon compliance with the TDP and TDP Scoring System, which Offer Amount is estimated to be $138,846.

b. McKenzie Claimants: The McKenzie Claimants' motion to allow a late filed Blitz Personal Injury Claim is granted because of the agreement and compromises of the parties and the submission of the motion prior to commencement of the Confirmation Hearing. The McKenzie Claimants (i) shall be eligible to participate in a distribution under the Blitz Personal Injury TDP as Covered Claimants and (ii) agree to accept the offer amount made by the Blitz Personal Injury Trust upon compliance with the TDP and TDP Scoring System, which Offer Amount is estimated to be $2,300,000.

c. Bauman Claimants: The Bauman Claimants' objection to confirmation of the Plan is withdrawn and the Bauman Claimants shall be deemed to vote in favor of the Plan. The Bauman Claimants shall be deemed eligible for the Special Circumstances Fund as if the Bauman Claimants had met the enumerated criteria set forth in paragraph H of the TDP Scoring System for compensation from the Special Circumstances Fund.

d. Newby Claimants: The Newby Claimants' objection to confirmation of the Plan is withdrawn and the Newby Claimants shall be deemed to vote in favor of the Plan. The Newby Claimants agree to accept a fixed offer amount of $6.2 Million Dollars in full and final satisfaction of their Blitz Personal Injury Claim.

e. Bosse Claimant: The Bosse Claimant shall be deemed to vote in favor of the Plan and shall qualify to participate in the $650,000 allocated to reimburse fees and expenses of objecting claimants pursuant to Section 2.3(g) of the Blitz Personal Injury Trust Agreement.

f. United States Trustee: The United States Trustee's objection is resolved by amending the Plan's definition of Exculpated Parties as set forth in paragraph 49 of this Confirmation Order.

g. Anthony Torres, Andrew Torres, Valerie Torres, Colton Warren, Cindy Nichols, Tiffany St. John, Marion "B.J." Jones, Dalan Jones (a minor represented by his parents, Tiffany St. John and Marion Jones), the estate of Leiya Jones (deceased, represented by her parents, Tiffany St. John and Marion Jones), Irene Perez, Aliha Perez (a minor represented by her mother Irene Perez), and the Mims Claimant affirmed on the record their support for confirmation of the Plan as modified by this Confirmation Order.

6. Incorporation of Terms and Provisions of Plan. Subject to paragraph 33 of this Confirmation Order, the terms and provisions of the Plan are incorporated by reference into and are an integral part of this Confirmation Order. Each term and provision of the Plan is valid, binding, and enforceable as though fully set forth herein. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are non-severable and mutually dependent. The failure specifically to include or reference any particular term or provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such term and provision, it being the intent of the Court that the Plan be confirmed in its entirety.

7. Plan Classification Controlling. The terms of the Plan shall solely govern the classification of Claims and Equity Interests for purposes of the distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the holders of Claims and Equity Interests in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claim or Equity Interest under the Plan for distribution purposes; (c) may not be relied upon by

any holder of a Claim or Equity Interest as representing the actual classification of such Claim or Equity Interest under the Plan for distribution purposes; and (d) shall not bind the Debtors, the Blitz Liquidating Trust or the Blitz Personal Injury Trust.

8. Binding Effect. Effective on the Effective Date or any other date if so provided in the Plan, and except as expressly provided otherwise in this Confirmation Order, the Plan, and its provisions shall be binding to the fullest extent of the law upon the Debtors, any party in interest, any entity acquiring or receiving property or a distribution under the Plan and any holder of a Claim against or Equity Interest in the Debtors, including all governmental entities, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder or entity has accepted the Plan. The Plan Documents constitute the legal, valid, binding, enforceable, and authorized obligations of the respective parties thereto and shall be enforceable in accordance with their terms. Pursuant to Bankruptcy Code sections 1123(a) and 1142(a) and the provisions of this Confirmation Order, the Plan, the Plan Documents, and all other Plan-related documents shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

9. Propriety of Releases and Channeling Injunction. Based on the findings of fact set forth in this Confirmation Order, including paragraph H, and the record established at the Confirmation Hearing, the Releases and Channeling Injunction with respect to each Protected Party is appropriate under applicable law:

a. Substantial contributions by or on behalf of each of the Protected Parties are being made to fund the distributions provided under the Plan.

b. The Plan has been overwhelmingly accepted by the classes of creditors affected by the Releases and the Channeling Injunction.

c. The holders of Blitz Personal Injury Claims are receiving fair consideration in exchange for the Releases and the Channeling Injunction.

d. The Plan provides holders of Blitz Personal Injury Claims with the opportunity to reject the settlement offers they receive from the Blitz Personal Injury Trust and resort to the tort system to liquidate their claims.

e. The Releases and the Channeling Injunction are necessary and critical provisions of the Plan, without which the Plan cannot be confirmed.

f. The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the Releases and the Channeling Injunction.

g. The Plan is the product of the global settlement that was reached in the extraordinary circumstances of these Chapter 11 Cases. These extraordinary circumstances support the approval of the Releases and the Channeling Injunction.

h. There is a substantial identity of interest between the Debtors and each of the Protected Parties, such that a Blitz Personal Injury Claim asserted against a Protected Party is essentially a claim against the Debtors.

i. This Court has subject matter jurisdiction over the third party claims against the Protected Parties because of the unity of interest between the Protected Parties and the Debtors.

10. Approval of Plan Releases, Channeling Injunction, Exculpation and Indemnification Obligations. Each of the release, exculpation, injunction and indemnification provisions set forth in the Plan, including without limitation the provisions in Sections 3.8.2, 4.3.2.5, 4.3.3, 4.3.4, 4.14, 7.2, 7.3, 11.1.8, 14.2.5, and 15.4 of the Plan, is hereby approved in all respects in its entirety, is so ordered and shall be immediately effective on the Effective Date of the Plan without further action or notice by this Court, any of the parties to such releases, exculpation, injunction and indemnifications or any other party. For the avoidance of doubt, upon satisfaction of the conditions set forth in section 14.2.7 of the Plan, (a) Westchester shall be released from all Blitz Personal Injury Trust Claims occurring on or after the July 31, 2005 and on or before July 31, 2012 with the exception of the *Calder* and *Bosse* claims (which shall be treated in accordance with paragraphs 28 and 29 of the Insurance Settlement Term Sheet, as applicable); and (b) each of the Participating Insurers who have paid its share of the Insurance

Settlement Payment shall be released from any and all liability under the Participating Insurer Policies, except that Westchester shall not be released from the *Calder* and *Bosse* claims. Upon the resolution of the *Calder* and *Bosse* claims with finality either by compromise or adjudication, Westchester Fire Insurance Company or Westchester Surplus Lines Insurance Company, as the case may be, shall receive the remainder of the release and protections for Policies bearing Nos. CUW788371001 and G22053504001 that are afforded to the Participating Insurer Policies and Policies Nos. CUW788371001 and G22053504001 shall be exhausted. Also for the avoidance of doubt, the sole and exclusive remedy of holders of Blitz Personal Injury Trust Claims against the Debtors and the Protected Parties shall be against the Blitz Personal Injury Trust, and no such Blitz Personal Injury Trust Claims may be asserted against the Debtors or any Protected Party. As required by Section 4.3.3 of the Plan, and without diminishing any other provision of this Confirmation Order, the Court orders and decrees that:

(a) Imposition of Channeling Injunction: In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the Channeling Injunction and the Releases described in section 7.2 of the Plan, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under section 105(a) of the Bankruptcy Code, all Entities that have held or asserted, or that hold or assert any Blitz Personal Injury Trust Claim against the Protected Parties, or any of them, shall be permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery from any such Protected Party with respect to any such Blitz Personal Injury Trust Claim, including, but not limited to:

(1) commencing, conducting or continuing, in any manner, whether directly or indirectly, any suit, action or other proceeding of any kind with

respect to any such Blitz Personal Injury Trust Claim, against any of the Protected Parties, or against the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim;

(2) enforcing, levying, attaching, collecting or otherwise recovering, by any manner or means, or in any manner, either directly or indirectly, any judgment, award, decree or other order against any of the Protected Parties or against the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim;

(3) creating, perfecting or enforcing in any manner, whether directly or indirectly, any Lien of any kind against any Protected Party or the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim;

(4) asserting, or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, whether directly or indirectly, against any obligation due any Protected Party or against the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim; and

(5) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents, with respect to such Blitz Personal Injury Trust Claim.

(b) Reservations: Notwithstanding anything to the contrary in paragraph 10(a) above or Section 4.3.3 of the Plan, the Channeling Injunction shall not enjoin:

(1) any claim for damages on account of bodily injury and/or property damage that occurred on or after 12:01 A.M. CST on July 31, 2012;

(2) the rights of Entities to the treatment afforded them under the Plan, including the right of Entities holding Blitz Personal Injury Trust Claims to assert such Claims in accordance with the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP solely against the Blitz Personal Injury Trust whether or not there are funds to pay such Blitz Personal Injury Trust Claims;

(3) the rights of Entities to assert any Claim, debt, litigation, or liability for payment of Blitz Personal Injury Trust Expenses solely against the Blitz Personal Injury Trust whether or not there are funds to pay such Blitz Personal Injury Trust Expenses;

(4) the rights of holders of Blitz Personal Injury Trust Claims that arose prior to the Release Date to pursue and/or prosecute any Insurance Actions, including, but not limited to, a Direct Action Claim, against any Non-Participating Insurer;

(5) if and to the extent necessary to preserve rights against any Non-Participating Insurer, the rights of the Blitz Personal Injury Trust to prosecute any

Direct Action Claim, as attorney in fact for a holder of Blitz Personal Injury Trust Claim, including the participation of such claimant in such Direct Action Claim;

(6) the rights of any Entity to assert any claim, debt, obligation or liability for payment against a Non-Participating Insurer;

(7) the rights of any Entity (other than the Debtors and Additional Insureds, in their capacity as such) to assert against a Protected Party any claim, debt, or obligation for payment that is not in any way based upon, related to, or arising out of, any Blitz Insurance Policy, Blitz Product or otherwise subject to the Insurance Settlement and BAH Settlement;

(8) the Blitz Personal Injury Trust from enforcing its rights under the Insurance Settlement Term Sheet, the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP; and

(9) the rights of any Indemnified Party to demand the Blitz Personal Injury Trust to fulfill its obligations to enforce the terms of the Channeling Injunction consistent with section 4.14 of the Plan, the Insurance Settlement Term Sheet and the BAH Settlement Term Sheet.

(c) Modifications: There can be no modification, dissolution or termination of the Channeling Injunction, which shall be a permanent injunction.

(d) Non-Limitation Channeling Injunction: Nothing in this Confirmation Order, the Plan or the Plan Documents shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling Injunction issued in connection with the Plan or the Blitz Personal Injury Trust's assumption of all liability with respect to Blitz Personal Injury Trust Claims.

(e) Bankruptcy Rule 3016 Compliance: The Proponents' compliance with the requirements of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

(f) Releases of Liabilities of Blitz Personal Injury Claims: Except as provided in the Plan, the transfer to, vesting in, and assumption by the Blitz Personal Injury Trust of the Blitz Personal Injury Trust Assets as contemplated by the Plan shall, as of the Effective

Date, release all obligations and liabilities of and bar recovery or any action against the Protected Parties and their respective estates, Affiliates and subsidiaries, for or in respect of all Blitz Personal Injury Claims. The Blitz Personal Injury Trust shall, as of the Effective Date, assume sole and exclusive responsibility and liability for all Blitz Personal Injury Trust Claims, and such Claims shall be liquidated, resolved and, where appropriate, paid by the Blitz Personal Injury Trust from the Blitz Personal Injury Trust Assets or as otherwise directed in the Blitz Personal Injury Trust Documents. For the avoidance of doubt, holders of Vendor Claims, holders of a Co-Defendant Claims, and Direct Action Claims shall not receive distributions or other payment of any funds attributable to the Insurance Settlement Payment or the BAH Settlement Payment on behalf of, related to or with respect to such Claims. As set forth in section 4.14 of the Plan and the Blitz Personal Injury Trust Agreement, the Blitz Personal Injury Trust shall defend and indemnify the Indemnified Parties in connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction.

11. Enjoinment of Judicial Actions. Effective on the Effective Date, without any further action of the Court or other entity, any suit, legal action, or other proceeding (including a judicial, arbitration, administrative or other proceeding) in any forum in the United States against or affecting any Protected Party, shall be stayed, enjoined or otherwise prohibited from continuation as to any Protected Party except for those parties excepted from the channeling injunction provided in paragraph 10(b) of this Confirmation Order. Without limiting the foregoing, on or after the Effective Date, without any further action of the Court or any entity, the Blitz Personal Injury Trustee or any Protected Party, as applicable, is authorized and empowered to file or record this Confirmation Order with respect to any suit, legal action, or

other proceeding (including a judicial, arbitration, administrative or other proceeding) in any forum in the United States, and such Confirmation Order shall be binding upon all entities and governmental authorities, including, all filing agents, filing officers, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials, with respect to the stay or enjoinment of each such action. Each and every governmental authority, and any other person or entity, is hereby authorized and directed to accept this Confirmation Order as independent and conclusive authorization to effectuate a stay or enjoinment of any suit, legal action, or other proceeding described herein.

12. Plan Implementation Authorization. The Debtors, the Blitz Personal Injury Trust and the Blitz Liquidating Trust, as the case may be, and their respective directors, officers, members, agents, and attorneys, are authorized and empowered from and after the date hereof to negotiate, execute, issue, deliver, implement, file, or record any contract, instrument, release, or other agreement or document, including, without limitation, the Plan Documents, as the same may be modified, amended and supplemented (including such modifications to the Blitz Personal Injury Trust and/or the Blitz Liquidating Trust that are substantially consistent with the terms and provisions of such form and necessary to satisfy the conditions to the effectiveness of the Plan), and to take any action necessary or appropriate to implement, effectuate, consummate, or further evidence the Plan in accordance with its terms, or take any or all corporate actions authorized to be taken pursuant to the Plan, whether or not specifically referred to in the Plan or any exhibit thereto, without further order of the Court. To the extent applicable, any or all such documents shall be accepted upon presentment by each of the respective state filing offices and recorded in accordance with applicable state law and shall become effective in accordance with their terms and the provisions of state law. Pursuant to section 303 of the General Corporation Law of the

State of Delaware and any comparable provision of the business corporation laws of any other state, as applicable, no action of the Debtors' Boards of Directors or the trustee of the Blitz Personal Injury Trust and/or the Blitz Liquidating Trust will be required to authorize the Debtors to enter into, execute and deliver, adopt or amend, as the case may be, the Plan Documents, and following the Effective Date, each of the Plan Documents will be a legal, valid and binding obligation of the Debtors, enforceable against the Debtors in accordance with the respective terms thereof.

13. Debtors' Status Prior to Effective Date. The Debtors shall remain Debtors-in-Possession under the Bankruptcy Code until the Effective Date. The Blitz Liquidating Trustee, the Blitz Personal Injury Trustee and/or the BAH Plan Administrator shall wind-up the affairs of the Debtors and may make distributions to creditors after the Effective Date in accordance with the Plan, the Blitz Liquidating Trust, Blitz Personal Injury Trust, and the Blitz Personal Injury TDP.

14. Dissolution of Securities. In accordance with the terms of the Plan, as soon as practicable after the Effective Date, the Equity Interests in the Debtors shall be dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith.

15. Continued Corporate Existence. As of the Effective Date, the USA Debtors, other than Blitz U.S.A., Inc., shall be deemed to have been dissolved and terminated in accordance with Section 12.4.1 of the Plan. Upon the Effective Date, or as soon as reasonably practicable thereafter, (i) LAM shall merge with and into BAH; (ii) the number of directors constituting the entire board of directors of BAH shall be fixed at one; (iii) the BAH Plan Administrator shall be deemed to be elected as the sole officer and sole director of BAH and each existing officer and

member of the board of directors of the BAH Debtors shall be deemed to have been removed as of the occurrence of the Effective Date; (iv) all existing stock in BAH shall be cancelled; (v) a single share of the stock of BAH shall be issued to Kinderhook Capital Fund II, L.P. (which single share shall be issued for the sole purpose of allowing BAH to comply with any annual meeting or election of director requirements after the Effective Date, but shall not entitle the Kinderhook Capital Fund II, L.P. to receive, make, or call for any distribution, dividends or redemptions from BAH); (vi) all actions in furtherance of the Plan shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by the BAH Debtors, holders of Claims or Equity Interests, directors, members, managers, or officers of the BAH Debtors, or any other Entity, including the dissolution or winding up of BAH; and (vii) the BAH Plan Administrator shall be authorized to execute, deliver, file, or record such contracts, instruments, release, and other agreements or documents and take such other actions as the BAH Plan Administrator may deem, in the BAH Plan Administrator's sole discretion, necessary or appropriate to effectuate and implement the provisions of the Plan. As soon as reasonably practicable after making distributions provided for under the Plan, BAH shall be dissolved and the BAH Plan Administrator, without further action of the directors or stockholders of BAH, shall be authorized to file a certificate of dissolution and take any other action that may be necessary to terminate the corporate existence of BAH.

16. Transfer of Records. Notwithstanding anything to the contrary in the Plan or the Plan Documents, the Blitz Liquidating Trustee shall be and is hereby appointed as custodian of all books and records in the possession and control of the USA Debtors, which shall include but not be limited to, (i) all electronic documents and data, (ii) hard drives, (iii) software, (iv) cloud storage, (v) archives, (vi) hard copies, (vii) molds, gas cans and prototypes (the "**Books and**

**Records**") and is authorized to testify (i) that the Books and Records or other tangible property in his possession were once kept in the ordinary course of business in the files and/or possession of the USA Debtors, and (ii) for purposes of establishment of business records foundation under state or federal evidence laws, all other objections to the admissibility of such records shall be preserved. For the avoidance of doubt, the provisions of sections 4.10 and 5.12 of the Plan apply to the Books and Records unless otherwise specifically provided herein.

(a) All Books and Records shall be transferred to the Blitz Liquidating Trustee. The Blitz Liquidating Trustee shall preserve all Books and Records for a period of not less than six (6) months from the Effective Date (the "**Retention Period**"). At the end of the Retention Period, the Blitz Liquidating Trustee may file a motion to abandon or destroy some or all of the Books and Records.

(b) Wal-Mart, the Blitz Insurers and any Vendors or holders of a Co-Defendant Claims against whom Blitz Personal Injury Claims are asserted prior to the Release Date (the "**Review Parties**") shall have four (4) months from the commencement of the Retention Period to review the Books and Records for privileged documents and communications, with all such privileges or protections being preserved and not waived pursuant to Federal Rule of Evidence 502(d), with such review to be performed where the Books and Records are located, unless otherwise agreed to by the Blitz Liquidating Trustee. There shall be a presumption of privilege for (i) all Books and Records as to which the Debtors previously asserted a privilege or similar protection, (ii) all documents authored by counsel, and (iii) all communications between any of the USA Debtors and

their counsel. Retrieval of electronically stored information shall be performed by a nationally recognized vendor with all costs to born among the Review Parties.

(c) All Books and Records as to which the Debtors previously asserted a privilege or similar protection or for which a privilege is asserted by a Review Party shall be transferred to the possession of a neutral third party (the "**Privileged Records Custodian**"), agreed to by the Review Parties, the Blitz Liquidating Trustee and the Blitz Personal Injury Trustee, with the Review Parties asserting privileges responsible for the fees and costs of the Privileged Records Custodian.

(d) The Privileged Records Custodian, at the conclusion of the four month review period shall provide a log of all documents sufficient to analyze whether a privilege exists (the "**Privilege Log**"). The Privilege Log will be provided to the Blitz Liquidating Trustee and the Blitz Personal Injury Trustee.

(e) Any party seeking discovery in litigation relating to the USA Debtors may challenge the assertion of any privilege in the court where the litigation is pending. The Privileged Records Custodian shall give notice to the Review Party asserting the privilege so that they may defend the assertion of privilege in the court where the litigation is pending.

(f) The Review Parties shall be responsible for reimbursing the Blitz Liquidating Trustee for any fees and costs incurred in the exercise of the Blitz Liquidating Trustee's duties under the provisions of this paragraph to the extent such fees and costs exceed $100,000. Prior to any reimbursement under the

foregoing sentence, Wal-Mart shall be entitled to audit the books and records of the Blitz Liquidating Trustee.

17. The Blitz Personal Injury Trust. The Blitz Personal Injury Trust shall be established on the Effective Date and shall be maintained thereafter in accordance with the terms of the Plan and the Blitz Personal Injury Trust Agreement. The Blitz Personal Injury Trust Agreement, in the final form annexed hereto as **Exhibit B**, and all of the provisions therein, are hereby approved by this Confirmation Order. The designation of Hon. Richard Cohen as the initial Blitz Personal Injury Trustee and Hank Anderson, Diane Breneman, Richard Denney, and Daniel Haltiwanger as initial members of the Blitz Personal Injury TAC is approved. Pending the occurrence of the Effective Date, the Proponents are authorized to take all actions as may be necessary to facilitate the creation and implementation of the Blitz Personal Injury Trust. On the Effective Date, pursuant to Section 4.3 of the Plan, a newly-formed trust which qualifies as a "Qualified Settlement Fund" within the meaning of section 468B of the Internal Revenue Code shall be created to hold the Blitz Personal Injury Trust Assets, make certain distributions pursuant to Article IV of the Plan and liquidate or otherwise administer the Blitz Personal Injury Trust Assets. The Blitz Personal Injury Trust is authorized and empowered, pursuant to the Plan, including, without limitation, Article IV of the Plan, and the Blitz Personal Injury Trust Agreement, to liquidate or otherwise administer the Blitz Personal Injury Trust Assets.

18. Transfer of Assets to Blitz Personal Injury Trust. Pursuant to Section 4.5.1 of the Plan, and upon the Effective Date, the Debtors shall be deemed to have transferred all Blitz Personal Injury Trust Assets, other than the Insurance Settlement Payment, the Supplemental Insurance Settlement Payment and $1.54 million (which shall be remitted by the Blitz

Liquidating Trust) to the Blitz Personal Injury Trust subject to all rights, defenses and setoffs in accordance with the Plan.

19. The Blitz Liquidating Trust. The Blitz Liquidating Trust shall be established on the Effective Date and shall be maintained thereafter in accordance with the terms of the Plan and the Blitz Liquidating Trust Agreement. The Blitz Liquidating Trust Agreement, in the final form annexed hereto as **Exhibit C**, and all of the provisions therein, are hereby approved by this Confirmation Order. The designation of Steven D. Sass as the initial Blitz Liquidating Trustee is approved. Pending the occurrence of the Effective Date, the Debtors are authorized to take all actions as may be necessary to facilitate the creation and implementation of the Blitz Liquidating Trust. On the Effective Date, pursuant to Section 5.6.1 of the Plan, a newly-formed trust which qualifies as a "grantor trust" for federal income tax purposes shall be created to hold the Blitz Liquidating Trust Assets, make certain distributions pursuant to Article V of the Plan and liquidate or otherwise administer the Blitz Liquidating Trust Assets. The Blitz Liquidating Trust is authorized and empowered, pursuant to the Plan, including, without limitation, Article V of the Plan, and the Blitz Liquidating Trust Agreement, to liquidate or otherwise administer the Blitz Liquidating Trust Assets.

20. Transfer of Assets to the Blitz Liquidating Trust. Pursuant to Section 5.5 of the Plan, and upon the Effective Date, (i) the Debtors shall be deemed to have transferred the Blitz Liquidating Trust Assets to the Blitz Liquidating Trust, and (ii) Wal-Mart shall waive its secured setoff claim against Blitz U.S.A., Inc., and will pay to the Blitz Liquidating Trust the sum of $1.54 million.

21. Special Provisions from the BAH Settlement. On the Effective Date, any proofs of claim filed by any members of the Committee and any holder of a Blitz Personal Injury Trust

Claim against the BAH Debtors shall be deemed withdrawn with prejudice as against the BAH Debtors and all Blitz Personal Injury Trust Claims against the BAH Debtors are released and shall be channeled to the Blitz Personal Injury Trust and may thereafter be asserted exclusively against the Blitz Personal Injury Trust and resolved in accordance with the terms, provisions and procedures of the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. Furthermore, the Committee and/or the Blitz Personal Injury Trustee shall support any objection by the BAH Debtors to Claims by any Blitz Insurer against the BAH Debtors. For avoidance of doubt, and notwithstanding anything that may be construed to the contrary herein, in the Plan, the Plan Documents or any other document, the Releases of the BAH Released Parties are, and shall be construed to be, as broad as the broadest Releases provided to any other Entity.

22. Proofs of Claim of the Participating Insurers. Upon the Effective Date, the Participating Insurers shall be deemed to withdraw their proofs of claim filed against the Debtors.

23. Ratification. All actions taken by the Debtors from the Petition Date through the Confirmation Date are hereby ratified. All actions taken by the Debtors from the Confirmation Date through the Effective Date shall be deemed automatically ratified on the occurrence of the Effective Date.

24. Post-Effective Date Fees and Expenses. From and after the Effective Date, the Blitz Personal Injury Trustee and the Blitz Liquidating Trustee shall, in accordance with the Blitz Personal Injury Trust Agreement and the Blitz Liquidating Trust Agreement, respectively; but without the necessity for any approval by the Court, pay the reasonable fees and expenses of the professional Persons thereafter incurred by each of the respective trustees related to the implementation and consummation of the Plan (i.e., fees and expenses that are not

Administrative Expense Claims). From and after the Effective Date, BAH shall, without the necessity for any approval by the Court, pay the reasonable fees and expenses of any professionals retained by BAH and related to the implementation and consummation of the Plan. For the avoidance of doubt, this Paragraph is not intended to limit or preclude the payment of any post effective date fees or expenses incurred at the request of the Blitz Personal Injury Trust or the Blitz Liquidating Trust or defending fees and expenses incurred in defending or pursuing fee applications relating to fees and expenses incurred prior to the Effective Date.

25. Approval of Compromise and Settlement. The settlements, compromises, releases and injunctions set forth in Article XIV of the Plan, including those described in the Insurance Settlement and the BAH Settlement, are approved and incorporated into this Confirmation Order in all respects.

26. Approval of Deemed Consolidation. Pursuant to Sections 12.5.1 and 12.6.1 of the Plan, the terms of the separate substantive consolidation of the USA Debtors and the BAH Debtors are approved. On the Effective Date, without further action of the Debtors, the cases of the following Debtors shall be closed: (i) LAM 2011 Holdings, LLC (Case No. 11-13605); (ii) Blitz Acquisition, LLC (Case No. 11-13606); (iii) Blitz RE Holdings, LLC (Case No. 11-13607); and (iv) MiamiOK, LLC f/k/a F3 Brands LLC (Case No. 11-13604). In the event the Clerk of the Court requests an additional order or orders regarding the closing of these cases, the Debtors may submit such order or orders under certification of counsel.

27. Governmental Approvals Not Required. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any State or any other governmental authority with respect to the implementation or consummation of the Plan, the Plan Documents, and any other documents, instruments, or agreements, and any amendments

or modifications thereto, and any other acts referred to in or contemplated by the Plan, the Disclosure Statement, the Plan Documents, and any other documents, instruments, or agreements, and any amendments or modifications thereto.

28. Exemption from Certain Taxes. Pursuant to Bankruptcy Code section 1146(a), the issuance, transfer or exchange of any security or the making or delivery of any instrument of transfer under the Plan may not be taxed under any law imposing a stamp tax, use tax, sales tax or similar tax. Bankruptcy Code section 346 shall apply to any taxes that may potentially result from, or may be related to, the events, transactions and occurrences of the Chapter 11 Cases and, in particular, pursuant to Bankruptcy Code section 346, no state or local tax imposed on, or measured by, income shall be imposed on the Debtors.

29. Applicable Non-Bankruptcy Law. Pursuant to Bankruptcy Code sections 1123(a) and 1142(a), the provisions of this Confirmation Order, the Plan, or any other amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

30. Approval of Deemed Rejection of Remaining Contracts and Leases. Unless otherwise provided in an order of or in proceedings before the Court specifically dealing with an executory contract or unexpired lease that is subject to rejection pursuant to Section 8.1 of the Plan, the rejection of such contract or lease is hereby approved as of the Effective Date as proposed in the Plan. If the rejection pursuant to Plan Section 8.1 results in a Claim for damages, then such Claim shall be forever barred and shall not be enforceable against the Estates, the Blitz Liquidating Trust, their successors or properties, unless a Proof of Claim is filed and served on the Blitz Liquidating Trust within thirty (30) days after the Effective Date.

31. Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules or other federal laws are applicable, and subject to the provisions of any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the construction, implementation, and enforcement of the Plan and all rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to conflicts of law principles which would apply the law of a jurisdiction other than the State of Delaware.

32. Administrative Expense Claims Bar Date. Unless required to be filed by an earlier date by another order of this Court, all (i) holders of Administrative Expense Claims that have not been Allowed by Final Order of the Bankruptcy Court and (ii) Bankruptcy Professionals requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered during the Chapter 11 Cases (including, without limitation, any compensation requested by any Bankruptcy Professional or any other Entity for making a substantial contribution to the Chapter 11 Cases), shall file with the Bankruptcy Court, as applicable, a request for Allowance of their Administrative Expense Claim (which request shall specify whether the Claim is asserted against the USA Debtors or the BAH Debtors), or, in the case of Bankruptcy Professionals, an application for final allowance of compensation and reimbursement of expenses on or before the date that is forty-five (45) days after the Effective Date. Any request for payment of a Administrative Expense Claim that is not timely filed as set forth above will be forever barred, and holders of such Claims will not be able to assert such Claims in any manner against the Debtors, the Estates, the Blitz Liquidating Trust or the Blitz Liquidating Trustee.

33. Effect of Conflict Between Plan and Confirmation Order. This Confirmation Order shall control over the terms of the Plan and the Plan Documents in the event of any modification, clarification or supplement to the Plan and/or in the event of any inconsistency or ambiguity between the Plan and this Confirmation Order.

34. Reversal. If any or all of the provisions of this Confirmation Order are hereafter reversed, modified, or vacated by subsequent order of the Court or any other court, in the absence of a stay of this Confirmation Order, such reversal, modification, or vacatur shall not affect the validity of the acts or obligations incurred or undertaken in good faith under or in connection with the Plan prior to the Debtors' receipt of written notice of entry of any such order. Notwithstanding any such reversal, modification, or vacatur of this Confirmation Order, in the absence of a stay of this Confirmation Order, any such act or obligation incurred or undertaken in good faith pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such reversal, modification, or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan or any amendments or modifications thereto.

35. Retention of Jurisdiction. Pursuant to section 105(a) and 1142 of the Bankruptcy Code, the Court hereby retains jurisdiction of the Chapter 11 Cases and all matters arising under, arising out of, or related to, the Chapter 11 Cases and the Plan (i) as provided for in the Plan, (ii) as provided for in this Confirmation Order, and (iii) for the purposes set forth in sections 1127 and 1142 of the Bankruptcy Code.

36. Continuation of the Automatic Stay. Unless otherwise provided in this Confirmation Order or a separate order from the Court, until the Effective Date, all injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code sections 105(a) or 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect. After

the Effective Date, all injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code sections 105(a) or 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect to the extent provided in section 7.1 of the Plan and in this Confirmation Order.

37. Payment of Statutory Fees. With respect to the period prior to the Effective Date, all statutory fees pursuant to 28 U.S.C. § 1930(a)(6) shall be paid by the Debtors on the Effective Date or other required payment date. From and after the Effective Date, the Blitz Liquidating Trust shall be liable for and shall pay the fees assessed against the USA Debtors' estate under 28 U.S.C. § 1930 until entry of a final decree closing the USA Debtors' Chapter 11 Case and the Blitz Liquidating Trust shall file post-confirmation quarterly reports in conformity with the U.S. Trustee guidelines until entry of an order closing or converting the USA Debtors' Chapter 11 Cases. From and after the Effective Date, BAH shall be liable for and shall pay the fees assessed against the BAH Debtors' Estates under 28 U.S.C. § 1930 and BAH and/or the BAH Plan Administrator shall file post-confirmation quarterly reports in conformity with the U.S. Trustee guidelines until entry of an order closing or converting the BAH Debtors' Chapter 11 Cases.

38. Provisions Governing Distributions. The Blitz Personal Injury Trustee, the Blitz Liquidating Trustee and/or the BAH Plan Administrator, as applicable, shall make all distributions required under the Plan and the distribution provisions of Articles IV and V of the Plan, the Blitz Liquidating Trust Agreement, the Blitz Personal Injury Trust Agreement, and the Blitz Personal Injury TDP, shall be, and hereby are, approved in their entirety.

39. Procedures for Resolution of Claims. The claims resolution procedures and reserves to be established in accordance with Articles IV and V of the Plan, the Blitz Liquidating

Trust Agreement, the Blitz Personal Injury Trust Agreement, and the Blitz Personal Injury TDP, shall be, and hereby are, approved in their entirety.

40. Setoff Rights. In the event that the Debtors have a Claim of any nature whatsoever against the holder of a Claim against the Debtors, then the Debtors, the Blitz Liquidating Trustee and/or the BAH Plan Administrator, as the case may be, are authorized, but not required to, set off against the Claim (and any payments or other Plan distributions to be made in respect of such Claim under the Plan) the respective Debtor's Claim against such holder, subject to the provisions of Bankruptcy Code sections 553, 556 and 560. Neither the failure to set off nor the allowance of any Claim under the Plan shall constitute a waiver or release of any Claims that the Debtors may have against the holder of any Claim. Such setoff rights of the USA Debtors shall inure to the benefit of the Blitz Liquidating Trust and any successors thereto.

41. Dissolution of the Committee. On the Effective Date, the Committee shall be dissolved in accordance with Section 15.3 of the Plan.

42. Final Order; Authorization to Consummate Plan. This Confirmation Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry hereof. Notwithstanding Bankruptcy Rule 3020(e), this Confirmation Order shall take effect immediately upon its entry and the Debtors are authorized to consummate the Plan immediately after entry of this Confirmation Order and the satisfaction or waiver of all other conditions to the Effective Date of the Plan, in accordance with the terms of the Plan. The Proponents, the Blitz Personal Injury Trust and the Blitz Liquidating Trust, as applicable, are authorized to consummate the Plan after entry of this Confirmation Order subject to satisfaction of the conditions precedent to the occurrence of the Effective Date set forth in Section 11.2 of the Plan, or waiver of such conditions pursuant to Section 11.5 of the Plan.

43. Substantial Consummation. The substantial consummation of the Plan, within the meaning of Bankruptcy Code section 1127, is deemed to occur on the first date, on or after the Effective Date, on which any distributions are made in accordance with the terms of the Plan to holders of any Allowed Claims.

44. Post-Confirmation Modification of the Plan. Section 10.1 of the Plan shall govern any post-confirmation Plan modifications.

45. Filing and Recording. This Confirmation Order (a) is and shall be effective as a determination that, on the Effective Date, all Claims and Equity Interests existing prior to such date have been unconditionally released, discharged and terminated, and (b) is and shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials and all other Persons and entities who may be required, by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any document or instruments. Each and every federal, state and local government agency is hereby directed to accept any and all documents and instruments necessary, useful or appropriate (including Uniform Commercial Code financing statements) to effectuate, implement and consummate the transactions contemplated by the Plan and this Confirmation Order without payment of any recording tax, stamp tax, transfer tax or similar tax imposed by state or local law.

46. Notice of Entry of Confirmation Order. No later than [five] business days following the date of entry of this Confirmation Order, the Creditors' Committee or the Blitz Liquidating Trustee shall serve notice of the entry of this Confirmation Order pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c) on all holders of Claims and Equity Interests,

the U.S. Trustee, and the parties named on the Master Service List maintained in these Chapter 11 Cases, by causing notice substantially in the form attached hereto as **Exhibit D** to be delivered to such parties by first-class mail, postage prepaid.

47. Notice of Effective Date. Within five business days following the occurrence of the Effective Date, the Blitz Liquidating Trustee shall file notice of the Effective Date with the Court.

48. Judicial Notice. The Court takes judicial notice of the docket of these Chapter 11 Cases maintained by the clerk of the Court and/or its duly appointed agent (the "Docket") including, without limitation, all pleadings and other documents on file, all orders entered and all evidence and arguments made, proffered or adduced at the hearings held before the Court during the pendency of the Chapter 11 Case.

49. The definition of Exculpated Parties in Exhibit 1 to the Plan is deleted and replaced with the following:

> Exculpated Parties: Each of (i) the Debtors and any of their respective Representatives; and (ii) the Creditors' Committee, its members and any of their respective Representatives.

50. The Plan and Plan Documents are modified to reflect that Wal-Mart shall make an additional $2.0 Million contribution to the Insurance Settlement Payment. The $2.0 Million contribution shall be allocated as follows: (a) $1.2 Million to the Non- Appealing Fund; (b) $700,000 to the Special Circumstances Fund and (c) $100,000 to the Blitz Liquidating Trust.

51. Section 7.2.1 of the Plan is modified to include the Creditors' Committee, its members and any of their respective Representatives as receiving releases from each of the Debtors, on behalf of themselves and their respective Estates and their respective Affiliates,

members, officers, directors, and employees, and any person claiming by or through them as contemplated by such paragraph.

52. Section 7.2.2 of the Plan is modified to include the Creditors' Committee, its members and any of their respective Representatives as receiving releases from each present and former holder of a Claim or Equity Interest as contemplated by such paragraph.

53. (a) For the avoidance of doubt, other than (i) Wal-Mart, (ii) the BAH Released Parties, (iii) the USA Debtors' Representatives,(iv) the Participating Insurers and, (v) all Vendors and Additional Insureds under the Participating Insurer Policies, no other parties shall be released from, and the Releases and Channeling Injunction provisions of the Plan shall not apply to, any claim against any party that arose prior to 12:01 A.M. CST on July 31, 2007; provided however, that Westchester's rights and protections, including with regard to the Releases and the Channeling Injunction, shall be as stated in, and consistent with paragraph 10 of this Confirmation Order.

(b) Between July 31, 2007 and July 31, 2012, holders of a Co-Defendant Claim, which holder is not a Vendor, BAH Released Party or an Additional Insured, shall not receive a release. In addition to all of the other rights and remedies afforded to (i) Wal-Mart, (ii) the BAH Released Parties, (iii) the USA Debtors' Representatives, (iv) the Participating Insurers and, (v) all Vendors and Additional Insureds under the Participating Insurer Policies under the Plan, the Plan Documents or this Confirmation Order, in the event that any of (i) Wal-Mart, (ii) the BAH Released Parties, (iii) the USA Debtors' Representatives, (iv) the Participating Insurers and, (v) all Vendors and Additional Insureds under the Participating Insurer Policies is named as a defendant or co-defendant in any action by the holder of a surviving Co-Defendant Claim, (i) Wal-Mart, (ii) the BAH Released Parties, (iii) the USA Debtors' Representatives, (iv) the Participating Insurers

and, (v) all Vendors and Additional Insureds under the Participating Insurers Policies, as the case may be, shall be entitled to recover, with priority, liability and/or reasonable defense costs from any proceeds received on account of such surviving Co-Defendant Claim.

54. Paragraph 2.3(b) of the Blitz Personal Injury Trust is clarified as follows: (i) holders of Blitz Personal Injury Claims that arose prior to July 31, 2005 may pursue their claims against Vendors (except for Wal-Mart), holders of Co-Defendant Claims (except for Wal-Mart and the BAH Released Parties) and other third parties liable for the Blitz Personal Injury Claim and the automatic stay is lifted as of the Effective Date and (ii) any recoveries obtained by the holder of a Blitz Personal Injury Claim shall be directly payable to such holder and shall not be payable to the Blitz Personal Injury Trust and no holder of a Blitz Personal Injury Trust Claim shall have an interest in or be entitled to a distribution from any such recoveries.

55. The TDP Scoring System is hereby modified to extend the deadline for delivery of all materials required by the Personal Injury POC form (including medical records and expert reports) and any materials to be considered in support of a Special Circumstances claim to thirty (30) calendar days after the Confirmation Hearing. All such materials are required to be sent electronically to the Blitz Personal Injury Trust, at blitzclaim@litigationkc.com, dhaltiwanger@rpwb.com and adr@richardcohen.net so as to be received on or before February 28, 2014 by 5:00 p.m. Central Standard Time. Materials received after this time will not be considered by the Blitz Personal Injury Trust.

56. Notwithstanding anything to the contrary in this Confirmation Order, the Plan or the Plan Documents, the automatic stay provided for in these Chapter 11 Cases, whether pursuant to section 105, section 362 or any other provision of the Bankruptcy Code or other applicable law, in existence immediately prior to the Confirmation Date shall expire on the

Effective Date solely with respect to Blitz Personal Injury Claims that arose prior to the Release Date.

57. Nothing in this Confirmation Order, the Plan or the Blitz Personal Injury TDP shall be interpreted as releasing or impairing any Blitz Personal Injury Claim against any Vendor, Wal-Mart or holder of a Co-Defendant Claim for incidents occurring on or after July 31, 2102 at 12:01 CST.

58. The claims of Melissa Weeks and Paul Beadore, Individually and as parent of Landon Beadore, as set forth in the Complaint filed in the case of *Beadore v. Stewart's Shops Corp. et al*, Complaint Index No. 10062122, pending in the Supreme Court of the State of New York, Saratoga County, (the "**Beadore Action**"), which arise from an incident which occurred on September 16, 2003, constitute Blitz Personal Injury Claims which are excepted from the Release provisions of sections 7.2.1 and 7.2.2 by virtue of Section 7.2.3.6 of the Plan. Accordingly, and notwithstanding anything to the contrary in the Plan or any other provision of this Confirmation Order, (1) neither Central Hudson Gas & Electric Corporation nor Central Hudson Energy Services, Inc., nor CH Energy Group (collectively, "**Central Hudson**"), nor any other co-defendant in the Beadore Action, constitute a Protected Party entitled to a Release under the Plan; (2) the cross-claims for contribution and indemnification asserted against the Debtors by Central Hudson as well as any other co-defendant in the Beadore Action are likewise excepted from the Release and Injunction provisions of sections 7.2.1,7.2.2, and 7.3; (3) nothing in this Confirmation Order or the Plan shall prejudice or in any way alter or restrict the rights of the co-defendants in the Beadore Action to assert their cross claims and affirmative defenses as set forth in their Amended Answers; (4) the rights of the co-defendants in the Beadore Action to a recovery on their cross claims, if any, from the Debtors or the Blitz Personal Injury Trust, shall

be limited to the coverage available from the Assigned Blitz Insurance Policies assigned to the Blitz Personal Injury Trust; (5) for the avoidance of doubt, the rights of Central Hudson, pursuant to Article 16 of the New York Civil Practice Laws and Rules, New York State General Obligations Law §15-108, as well as any other rights claimed in the affirmative defenses and cross claims contained in the Amended Verified Answer filed on behalf of Central Hudson, if any, are unaffected by this Confirmation Order or the Plan, and (6) nothing in this paragraph is intended to in any way limit the right of the plaintiffs in the above-described Beadore Action to collect the full amount of any judgment in such action against any defendant in such action under their joint and several liability as determined under New York law, including Article 16 of the CPLR. For the avoidance of doubt, none of the BAH Released Parties party to the Beadore Action.

Dated: Jan. 30, 2014
Wilmington, Delaware

THE HONORABLE PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE

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

| | |
|---|---|
| In re | Chapter 11 |
| BLITZ U.S.A., Inc., *et al.*,[1] | Case No. 11-13603 (PJW) |
| Debtors. | Jointly Administered |

# DEBTORS' AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS' FIRST AMENDED JOINT PLAN OF LIQUIDATION

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Dated: December 18, 2013

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: LAM 2011 Holdings (8742); Blitz Acquisition Holdings, Inc. (8825); Blitz Acquisition, LLC (8979); Blitz RE Holdings, LLC (9071); Blitz U.S.A., Inc. (8104); and MiamiOK LLC (2604). The location of the Debtors' corporate headquarters and the Debtors' service address is 309 North Main Street, Miami, OK 74354.



EXHIBIT
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of exhibit
1

**THIS PLAN OF LIQUIDATION HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT FOR DISSEMINATION. UNTIL APPROVED, IT SHOULD NOT BE RELIED UPON BY ANY PERSON OR ENTITY, NOR MAY IT BE USED IN CONNECTION WITH ANY SOLICITATION OF VOTES.**

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## INTRODUCTION

Proponents propose this Plan of Liquidation for Blitz U.S.A., Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC, MiamiOk LLC f/k/a F3Brands LLC (collectively, the "**USA Debtors**"), LAM 2011 Holdings, LLC ("**LAM**") and Blitz Acquisition Holdings, Inc. ("**BAH,**" and together with LAM, the "**BAH Debtors**" and together with the USA Debtors, the "**Debtors**"). The Plan provides for the liquidation of the Debtors through (i) the substantive consolidation of the USA Debtors to create a single pool of their assets and liabilities and (ii) the substantive consolidation and merger of the BAH Debtors to create a single pool of their assets and liabilities.

The Plan provides for the establishment of two trusts pursuant to section 105 of the Bankruptcy Code: (i) a Blitz Personal Injury Trust for payment of Blitz Personal Injury Trust Claims and (ii) a Blitz Liquidating Trust for the benefit of holders of all other Claims against the USA Debtors. ***The Blitz Personal Injury Trust Claims will be channeled to the Blitz Personal Injury Trust.*** Claims against the USA Debtors (other than Blitz Personal Injury Trust Claims) will be marshaled through the Blitz Liquidating Trust. The BAH Plan Administrator shall administer the Claims (excluding Blitz Personal Injury Trust Claims) against the BAH Debtors as described more fully herein.

Proponents will seek to confirm the Plan pursuant to section 105(a) and other sections of the Bankruptcy Code to create the Blitz Personal Injury Trust and the Blitz Liquidating Trust. ***Section 105(a) of the Bankruptcy Code and other sections of the Bankruptcy Code authorize the Bankruptcy Court to enter a "channeling injunction" pursuant to which the Blitz Personal Injury Trust Claims are channeled to the Blitz Personal Injury Trust. Following the issuance of the Channeling Injunction, holders of Blitz Personal Injury Trust Claims will be permanently enjoined from seeking satisfaction of their Blitz Personal Injury Trust Claims against the Debtors or any other Protected Party. The contributions of the Protected Parties, directly or indirectly, to the Blitz Personal Injury Trust are expressly conditioned upon entry of a Final Order issuing the Channeling Injunction and confirming the Plan.***

## ARTICLE I

## DEFINITIONS, CONSTRUCTION OF TERMS

### 1.1. Defined Terms.

As used herein, the terms defined in **Exhibit 1** accompanying the Plan shall have the respective meanings specified in such **Exhibit 1**, unless the context otherwise requires, and **Exhibit 1** is incorporated by reference and made a part of the Plan. An initially capitalized term used herein that is not defined in **Exhibit 1** or in the Plan shall have the meaning ascribed to such term, if any, in the Bankruptcy Code or the Bankruptcy Rules, unless the context shall otherwise require.

### 1.2. Other Terms.

**1.2.1 Rules of Interpretation.** For purposes of the Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) subject to section 10.1 of the Plan, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (4) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (5) unless otherwise stated, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (6) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; and (7) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

**1.2.2 Computation of Time.** The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

**1.2.3 Governing Law**. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate or limited liability company governance matters.

**1.2.4 Reference to Monetary Figures**. All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

**1.2.5 Controlling Document**. In the event of any conflict, ambiguity or inconsistency between any term or provision of the Plan and the Disclosure Statement, the term or provision of the Plan shall control in all respects. In the event of any conflict, ambiguity or inconsistency between any term or provision of the Plan and either the Blitz Personal Injury Trust Agreement, the Blitz Personal Injury TDP or the Blitz Liquidating Trust Agreement, the term or provision of the Plan shall control in all respects. In the event of any inconsistency or ambiguity between any provision of any of the foregoing documents, and any provision of the Confirmation Order, the Confirmation Order shall control and take precedence. In the event of any apparent conflict, ambiguity, or inconsistency between the Plan and any term or provision of the BAH Settlement Term Sheet or the Insurance Settlement Term Sheet, the Plan and the applicable Term Sheet shall be interpreted to avoid conflict between the respective documents in light of the terms or provisions interpreted and the purpose of such term or provision.

## ARTICLE II

## PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND UNCLASSIFIED CLAIMS

**2.1. General**. Subject to the Bar Date provisions set forth in section 2.3 of the Plan, unless otherwise agreed to by the Blitz Liquidating Trustee or the BAH Plan Administrator, as applicable, and the holder of a particular Administrative Expense Claim, each holder of an

Allowed Administrative Expense Claim shall receive Cash equal to the unpaid portion of such Allowed Administrative Expense Claim on the later of (a) the Effective Date or as soon thereafter as is reasonably practicable, and (b) such other date as is mutually agreed upon by the Blitz Liquidating Trustee or the BAH Plan Administrator, as applicable, and the holder of such Claim. Allowed Administrative Expense Claims against the USA Debtors shall be satisfied solely out of the Blitz Liquidating Trust and Allowed Administrative Expense Claims against the BAH Debtors shall be satisfied solely out of the BAH Debtors' Estates. All Allowed Administrative Expense Claims of Bankruptcy Professionals shall be satisfied solely out of the Blitz Liquidating Trust, except for the Allowed Administrative Expense Claims of Young Conaway Stargatt & Taylor, LLP, which shall be satisfied solely out of the BAH Debtors' Estates.

**2.2. Payment of Judicial Fees.** All fees payable pursuant to 28 U.S.C. § 1930 shall be paid on the earlier of when due or the Effective Date, or as soon thereafter as practicable. From and after the Effective Date, the Blitz Liquidating Trust shall be liable for and shall pay the fees assessed against the USA Debtors' estate under 28 U.S.C. § 1930 until entry of a final decree closing the Cases. In addition, the Blitz Liquidating Trustee, shall, on behalf of the USA Debtors' Estates, file post-confirmation quarterly reports in conformity with the U.S. Trustee guidelines, until entry of an order closing or converting the USA Debtors' Chapter 11 Cases. The USA Debtors shall file all pre-confirmation monthly operating reports prior to the Confirmation Hearing. BAH shall be liable for and shall pay the fees assessed against the BAH Debtors' Estates under 28 U.S.C. § 1930 and BAH and/or the BAH Plan Administrator shall file post-confirmation quarterly reports in conformity with the U.S. Trustee guidelines until entry of an order closing or converting the BAH Debtors' Chapter 11 Cases. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees, which shall be treated as if they are Administrative Claims and will be paid by the BAH Debtors and/or the Blitz Liquidating Trustee, as applicable.

**2.3. Bar Date for Administrative Expense Claims.** Confirmation of the Plan shall establish, and the Confirmation Order shall be the order establishing, a bar date for Administrative Expense Claims (other than Section 503(b)(9) Claims) in the Chapter 11 Cases. The bar date for filing Administrative Expense Claims (other than Section 503(b)(9) Claims,

which Claims were required to be filed by July 13, 2012 pursuant to the Bar Date Order) shall be the first Business Day that is at least 45 days after the Effective Date (the "**Administrative Claims Bar Date**") unless a later date is otherwise approved or such time is extended by the Bankruptcy Court. All (i) holders of Administrative Expense Claims that have not been Allowed by Final Order of the Bankruptcy Court and (ii) Bankruptcy Professionals requesting compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered during the Chapter 11 Cases (including, without limitation, any compensation requested by any Bankruptcy Professional or any other Entity for making a substantial contribution to the Chapter 11 Cases), shall file with the Bankruptcy Court, as applicable, a request for Allowance of their Administrative Expense Claim (which request shall specify whether the Claim is asserted against the USA Debtors or the BAH Debtors), or, in the case of Bankruptcy Professionals, an application for final allowance of compensation and reimbursement of expenses on or before the Administrative Claims Bar Date. Objection to timely filed requests for Allowance of Administrative Expense Claims or of applications of Bankruptcy Professionals for compensation or reimbursement of expenses must be filed and served on the Debtors, the Creditors' Committee, the U.S. Trustee, and the claimant or Bankruptcy Professional to whose request or application any objection is addressed no later than 30 days after the Administrative Claims Bar Date.

## ARTICLE III

## CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

**3.1. General Settlement of Claims**. Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the classification, distribution, releases and other benefits under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests and controversies resolved pursuant to the Plan.

**3.2. Summary**. Claims and Equity Interests are classified for all purposes, including, without express or implied limitation, voting, Confirmation, and Distribution pursuant to the Plan, as follows:

| Class | Description | Status | Voting Rights |
|---|---|---|---|
| **Class 1(a)** | **Priority Claims against the USA Debtors** | **Not Impaired** | **Not entitled to vote** |
| **Class 1(b)** | **Priority Claims against the BAH Debtors** | **Not Impaired** | **Not entitled to vote** |
| **Class 2(a)** | **Secured Claims against the USA Debtors** | **Not Impaired** | **Not entitled to vote** |
| **Class 2(b)** | **Secured Claims against the BAH Debtors** | **Not Impaired** | **Not entitled to vote** |
| **Class 3(a)** | **General Unsecured Claims against the USA Debtors** | **Impaired** | **Entitled to vote** |
| **Class 3(b)** | **General Unsecured Claims against the BAH Debtors** | **Impaired** | **Entitled to vote** |
| **Class 4(a)** | **Blitz Personal Injury Trust Claims against the USA Debtors** | **Impaired** | **Entitled to vote** |
| **Class 4(b)** | **Blitz Personal Injury Trust Claims against the BAH Debtors** | **Impaired** | **Entitled to vote** |
| **Class 5(a)** | **Intercompany Claims against the USA Debtors** | **Impaired** | **Not entitled to vote** |
| **Class 5(b)** | **Intercompany Claims against the BAH Debtors** | **Impaired** | **Not entitled to vote** |
| **Class 6(a)** | **Equity Interests in the USA Debtors** | **Impaired** | **Not entitled to vote** |
| **Class 6(b)** | **Equity Interests in the BAH Debtors** | **Impaired** | **Not entitled to vote** |

**3.3. Classification and Treatment of Claims and Equity Interests against the USA Debtors**. Claims against and Equity Interests in the USA Debtors are classified for all purposes, including, without express or implied limitation, voting, Confirmation, and Distribution pursuant to the Plan, as follows:

**3.3.1 Priority Claims against the USA Debtors – Class 1(a).** This Class consists of Priority Claims against the USA Debtors, including Priority Claims of

governmental units under section 507(a)(8) of the Bankruptcy Code. Each holder of an Allowed Class 1(a) Claim not otherwise paid pursuant to an Order of the Bankruptcy Court will be paid, from the Blitz Liquidating Trust Assets, the Allowed Amount of its Claim, in full, in Cash, on the Effective Date or as soon as practical thereafter. Holders of Class 1(a) Claims are Unimpaired, are not entitled to vote on the Plan, will not be solicited to vote on the Plan, and are deemed to have accepted the Plan.

**3.3.2 Secured Claims against the USA Debtors – Class 2(a).** This Class consists of Secured Claims against the USA Debtors. The Blitz Liquidating Trustee will take the following action with respect to each holder of an Allowed Secured Claim against the USA Debtors: (a) distribute the collateral securing such Allowed Secured Claim; (b) distribute Cash in an amount equal to the proceeds actually realized from the sale, pursuant to section 363(b) of the Bankruptcy Code, of any collateral securing such Allowed Secured Claim, less the actual costs and expenses of disposing of such collateral; or (c) effect such other treatment of such Allowed Secured Claim as may be mutually agreed upon between the holder of such Allowed Secured Claim and the Blitz Liquidating Trustee on the later of (i) the Effective Date and (ii) the tenth Business Day of the first month following the month in which such Claim becomes an Allowed Secured Claim, or as soon after such dates as is practicable. Each holder of an Allowed Secured Claim in Class 2(a) will retain the Liens securing such Claim as of the Confirmation Date, until such Claims are paid in full or otherwise satisfied in accordance with the Plan. Holders of Class 2(a) Claims are Unimpaired, are not entitled to vote on the Plan, will not be solicited to vote on the Plan, and are deemed to have accepted the Plan.

**3.3.3 General Unsecured Claims against the USA Debtors – Class 3(a).** This Class consists of holders of General Unsecured Claims against the USA Debtors. Each holder of an Allowed Class 3(a) Claim will receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 3(a) Claim, its Pro Rata share of the Blitz Liquidating Trust Assets remaining after payment of Distributions on account of all Allowed Administrative Expense Claims against the USA Debtors, Allowed Priority Claims against the USA Debtors and any expenses of the Blitz Liquidating Trust. Holders of these Claims are impaired and are entitled to vote to accept or reject the Plan.

**3.3.4 Blitz Personal Injury Trust Claims against the USA Debtors – Class 4(a).** This Class consists of holders of Blitz Personal Injury Trust Claims against the USA Debtors. On the Effective Date, all Blitz Personal Injury Trust Claims shall be released as against the Debtors pursuant to the terms and conditions of the Plan and the Blitz Personal Injury Trust Documents. Pursuant to the Channeling Injunction, each holder of a Blitz Personal Injury Trust Claim shall have its Claim permanently channeled to the Blitz Personal Injury Trust, and such Blitz Personal Injury Trust Claim may thereafter be asserted exclusively against the Blitz Personal Injury Trust and resolved in accordance with the terms, provisions and procedures of the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. For the avoidance of doubt, holders of Blitz Personal Injury Trust Claims are not entitled to receive distributions or other payment of funds from the Blitz Liquidating Trust on behalf of, related to or with respect to such Blitz Personal Injury Trust Claims. Holders of such Blitz Personal Injury Trust Claims are, subject to the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP, enjoined from filing any future litigation, claims or causes of action arising out of such Blitz Personal Injury Trust Claims against the Debtors and/or any of the Protected Parties, and may not proceed in any manner against the Debtors and/or any of the Protected Parties in any forum whatsoever, including, without limitation, any state or federal court or administrative or arbitral forum, and are required to pursue their Blitz Personal Injury Trust Claims against the Blitz Personal Injury Trust solely as provided in the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. Holders of these Claims are Impaired and are entitled to vote to accept or reject the Plan.

**3.3.5 Intercompany Claims against the USA Debtors – Class 5(a).** This Class consists of Intercompany Claims against the USA Debtors. On the Effective Date, pursuant to and subject to the settlements described herein Intercompany Claims against the USA Debtors shall not be entitled to any Distribution under the Plan and such claims shall be cancelled and discharged on the Effective Date. Holders of these Claims will receive no Distributions under the Plan in respect of such Intercompany Claims and are deemed to have rejected the Plan.

**3.3.6 Equity Interests in the USA Debtors – Class 6(a).** This Class consists of all Equity Interests in the USA Debtors. All Equity Interests in the USA Debtors will be

cancelled and terminated on the Effective Date of the Plan. The holders of these Equity Interests will receive no Distributions under the Plan in respect of such Equity Interests and are deemed to have rejected the Plan.

**3.4. Classification and Treatment of Claims and Equity Interests against the BAH Debtors.** Claims against and Equity Interests in the BAH Debtors are classified for all purposes, including, without express or implied limitation, voting, Confirmation, and Distribution pursuant to the Plan, as follows:

**3.4.1 Priority Claims against the BAH Debtors – Class 1(b).** This Class consists of Priority Claims against the BAH Debtors, including Priority Claims of governmental units under section 507(a)(8) of the Bankruptcy Code. Each holder of an Allowed Class 1(b) Claim not otherwise paid pursuant to an Order of the Bankruptcy Court will be paid, by the BAH Plan Administrator, from the assets of the BAH Debtors' Estates, the Allowed Amount of its Claim, in full, in Cash, on the Effective Date or as soon as practical thereafter. Holders of Class 1(b) Claims are Unimpaired, are not entitled to vote on the Plan, will not be solicited to vote on the Plan, and are deemed to have accepted the Plan.

**3.4.2 Secured Claims against the BAH Debtors – Class 2(b).** This Class consists of Secured Claims against the BAH Debtors. The BAH Plan Administrator will take the following action with respect to each holder of an Allowed Secured Claim against the BAH Debtors: (a) distribute the collateral securing such Allowed Secured Claim; (b) distribute Cash in an amount equal to the proceeds actually realized from the sale, pursuant to section 363(b) of the Bankruptcy Code, of any collateral securing such Allowed Secured Claim, less the actual costs and expenses of disposing of such collateral; or (c) effect such other treatment of such Allowed Secured Claim as may be mutually agreed upon between the holder of such Allowed Secured Claim and the BAH Plan Administrator on the later of (i) the Effective Date and (ii) the tenth Business Day of the first month following the month in which such Claim becomes an Allowed Secured Claim, or as soon after such dates as is practicable. Each holder of an Allowed Secured Claim in Class 2(b) will retain the Liens securing such Claim as of the Confirmation Date, until such Claims are paid in full or otherwise satisfied in accordance with the Plan. Holders of Class 2(b) Claims are Unimpaired, are not entitled to vote on the Plan, will not be solicited to vote on the Plan, and are deemed to have accepted the Plan.

**3.4.3 General Unsecured Claims against the BAH Debtors – Class 3(b).** This Class consists of holders of General Unsecured Claims against the BAH Debtors. Each holder of an Allowed Class 3(b) Claim will receive in full and final satisfaction, settlement, and release of and in exchange for such Allowed Class 3(b) Claim, its Pro Rata share of the BAH Debtors' assets remaining after payment of Distributions on account of all Allowed Administrative Expense Claims against the BAH Debtors, Allowed Priority Claims against the BAH Debtors and Allowed Secured Claims against the BAH Debtors. Holders of these Claims are impaired and are entitled to vote to accept or reject the Plan.

**3.4.4 Blitz Personal Injury Trust Claims against the BAH Debtors – Class 4(b).** This Class consists of holders of Blitz Personal Injury Trust Claims against the BAH Debtors. On the Effective Date, all Blitz Personal Injury Trust Claims shall be released as against the Debtors pursuant to the terms and conditions of the Plan and the Blitz Personal Injury Trust Documents. Pursuant to the Channeling Injunction, each holder of a Blitz Personal Injury Trust Claim shall have its Claim permanently channeled to the Blitz Personal Injury Trust, and such Blitz Personal Injury Trust Claim may thereafter be asserted exclusively against the Blitz Personal Injury Trust and resolved in accordance with the terms, provisions and procedures of the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. For the avoidance of doubt, holders of Blitz Personal Injury Trust Claims are not entitled to receive distributions or other payment of funds from the BAH Plan Administrator, the BAH Debtors, or their Estates, on behalf of, related to or with respect to such Blitz Personal Injury Trust Claims. Holders of such Blitz Personal Injury Trust Claims are, subject to the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP, enjoined from filing any future litigation, claims or causes of action arising out of such Blitz Personal Injury Trust Claims against the Debtors and/or any of the Protected Parties, and may not proceed in any manner against the Debtors and/or any of the Protected Parties in any forum whatsoever, including, without limitation, any state or federal court or administrative or arbitral forum, and are required to pursue their Blitz Personal Injury Trust Claims against the Blitz Personal Injury Trust solely as provided in the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. Holders of these Claims are Impaired and are entitled to vote to accept or reject the Plan.

**3.4.5 Intercompany Claims against the BAH Debtors – Class 5(b).** This Class consists of Intercompany Claims against the BAH Debtors. On the Effective Date, pursuant to and subject to the settlements described herein and performed by the parties thereunder, Intercompany Claims against the BAH Debtors shall not be entitled to any distribution under the Plan and such claims shall be cancelled and discharged on the Effective Date. Holders of these Claims will receive no Distributions under the Plan in respect of such Intercompany Claims and are deemed to have rejected the Plan.

**3.4.6 Equity Interests in the BAH Debtors – Class 6(b).** This Class consists of all Equity Interests in the BAH Debtors. All Equity Interests in the BAH Debtors will be cancelled and terminated on the Effective Date of the Plan. The holders of these Equity Interests will receive no Distributions under the Plan in respect of such Equity Interests and are deemed to have rejected the Plan.

**3.5. Distributions Under the Plan.**

**3.5.1 Timing of Distributions Under The Plan.** Any Distribution to be made pursuant to the Plan shall be deemed to have been timely made if made within ten (10) business days of the time specified in the Plan.

**3.5.2 Manner of Payment Under the Plan.** Unless the Entity receiving a payment agrees otherwise, any payment in Cash to be made under the Plan shall be made by check drawn on a domestic bank, or by wire transfer from a domestic bank.

**3.5.3 Withholding of Taxes.** The Blitz Liquidating Trustee, the Blitz Personal Injury Trustee or the BAH Plan Administrator, as applicable, shall withhold from any assets or property distributed under the Plan any assets or property which must be withheld for foreign, federal, state and local taxes payable with respect thereto or payable by the Entity entitled to such assets to the extent required by applicable law.

**3.5.4 Allocation of Distribution Between Principal and Interest.** To the extent that any Allowed Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for tax purposes,

be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid interest.

**3.5.5 Unclaimed Distributions.** Any Cash, assets, and other property to be distributed under the Plan that cannot be delivered to the Entity entitled thereto (including by an Entity's failure to negotiate a check issued to such Entity) before the later of (a) one year after the Effective Date, or (b) six months after an order allowing such Entity's Claim becomes a Final Order, shall become vested in, and shall be transferred to, the Blitz Personal Injury Trust, the Blitz Liquidating Trust or the BAH Debtors' Estates, as applicable, notwithstanding state or other escheat or similar laws to the contrary. In such event, such Entity's Claim shall no longer be deemed to be Allowed and such Entity shall be deemed to have waived its rights to such payments or Distributions under the Plan pursuant to section 1143 of the Bankruptcy Code, shall have no further Claim in respect of such Distribution and shall not participate in any further Distributions under the Plan with respect to such Claim.

**3.5.6 Transfer of Claim.** To the extent permitted by law, in the event that the holder of any Claim shall transfer such Claim on and/or after the Effective Date, it shall immediately advise the Blitz Liquidating Trustee, the Blitz Personal Injury Trustee, or the BAH Plan Administrator, as the case may be, in writing of such transfer. The Blitz Liquidating Trustee, the Blitz Personal Injury Trustee, and the BAH Plan Administrator, as the case may be, shall be entitled to assume that no transfer of any Claim has been made by any holder unless and until written notice of a transfer has been received by the Blitz Liquidating Trustee, the Blitz Personal Injury Trustee or the BAH Plan Administrator. Each transferee of any Claim shall take such Claim subject to the provisions of the Plan, and, except as provided in a notice of transfer, the Blitz Liquidating Trustee, the Blitz Personal Injury Trustee, or the BAH Plan Administrator, as the case may be, shall be entitled to assume conclusively that the transferee named in any notice of transfer shall thereafter be vested with all rights and powers of the transferor of such Claim.

**3.5.7 Fractional Cents.** Notwithstanding anything to the contrary contained herein, no Cash payments of fractions of cents will be made. Fractional cents shall be rounded to the nearest whole cent (with .5 cent or less to be rounded down).

**3.5.8 Delivery of Distributions in General.** Distributions to holders of Allowed Claims shall be made to the address of the holder of such Claim as indicated on the records of the Debtors, or if a proof of claim has been filed, to the address on the proof of claim, unless the Blitz Liquidating Trustee, the Blitz Personal Injury Trustee or the BAH Plan Administrator, as the case may be, is instructed otherwise by a signed writing from the holder of such Allowed Claim.

**3.5.9 Minimum Distribution Amount.** Notwithstanding anything to the contrary contained herein, no Cash payments of $10 or less will be made.

**3.6. Provisions for Treatment of Contingent Claims and Disputed Claims Other Than Blitz Personal Injury Trust Claims.**

**3.6.1 Treatment of Contingent Claims.** Holders of Contingent Claims shall be paid only after such Claims have become fixed and/or liquidated. No interest shall be paid on account of a Contingent Claim except as provided in section 506(b) of the Bankruptcy Code. Except as otherwise provided for Blitz Personal Injury Trust Claims under the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP, (i) any Contingent Claim that has not become fixed or liquidated on or before two years after the Effective Date shall be deemed waived, disallowed and expunged unless the holder of such Claim has, on or before two years following the Effective Date, filed a request with the Bankruptcy Court requesting estimation of such Claim for purposes of allowance pursuant to section 502(c) of the Bankruptcy Code and (ii) after the later of two years following the Effective Date and the entry of Final Orders on any timely filed requests for estimation no cash reserves will be held for Contingent Claims and any funds previously held for such purposes may be distributed to the holders of Allowed Claims.

**3.6.2 Objection to Claims and Prosecution of Disputed Claims.** The Blitz Liquidating Trustee shall object to the allowance of Claims against the USA Debtors (other than Blitz Personal Injury Trust Claims) filed with the Bankruptcy Court with respect to which the Blitz Liquidating Trustee disputes liability in whole or in part. The BAH Plan Administrator shall object to the allowance of Claims against the BAH Debtors (other than Blitz Personal Injury Trust Claims) filed with the Bankruptcy Court with respect to which BAH Debtors dispute liability in whole or in part. The failure of the Debtors, the Blitz

Liquidating Trustee and/or the BAH Plan Administrator to object to or to re-examine any Claim shall not be deemed to be a waiver of the right to object to or to re-examine such Claim in whole or in part to determine its allowability. The Debtors, the Blitz Liquidating Trustee and/or the BAH Plan Administrator shall not be required to object to any Claim where the Debtors, the Blitz Liquidating Trustee and/or the BAH Plan Administrator has determined in its good faith reasonable discretion that objection to such Claim would not be in the best interest of the Debtors' Estates or the Blitz Liquidating Trust, as the case may be. The Blitz Liquidating Trustee shall have the right to compromise and settle any General Unsecured Claim against the USA Debtors after the Effective Date without notice to Creditors or order of the Bankruptcy Court. The BAH Plan Administrator shall have the right to compromise and settle any General Unsecured Claim against the BAH Debtors after the Effective Date without notice to Creditors or order of the Bankruptcy Court. Notwithstanding anything to the contrary in this paragraph, the rights of any Participating Insurer under the Bankruptcy Code to initiate and/or participate in any objection to any Claim is hereby preserved.

**3.6.3 Distributions by the Blitz Liquidating Trust and the BAH Plan Administrator on Account of Contingent Claims and Disputed Claims Other Than Blitz Personal Injury Trust Claims.** Payments and distributions to each holder of a Contingent Claim, a Disputed Claim (other than a Blitz Personal Injury Trust Claim) or any other Claim that is not an Allowed Claim, to the extent that such Claim ultimately becomes an Allowed Claim, shall be made in accordance with the Plan, including the provisions governing the Class of Claims in which such Claim is classified. As soon as practicable after the date that any Disputed Claim (other than a Blitz Personal Injury Trust Claim) is Allowed or any Contingent Claim becomes fixed or liquidated, in whole or in part, the Blitz Liquidating Trust or BAH Plan Administrator, as appropriate, shall distribute to the holder of such Claim any Cash that would have been distributed to such holder if the Claim had been an Allowed Claim on the Effective Date. No distribution shall be made with respect to all or any portion of any Disputed Claim (other than a Blitz Personal Injury Trust Claim) pending the entire resolution thereof. Distribution shall be made as soon as practicable with respect to any portion of a Contingent Claim that becomes fixed or liquidated. Nothing in section 3.6.3 shall affect the allowance, liquidation or payment of Blitz Personal Injury Trust Claims.

**3.6.4 Cash Reserves.**

**3.6.4.1. Creation of Cash Reserves.** On the Effective Date, the Blitz Liquidating Trustee shall establish the USA Debtors Contingent Claims Cash Reserve and the USA Debtors Disputed Claims Cash Reserve, and the BAH Plan Administrator shall establish the BAH Debtors Contingent Claims Cash Reserve and the BAH Debtors Disputed Claims Cash Reserve. The Cash held in the Cash Reserves shall be held in trust for the benefit of holders of the applicable Contingent Claims and Disputed Claims (other than Blitz Personal Injury Claims) pending determination of their entitlement thereto. Neither the Blitz Liquidating Trustee nor the BAH Plan Administrator shall make Distributions to the holders of Contingent Claims or Disputed Claims (other than Blitz Personal Injury Claims) in an aggregate amount in excess of the applicable Cash Reserve.

**3.6.4.2. Distributions from the Cash Reserves.** To the extent that, after the Effective Date, any Disputed Claim (other than Blitz Personal Injury Trust Claims) is disallowed and expunged, in whole or in part, or any Contingent Claim is eliminated, the Blitz Liquidating Trustee or BAH Plan Administrator, as appropriate, may reduce the amount of the applicable Cash Reserve and any excess Cash shall be distributed to holders of Allowed Claims in Pro Rata shares. Any such additional distribution may be made at reasonable times, and, in any event, a final redistribution shall be made after all Disputed Claims (other than Blitz Personal Injury Trust Claims) have been Allowed or expunged, and all Contingent Claims have been fixed, liquidated, expunged, or estimated for purpose of allowance by a Final Order of the Bankruptcy Court.

**3.6.5 Estimation of Claims.** The Blitz Liquidating Trustee or the BAH Plan Administrator, as appropriate, may, at any time, request that the Bankruptcy Court, on proper notice, estimate any Disputed Claim (other than Blitz Personal Injury Trust Claims) pursuant to section 502(c) of the Bankruptcy Code, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Disputed Claim (other than Blitz Personal Injury Trust Claims), including during the pendency of any appeal relating to any such objection. If the Bankruptcy Court estimates any Disputed Claim (other than Blitz Personal Injury Trust Claims), that estimated amount will constitute either the Allowed Amount of such Claim or a maximum limitation on such Claim, as determined by the

Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Blitz Liquidating Trustee or the BAH Plan Administrator, as appropriate, may elect to pursue any supplemental proceedings to object to any ultimate Distribution to such Claim. All of the objection, estimation, settlement and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Disputed Claims (other than Blitz Personal Injury Trust Claims) may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. Nothing in section 3.6.5 shall affect the allowance, liquidation or payment of Blitz Personal Injury Trust Claims.

**3.6.6 Certain Objections to Allowance of Blitz Personal Injury Trust Claims**. Notwithstanding anything to the contrary herein, Blitz Personal Injury Trust Claims shall be channeled to the Blitz Personal Injury Trust and administered in accordance with the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. Notwithstanding anything in the Blitz Personal Injury Trust Agreement to the contrary, and to the extent permissible under 28 U.S.C. § 157(b)(5), any Non-Participating Insurer may at any time object to the allowance of any Blitz Personal Injury Trust Claim asserted against such Non-Participating Insurer's Assigned Blitz Insurance Policy on any basis other than the liquidation of the allowed amounts for Distribution purposes.

**3.7. No Postpetition Interest**. Unless otherwise specifically provided for in the Plan or Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. Interest shall not accrue or be paid upon any Disputed Claim in respect of the period from the Effective Date to the date a Distribution is made thereon if and after such Disputed Claim becomes an Allowed Claim.

**3.8. Special Claims Provisions Arising from the BAH Settlement.**

**3.8.1** Kinderhook, Crestwood, the Kinderhook Directors and the Non-Kinderhook Directors waive any distributions to which they would be entitled from the USA Debtors in their capacity as such and agree that any proofs of claim filed by each of them against the USA Debtors shall be deemed disallowed on the Effective Date of the Plan. For the

avoidance of doubt, the Flick Claim shall not be disallowed by virtue of the foregoing sentence and any distribution on account of the Flick Claim, to the extent it is Allowed, shall not be waived by virtue of the foregoing sentence. On the Effective Date, (i) the Flick Claim shall be reduced to $244,272.65 and (ii) the Blitz Liquidating Trustee shall be entitled to object to or seek further reduction of the Flick Claim.

**3.8.2** On the Effective Date, any proofs of claim filed by any members of the Creditors' Committee and any holder of a Blitz Personal Injury Trust Claim against the BAH Debtors shall be deemed withdrawn with prejudice as against the BAH Debtors and all Blitz Personal Injury Trust Claims shall be channeled to the Blitz Personal Injury Trust and may thereafter be asserted exclusively against the Blitz Personal Injury Trust and resolved in accordance with the terms, provisions and procedures of the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. Furthermore, the Creditors' Committee or the Blitz Personal Injury Trustee shall support any objection by the BAH Debtors to Claims by any Blitz Insurer against the BAH Debtors.

## ARTICLE IV

## THE BLITZ PERSONAL INJURY TRUST

**4.1. Blitz Personal Injury Trust.** The Blitz Personal Injury Trust Agreement is incorporated into and made a part of the Plan.

**4.2. Insurance Settlement Binding.** The Blitz Personal Injury Trust shall be bound by the terms of the Insurance Settlement as if it had been a party thereto at the time of execution of the Insurance Settlement Term Sheet.

**4.3. Establishment and Purpose of Blitz Personal Injury Trust.** On the Effective Date, the Blitz Personal Injury Trust shall be established in accordance with the Plan Documents. The Blitz Personal Injury Trust shall be a "Qualified Settlement Fund" within the meaning of section 468B of the Internal Revenue Code and the regulations promulgated thereunder. The Blitz Personal Injury Trust shall assume the liability for all Blitz Personal Injury Trust Claims; shall administer, process, settle, resolve and liquidate such Blitz Personal Injury Trust Claims; and shall use the Blitz Personal Injury Trust Assets and the proceeds and

income therefrom to satisfy and make payment to all such Blitz Personal Injury Trust Claims that may qualify for a recovery only in accordance with the terms of the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP, all in accordance with this Plan, the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. The Blitz Personal Injury Trust will (i) administer, process, settle, resolve, liquidate, satisfy and/or pay, as applicable, Blitz Personal Injury Claims in such a way that the holders of Blitz Personal Injury Claims are treated equitably and in a substantially similar manner, subject to the terms of the Plan, the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP and (ii) in accordance with section 4.14 of the Plan and the Blitz Personal Injury Trust Agreement, defend and indemnify the Indemnified Parties, at the Blitz Personal Injury Trust's sole expense, in connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction. Blitz Personal Injury Trust Claims shall be channeled to the Blitz Personal Injury Trust pursuant to the Channeling Injunction set forth in section 4.3.3 of the Plan and may thereafter be asserted only and exclusively against the Blitz Personal Injury Trust. All such Blitz Personal Injury Trust Claims shall be liquidated and paid in accordance with the Blitz Personal Injury Trust Agreement, the Blitz Personal Injury TDP, this Plan and the Confirmation Order. The Blitz Personal Injury Trust shall be administered and implemented by the Blitz Personal Injury Trustee as provided in the Blitz Personal Injury Trust Agreement.

**4.3.1 Blitz Personal Injury TDP.** On the Effective Date, the Blitz Personal Injury Trust shall implement the Blitz Personal Injury TDP in accordance with the terms of the Blitz Personal Injury Trust Agreement. On or after the Effective Date, the Blitz Personal Injury Trustee, upon notice to the Blitz Personal Injury TAC, shall have the power to administer, amend, supplement or modify the Blitz Personal Injury TDP in accordance with the terms thereof; provided however, that such modification is not inconsistent with this Plan, the Insurance Settlement Term Sheet, the BAH Settlement Term Sheet or other Plan Documents; *provided, however*, to the extent that any modifications to the Blitz Personal Injury Trust Agreement or the Blitz Personal Injury TDP constitute a material modification that would affect the rights of Wal-Mart, the Participating Insurers, the BAH Released Parties or the Debtors' officers and directors, such parties shall be provided ten (10) days advance notice of such amendment and an opportunity to contest the proposed amendment before the Bankruptcy Court. In the event that any of those parties contest a proposed amendment within the notice period

contemplated in this paragraph, such modification shall not become effective until such time as the Bankruptcy Court has authorized the amendment or the objecting party has consented to the proposed amendment.

**4.3.1.1. Covered Blitz Personal Injury Claims.** The Blitz Personal Injury TDP shall provide mechanisms such as Pro Rata and/or percentage distributions of the proceeds of the Insurance Settlement and the BAH Settlement allocable to the Blitz Personal Injury Trust, net of reserves for fees, costs and expenses incurred by the Blitz Personal Injury Trust on account of Allowed Covered Blitz Personal Injury Claims, periodic review of estimates of the numbers and values of Allowed Covered Blitz Personal Injury Claims or other comparable mechanisms, that provide reasonable assurance that the Blitz Personal Injury Trust will value and be in a financial position to pay similar Allowed Covered Blitz Personal Injury Claims in substantially the same manner. From and after the Effective Date, the Blitz Personal Injury Trust shall liquidate and pay the Allowed Covered Blitz Personal Injury Claims in accordance with the Blitz Personal Injury TDP.

**4.3.2 Treatment of Other Blitz Personal Injury Trust Claims.** The Blitz Personal Injury Trust Agreement shall also provide mechanisms to treat holders of Blitz Personal Injury Trust Claims that do not qualify as Covered Blitz Personal Injury Claims as set forth below.

**4.3.2.1. Blitz Personal Injury Trust Claims Arising Prior to the Release Date.** As set forth in Article VII of the Plan, all holders of Blitz Personal Injury Trust Claims based on injuries or damage that occurred prior to the Release Date shall not release their Blitz Personal Injury Trust Claims against the USA Debtors and the Non-Participating Insurers. Holders of such Claims shall have the right to liquidate such Claims and seek payment from the Non-Participating Insurers in accordance with Article VI of this Plan.

**4.3.2.2. Claims Related to Michael Montgomery**. In satisfaction of the claim of Michael Montgomery: (i) the Blitz Personal Injury Trust shall pay to Michael Montgomery the sum of $3,075,000; (ii) Michael Montgomery shall be entitled to pursue his Claim against the Assigned Blitz Insurance Policies that were in effect on the date that

his injuries occurred and against Home Depot; and (iii) Michael Montgomery shall have no other or further claims against the Blitz Personal Injury Trust or any of the Protected Parties.

**4.3.2.3. Claims Related to David Calder**. Debtors, Westchester Fire Insurance Company ("Westchester Fire") and David Calder and his co-plaintiffs agree to settle and compromise in full the claims of David Calder and his co-plaintiffs by (a) Westchester Fire paying $2,942,014, and (b) the Debtors or the Blitz Personal Injury Trustee causing to be paid, or directing RLI Insurance Company to pay from the proceeds of the Debtors' bond that is returnable to the Blitz USA estate (Bond Number RSB4174412) the full amount of that bond that the Debtors posted for on appeal ($1,057,986.31). The forgoing payments shall be made within thirty (30) days of payment of the Insurance Settlement Amount but shall be further subject to the exchange of full and mutual releases, compliance with Medicare secondary payer requirements and the dismissal with prejudice of all appeals. The automatic stay of section 362 of the Bankruptcy Code shall remain in place through the payment of the Insurance Settlement Amount. If the Debtors or the Blitz Personal Injury Trustee are unable to deliver the full amount of their bond ($1,057,986.31) from the proceeds of the Debtors' bond for reasons beyond their control, the Debtors and/or David Calder and his co-plaintiffs shall be free to go forward with their appeal(s) and otherwise prosecute their claims and, if they opt to do so, the other parties to the settlement of Calder's Claims shall be relieved of their obligations under this paragraph. For the avoidance of doubt, proceedings with respect to enforcement of the settlement described herein shall be heard by the Bankruptcy Court and the parties shall only resort to courts other than the Bankruptcy Court in the event this settlement is not consummated and the Debtors or David Calder and his co-plaintiffs return to state or federal court to continue prosecution of their appeal(s).

**4.3.2.4. Claims Related to Jonathan and Renee Green**. Jonathan and Renee Green shall retain and shall not release the claim for sanctions, which is now pending appeal, until the occurrence of the Payment Date (as defined in the Insurance Settlement Term Sheet), and the vacator of the sanctions order by the Green court (to which the Debtors and the Green plaintiffs consent and the Participating Blitz Personal Injury Claimants do not oppose), at which time the $250,000 that has already been deposited with

Jonathan and Renee's counsel in escrow, shall be released and paid to Jonathan and Renee Green, and any claim asserted by the Green plaintiffs shall be released and the parties to the Green case agree to mutually dismiss their appeals.

**4.3.2.5. Vendor Claims, Co-Defendant Claims and Direct Action Claims.** Holders of Vendor Claims and Co-Defendant Claims, (i) shall retain their rights, if any, with respect to the Assigned Blitz Insurance Policies; (ii) shall receive the rights and benefits of a Protected Party under the Insurance Settlement, including, but not limited to, the Releases and the Channeling Injunction; and (iii) shall otherwise be subject to the terms and conditions of the Insurance Settlement Term Sheet, but (a) shall not receive any distributions from the Blitz Personal Injury Trust on account of their Claims and (b) shall not retain any rights against any Protected Party, except for any USA Debtor solely to the extent that such USA Debtor is required to be named as a nominal defendant in order for the holder of such Claim to recover under an Assigned Blitz Insurance Policy. Holders of Direct Action Claims shall be subject to the provisions of the Channeling Injunction and shall retain their rights, if any, with respect to the Assigned Blitz Insurance Policies but shall not receive any distributions from the Blitz Personal Injury Trust on account of their Claims.

**4.3.2.6. Fees and Expenses of Objecting Claimants.** $650,000 shall be paid to reimburse legal fees and expenses incurred in connection with these Chapter 11 Cases through and including 10:00 a.m. on December 18, 2013, by the Torres claimants, Jones claimants, Perez claimants, Newby claimants, Bauman claimants, Mims claimants and Bosse claimants provided that such claimants either: (i) sign on to the Plan Support Agreement by not later than 10:00 a.m. December 18, 2013; or (ii) withdraw any written opposition to the Insurance Settlement by not later 10:00 a.m. on December 18, 2013 and do not prosecute objections to approval of the Insurance Settlement, do not file or prosecute objections to the adequacy Disclosure Statement, and do not file or prosecute objections to confirmation of the Plan. Qualifying claimants shall submit a request for reimbursement of legal fees and costs to the Blitz Personal Injury Trustee within 10 days of the Effective Date. Claims not timely filed shall be deemed waived. The Blitz Personal Injury Trustee in consultation with the Blitz Personal Injury TAC shall review and determine the amount of legal fees and costs allowable for each Qualifying Claimant. In the event that total allowed

legal fees and costs exceed $650,000, the $650,000 shall be distributed pro-rata amongst allowed legal fees and costs. To the extent that allowed legal fees and costs are less than $650,000, allowed legal fees and costs shall be paid in full, and the remaining balance shall be added to the Non-Appealing Fund and shall be distributed to Covered Claimants in accordance with the procedures for distributions from the Non-Appealing Fund. Allowed legal fees and costs shall be paid within 10 days of allowance on a first in first out basis. For purposes of this provision, "legal fees and expenses" shall include fees billed at the regular hourly rate of bankruptcy counsel for any qualifying claimant. "Legal fees and expenses" shall not include fees incurred by plaintiff's tort counsel, unless such claimant has not retained separate bankruptcy counsel, in which case legal fees incurred by tort counsel only in connection with the Chapter 11 Cases, and not the underlying tort cases, shall be reimbursable under this provision at that attorney's regular hourly rate (or is such attorney does not have a regular hourly rate at the average hourly rate for attorneys of similar experience in the jurisdiction where such attorney's office is located to be determined by the Blitz Personal Injury Trustee in consultation with the Blitz Personal Injury TAC) . "Legal fees and expenses" shall include travel expenses, expert fees and deposition transcript costs incurred in connection with the Bankruptcy Cases by bankruptcy counsel or by tort counsel in the instance where separate bankruptcy counsel has not been retained.

**4.3.3 Imposition of Channeling Injunction**. From and after the Effective Date, (i) all Blitz Personal Injury Trust Claims will be subject to the Channeling Injunction pursuant to section 105(a) of the Bankruptcy Code and the provisions of the Plan and the Confirmation Order and (ii) the Protected Parties shall have no obligation to pay any liability of any nature or description arising out of, relating to, or in connection with any Blitz Personal Injury Trust Claims, *provided, however* that nothing in the Plan shall preclude any action by the Blitz Personal Injury Trust to enforce the Plan. ***In order to supplement the injunctive effect of the Plan Injunction, and pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, for Blitz Personal Injury Trust Claims, the Confirmation Order shall provide for the following permanent injunction to take effect as of the Effective Date***:

**4.3.3.1. Terms**. ***In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the***

*injunctive effect of the Plan Injunction and the Releases described in section 7.2 of the Plan, and pursuant to the exercise of the equitable jurisdiction and power of the Bankruptcy Court under section 105(a) of the Bankruptcy Code, all Entities that have held or asserted, or that hold or assert any Blitz Personal Injury Trust Claim against the Protected Parties, or any of them, shall be permanently stayed, restrained and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery from any such Protected Party with respect to any such Blitz Personal Injury Trust Claim, including, but not limited to:*

*(a) commencing, conducting or continuing, in any manner, whether directly or indirectly, any suit, action or other proceeding of any kind with respect to any such Blitz Personal Injury Trust Claim, against any of the Protected Parties, or against the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim;*

*(b) enforcing, levying, attaching, collecting or otherwise recovering, by any manner or means, or in any manner, either directly or indirectly, any judgment, award, decree or other order against any of the Protected Parties or against the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim;*

*(c) creating, perfecting or enforcing in any manner, whether directly or indirectly, any Lien of any kind against any Protected Party or the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim;*

*(d) asserting or accomplishing any setoff, right of subrogation, indemnity, contribution or recoupment of any kind, whether directly or indirectly, against any obligation due any Protected Party or against the property of any Protected Party with respect to any such Blitz Personal Injury Trust Claim; and*

*(e) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents, with respect to such Blitz Personal Injury Trust Claim.*

**4.3.3.2. Reservations.** *Notwithstanding anything to the contrary in section 4.3.3 of the Plan, this Channeling Injunction shall not enjoin:*

(a) *Any claim for damages on account of bodily injury and/or property damage that occurred on or after 12:01 A.M. CST on July 31, 2012;*

(b) *the rights of Entities to the treatment afforded them under the Plan, including the right of Entities holding Blitz Personal Injury Trust Claims to assert such Claims in accordance with the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP solely against the Blitz Personal Injury Trust whether or not there are funds to pay such Blitz Personal Injury Trust Claims;*

(c) *the rights of Entities to assert any Claim, debt, litigation, or liability for payment of Blitz Personal Injury Trust Expenses solely against the Blitz Personal Injury Trust whether or not there are funds to pay such Blitz Personal Injury Trust Expenses;*

(d) *the rights of holders of Blitz Personal Injury Trust Claims that arose prior to the Release Date to pursue and/or prosecute any Insurance Actions, including, but not limited to, a Direct Action Claim, against any Non-Participating Insurer;*

(e) *if and to the extent necessary to preserve rights against any Non-Participating Insurer, the rights of the Blitz Personal Injury Trust to prosecute any Direct Action Claim, as attorney in fact for a holder of Blitz Personal Injury Trust Claim, including the participation of such claimant in such Direct Action Claim;*

(f) *the rights of any Entity to assert any claim, debt, obligation or liability for payment against a Non-Participating Insurer;*

(g) *the rights of any Entity (other than the Debtors and Additional Insureds, in their capacity as such) to assert against a Protected Party any claim, debt, or obligation for payment that is not in any way based upon, related to, or arising out of, any Blitz Insurance Policy, Blitz Product or otherwise subject to the Insurance Settlement and BAH Settlement;*

(h) *the Blitz Personal Injury Trust from enforcing its rights under the Insurance Settlement Term Sheet, the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP; and*

(i) *the rights of any Indemnified Party to demand the Blitz Personal Injury Trust to fulfill its obligations to enforce the terms of the Channeling Injunction consistent with section 4.14 of the Plan, the Insurance Settlement Term Sheet and the BAH Settlement Term Sheet.*

**4.3.3.3. Modifications.** There can be no modification, dissolution or termination of the Channeling Injunction, which shall be a permanent injunction.

**4.3.3.4. Non-Limitation Channeling Injunction.** Nothing in the Plan or in the Blitz Personal Injury Trust Agreement shall be construed in any way to limit the scope, enforceability, or effectiveness of the Channeling Injunction issued in connection with the Plan or the Blitz Personal Injury Trust's assumption of all liability with respect to Blitz Personal Injury Trust Claims.

**4.3.3.5. Bankruptcy Rule 3016 Compliance.** The Proponents' compliance with the requirements of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an injunction against conduct not otherwise enjoined under the Bankruptcy Code.

**4.3.4 Release of Liabilities to Holders of Blitz Personal Injury Claims.** ***Except as provided in the Plan, the transfer to, vesting in, and assumption by the Blitz Personal Injury Trust of the Blitz Personal Injury Trust Assets as contemplated by the Plan shall, as of the Effective Date, release all obligations and liabilities of and bar recovery or any action against the Protected Parties and their respective estates, Affiliates and subsidiaries, for or in respect of all Blitz Personal Injury Claims (and the Confirmation Order shall so provide for such release).*** The Blitz Personal Injury Trust shall, as of the Effective Date, assume sole and exclusive responsibility and liability for all Blitz Personal Injury Trust Claims, and such Claims shall be liquidated, resolved or paid by the Blitz Personal Injury Trust from the Blitz Personal Injury Trust Assets or as otherwise directed in the Blitz Personal Injury Trust Documents. For the avoidance of doubt, holders of Vendor Claims, Co-Defendant Claims and Direct Action Claims shall not receive distributions or other payment of any funds attributable to the Insurance Settlement Payment or the BAH Settlement Payment on

behalf of, related to or with respect to such Claims. As set forth in section 4.14 of the Plan and the Blitz Personal Injury Trust Agreement, the Blitz Personal Injury Trust shall defend and indemnify the Indemnified Parties in connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction.

**4.4. Assumption of Liabilities.** In furtherance of the purposes of the Blitz Personal Injury Trust, and subject to the Blitz Personal Injury Trust Agreement, the Blitz Personal Injury Trust shall expressly assume all responsibility and liability for all Blitz Personal Injury Trust Claims and all Blitz Personal Injury Trust Expenses. The Blitz Personal Injury Trust shall have all defenses, cross-claims, offsets, and recoupments regarding Blitz Personal Injury Trust Claims that the Debtors have or would have had under applicable law and consistent with the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP.

**4.5. Funding of the Blitz Personal Injury Trust.**

**4.5.1** With the exception of (i) the Insurance Settlement Payment and the Supplemental Insurance Payment, which shall be paid directly to the Blitz Personal Injury Trust by the Participating Insurers and Wal-Mart pursuant to the provisions of the Insurance Settlement and (ii) $1.54 million, which shall be remitted by the Blitz Liquidating Trust to the Blitz Personal Injury Trust, upon the Effective Date, the Debtors shall assign and transfer the Blitz Personal Injury Trust Assets to the Blitz Personal Injury Trust; *provided, however*, that to the extent certain Blitz Personal Injury Trust Assets, because of their nature or because such assets will accrue or become transferable subsequent to the Effective Date, cannot be transferred to, vested in and assumed by the Blitz Personal Injury Trust on the Effective Date, such Blitz Personal Injury Trust Assets shall be automatically, and without further act or deed, transferred to, vested in and assumed by the Blitz Personal Injury Trust as soon as practicable after the Effective Date.

**4.5.2** Notwithstanding anything in the Plan to the contrary, no monies, choses in action, and/or Blitz Personal Injury Trust Assets that have been transferred, granted, assigned or otherwise delivered to the Blitz Personal Injury Trust shall be used for any purpose

other than for the payment, defense and/or administration of Blitz Personal Injury Trust Claims (including rights to payment of Blitz Personal Injury Trust Expenses related thereto).

**4.5.3 Excess Blitz Personal Injury Trust Assets.** On the Blitz Personal Injury Trust Termination Date, after the payment of all the Covered Blitz Personal Injury Claims and Blitz Personal Injury Trust Expenses have been provided for and the liquidation of all properties and other non-cash trust assets then held by the Blitz Personal Injury Trust, all monies remaining in the Blitz Personal Injury Trust shall be distributed to holders of Covered Blitz Personal Injury Claims as set forth in the Blitz Personal Injury Trust Agreement and/or the Blitz Personal Injury TDP (including the TDP Scoring System), or, if in the judgment of the Blitz Personal Injury Trustee, such sums are determined to be *de minimis* such that the costs associated with making such a distribution would outweigh the impact of the distribution, then given to such organization(s), exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code selected by the Blitz Personal Injury Trustee using his or her reasonable discretion.

**4.6. Blitz Personal Injury Trust Expenses.** The Blitz Personal Injury Trust shall pay all Blitz Personal Injury Trust Expenses from the Blitz Personal Injury Trust Assets, as provided for in the Blitz Personal Injury Trust Agreement. The Protected Parties shall have no obligation to pay any Blitz Personal Injury Trust Expenses.

**4.7. Blitz Personal Injury Trustee.** There shall be one (1) Blitz Personal Injury Trustee. Prior to the Confirmation Hearing, the Participating Blitz Personal Injury Claimants that serve on the Creditors' Committee shall select the initial Blitz Personal Injury Trustee. On the Confirmation Date, the Bankruptcy Court shall appoint the initial Blitz Personal Injury Trustee, as selected by the Participating Blitz Personal Injury Claimants that serve on the Creditors' Committee, to serve in accordance with, and shall have the functions and rights provided in, the Blitz Personal Injury Trust Agreement. Any successor Blitz Personal Injury Trustee shall be appointed in accordance with the terms of the Blitz Personal Injury Trust Agreement. For purposes of any Blitz Personal Injury Trustee performing his or her duties and fulfilling his or her obligations under the Blitz Personal Injury Trust and the Plan, the Blitz Personal Injury Trust and the Blitz Personal Injury Trustee shall be deemed to be "parties in interest" within the meaning of section 1109(b) of the Bankruptcy Code. The Blitz Personal

Injury Trustee shall be the "administrator" of the Blitz Personal Injury Trust as that term is used in Treas. Reg. Section 1.468B-2(k)(3).

**4.8. Blitz Personal Injury TAC.** The Blitz Personal Injury TAC shall have the functions and rights provided in the Blitz Personal Injury Trust Agreement. Prior to the Confirmation Hearing, the Participating Blitz Personal Injury Claimants that serve on the Creditors' Committee shall select the initial members of the Blitz Personal Injury TAC. On the Confirmation Date, the Bankruptcy Court shall appoint the initial members of the Blitz Personal Injury TAC, as selected by the Participating Blitz Personal Injury Claimants that serve on the Creditors' Committee.

**4.9. Cooperation; Transfer of Books and Records.** On the Effective Date or as soon thereafter as is practical, the Debtors will transfer and assign, or cause to be transferred and assigned, to the Blitz Personal Injury Trustee, all of the books and records of the Debtors that pertain to (a) any Blitz Personal Injury Trust Claim objected to by the Blitz Personal Injury Trustee in the Bankruptcy Court, (b) any Blitz Personal Injury Trust Claim the Blitz Personal Injury Trustee is called upon to defend pursuant to the Blitz Personal Injury TDP, and (c) the Blitz Personal Injury Trust Assets, including, but not limited to, insurance policies, self-insured retentions, deductibles, retrospective premiums, dividend payments, procurement of insurance, and the submission or payment of insurance claims. In addition, on the Effective Date or as soon thereafter as is practical, the Debtors will provide to the Blitz Personal Injury Trustee a copy of a database or other information as reasonably required to assist the Blitz Personal Injury Trust in identifying the Blitz Personal Injury Trust Claims being channeled to the Blitz Personal Injury Trust. The Debtors (to the extent practicable) shall further cooperate to the extent reasonably requested (as determined by the Debtors in their sole discretion) by the Blitz Personal Injury Trustee in the handling of Blitz Personal Injury Trust Claims, in the pursuit and protection of Assigned Blitz Insurance Policy Rights and generally in the operation of the Blitz Personal Injury Trust for purposes set forth herein and for the duration of the Blitz Personal Injury Trust, and shall use commercially reasonable efforts (as determined by the Debtors in their sole discretion) to request present or former officers, directors, employees, agents or representatives to the extent that the Blitz Personal Injury Trustee reasonably requests the Debtors to make such request to any of the foregoing and deems such persons necessary to appear at any trial or

arbitration proceeding relating to the liquidation of Blitz Personal Injury Trust Claims. To the extent that the Debtors, the BAH Plan Administrator or the Blitz Liquidating Trustee, as appropriate, require any information from the Blitz Personal Injury Trustee for preparation of any tax return or financial statement, the Blitz Personal Injury Trustee shall cooperate in a commercially reasonable manner, to the extent reasonably requested to provide such information to the Debtors, the BAH Plan Administrator or the Blitz Liquidating Trustee, as appropriate. The Debtors (and any present or former officer, director, employee, agent or representative to the extent that such person is requested to perform act or otherwise perform hereunder), the Blitz Liquidating Trustee and/or the BAH Plan Administrator shall be entitled to the advancement and/or reimbursement of any reasonable costs, expenses or fees, including professional fees, and expenses, incurred or to be incurred in compliance with any request of the Blitz Personal Injury Trust pursuant to the foregoing. The Debtors' obligation (if any) to take any actions contemplated hereunder is subject to the Debtors having funding necessary to do so and the Debtors are only required to take such actions (if any) as are reasonably practical under the circumstances.

**4.10. Transfer of Blitz Personal Injury Privileged Information and Blitz Personal Injury Confidential Information.** The transfer or assignment of Blitz Personal Injury Privileged Information to the Blitz Personal Injury Trustee does not result in the destruction or waiver of any applicable privileges pertaining to such Privileged Information. Further, with regard to any such privileges, (i) they are transferred or contributed for the sole purpose of enabling the Blitz Personal Injury Trustee to perform its duties to administer the Blitz Personal Injury Trust and for no other reason, (ii) they are vested solely in the Blitz Personal Injury Trustee, and not in the Blitz Personal Injury Trust, the Blitz Personal Injury TAC or any other entity, committee or subcomponent of the Blitz Personal Injury Trust, or any person (including counsel) who has been engaged by, represents or has represented any Blitz Personal Injury Claimant or any person who alleges or may allege a claim directly or indirectly relating to or arising from the Debtors' products, premises or operations, (iii) they shall be preserved and not waived, (iv) for the avoidance of doubt any such transfer or contribution shall have no effect on any right, claim or privilege of any person other than the Debtors, and (v) no information subject to a privilege or a prior assertion thereof shall be publicly disclosed by the Blitz Personal Injury Trustee or the Blitz Personal Injury Trust or communicated to any person not entitled to receive

such information or in a manner that would diminish the protected status of any such information.

To the extent not subject to an applicable privilege or immunity in accordance with the foregoing, the Blitz Personal Injury Trustee and any of his or her Representatives shall maintain the confidentiality of all Blitz Personal Injury Confidential Information and such Blitz Personal Injury Confidential Information may only be disclosed to the following persons: (i) the Blitz Personal Injury Trustee and counsel to the Blitz Personal Injury Trustee; (ii) experts, consultants or non-legal professionals who actively assist the Blitz Personal Injury Trustee in the analysis, valuation and/or litigation of any Claim against the Blitz Personal Injury Trust or the Blitz Personal Injury Trust Assets; (iii) the Blitz Liquidating Trustee and counsel to the Blitz Liquidating Trustee solely to the extent necessary to comply with sections 4.9 and/or 5.11 of the Plan; (iv) paralegal, stenographic, technical, clerical, document management and secretarial personnel employed by any of the foregoing; (v) the Bankruptcy Court and court personnel, including stenographic, video, or audio reporters; (vi) any person identified on the face of any such Blitz Personal Injury Confidential Information as an author or recipient thereof; (vii) any person who is determined to have been an author and/or previous recipient of the Blitz Personal Injury Confidential Information, but is not identified on the face thereof; and (viii) during depositions or trial testimony (or preparation therefor), witnesses to whom disclosure is reasonably necessary, *provided, however* that none of the foregoing Entities is, has not been engaged by, represents, or has represented any holder of a Blitz Personal Injury Claim or any other person who has or may assert a claim directly or indirectly relating to, based upon, or arising from the Debtors' products, premises or operations.

All documents that (i) constitute Privileged Information and/or Confidential Information, (ii) pertain to a Blitz Personal Injury Trust Claim and (iii) are not transferred to the Blitz Personal Injury Trustee in accordance with section 4.9 of the Plan shall be maintained in the possession of a neutral third party to be agreed upon by Wal-Mart, the Participating Insurers, the USA Debtors and the Blitz Personal Injury Trustee. To the extent that the Blitz Personal Injury Trustee requires access to any documents meeting the foregoing standards, Wal-Mart, the Participating Insurers and the Blitz Personal Injury Trustee will work together to formulate

procedures that will permit the Blitz Personal Injury Trustee to access such documents without obviating or waiving any privilege.

**4.11. Certain Property Held in Trust by the Debtors/Blitz Liquidating Trustee.** If, and to the extent that any of the Blitz Personal Injury Trust Assets cannot be effectively transferred and assigned to the Blitz Personal Injury Trust, or if for any reason the Debtors, the Blitz Liquidating Trust and/or the BAH Plan Administrator shall retain or receive any property after the Effective Date that is to be transferred to the Blitz Personal Injury Trust pursuant to the Plan, then the Debtors, the Blitz Liquidating Trust and/or the BAH Plan Administrator, as applicable, shall furnish the Blitz Personal Injury Trustee written notice of any such event, shall hold such property in trust for the benefit of the Blitz Personal Injury Trust, and shall take such actions with respect to the property as the Blitz Personal Injury Trustee shall direct in writing. The Debtors, the Blitz Liquidating Trustee and/or the BAH Plan Administrator shall be entitled to the reimbursement of any reasonable fees, including professional fees, and expenses, incurred in compliance with any request of the Blitz Personal Injury Trust pursuant to the foregoing.

**4.12. Medicare Claims Reporting, Payment and Indemnification Obligations.** The Blitz Personal Injury Trust Agreement contains appropriate terms (in form and substance acceptable to the Proponents, the Participating Insurers and Wal-Mart) providing that the Blitz Personal Injury Trust will be responsible for ensuring compliance with Medicare secondary payer ("MSP") requirements, and that the Blitz Personal Injury Trust will retain, at its expense, a qualified vendor to provide such services as are required to ensure such compliance. The Participating Insurers and Wal-Mart shall have the right to approve the vendor retained by the Blitz Personal Injury Trust to provide such services (with such approval not to be unreasonably withheld) and to obtain information from such vendor, the Blitz Personal Injury Trust and any holder of a Blitz Personal Injury Claim as they may reasonably request to ensure that the Blitz Personal Injury Trust has complied with MSP requirements or for the purpose of internal audits and insurance or reinsurance claims. The Blitz Personal Injury Trust is prohibited from making a distribution to any holder of a Blitz Personal Injury Trust Claim who refuses to provide the information necessary to meet MSP requirements with regard to that holder.

**4.13. Institution and Maintenance of Legal and Other Proceedings.** As of the Effective Date, the Blitz Personal Injury Trust shall be empowered to initiate, prosecute, defend,

and resolve all legal actions and other proceedings related to any asset, liability, or responsibility of the Blitz Personal Injury Trust. The Blitz Personal Injury Trust shall be empowered to initiate, prosecute, defend, and resolve all such actions in the name of the Debtors if deemed necessary or appropriate by the Blitz Personal Injury Trustee. The Blitz Personal Injury Trust shall be responsible for the payment of all damages, awards, judgments, settlements, expenses, costs, fees, and other charges incurred subsequent to the Effective Date arising from or associated with any legal action or other proceeding brought pursuant to section 4.4 of the Plan and shall pay or reimburse all deductibles, retrospective premium adjustments, or other charges which may arise from the receipt of insurance proceeds by the Blitz Personal Injury Trust. For the avoidance of doubt, the Blitz Personal Injury Trust, pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and applicable State corporate law, is appointed as the successor-in-interest to, and representative of, the USA Debtors and their Estates for the retention, enforcement, settlement or adjustment of all Blitz Personal Injury Trust Claims.

**4.14. Indemnification and Defense by Blitz Personal Injury Trust**. The Blitz Personal Injury Trust shall fully and completely defend each of the Indemnified Parties in connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction. In the event any person or Entity asserts any claim that is subject to the Channeling Injunction, the Blitz Personal Injury Trust shall, at its own expense, defend the validity of the Channeling Injunction and its application and use its best efforts to establish that such Claim is enjoined. Wal-Mart, the Participating Insurers and the BAH Settling Parties (i) shall have consultation and approval rights with respect to the selection of counsel hired by the Blitz Personal Injury Trust for such defense obligations and (ii) shall have the right, at their own cost and expense, to associate in the defense in any proceeding concerning the enforcement and application of the Channeling Injunction. If the Blitz Personal Injury Trust breaches its duty to fully and completely defend the Indemnified Parties, the Blitz Personal Injury Trust is obligated to indemnify the Indemnified Parties, including advancement of defense costs.

## ARTICLE V

## BLITZ LIQUIDATING TRUST

**5.1. Blitz Liquidating Trust.** The Blitz Liquidating Trust Agreement is incorporated into and made a part of the Plan.

**5.2. Establishment and Purpose of the Blitz Liquidating Trust.** On or before the Effective Date, the USA Debtors and the Blitz Liquidating Trustee shall execute the Blitz Liquidating Trust Agreement and shall have established the Blitz Liquidating Trust pursuant to the Plan. The Blitz Liquidating Trust shall be established for the primary purpose of liquidating and distributing the assets transferred to it, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Blitz Liquidating Trust.

**5.3. Authority and Role of the Blitz Liquidating Trustee.** The authority and role of the Blitz Liquidating Trustee shall be in accordance with the provisions of the Blitz Liquidating Trust Agreement and the Plan. In furtherance of and consistent with the purpose of the Blitz Liquidating Trust Agreement and the Plan, solely for the purpose of carrying out the Plan and discharging the duties in the Blitz Liquidating Trust Agreement, the Blitz Liquidating Trustee shall be deemed to be a judicial substitute for each of the USA Debtors as the party-in-interest in these Bankruptcy Cases, and pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and applicable State corporate law, is appointed as the successor-in-interest to, and the representative of, the USA Debtors' Estates for the retention, enforcement, settlement or adjustment of all claims and rights, known and unknown, and all interests belonging to the USA Debtors or their Estates, which arose prior to the Confirmation Date, except in connection with any proceeding involving, relating to or arising out of, in whole or in part, the Blitz Personal Injury Trust Claims.

**5.4. Appointment of the Blitz Liquidating Trustee.** The Blitz Liquidating Trustee is set forth in the Blitz Liquidating Trust Agreement. The appointment of the Blitz Liquidating Trustee shall be approved in the Confirmation Order, and such appointment shall be as of the Effective Date. In accordance with the Blitz Liquidating Trust Agreement, the Blitz

Liquidating Trustee shall serve in such capacity through the earlier of (i) the date that the Blitz Liquidating Trust is dissolved in accordance with the Blitz Liquidating Trust Agreement and/or (ii) the date such Blitz Liquidating Trustee resigns, is terminated or is otherwise unable to serve, *provided, however,* that, in the event that the Blitz Liquidating Trustee resigns, is terminated or is unable to serve, then the Court, upon the motion of any party-in-interest, including, but not limited to, counsel to the Blitz Liquidating Trust, shall approve a successor to serve as the Blitz Liquidating Trustee, and such successor Blitz Liquidating Trustee shall serve in such capacity until the Blitz Liquidating Trust is dissolved.

**5.5. Blitz Liquidating Trust Assets.** On the Effective Date, (i) the USA Debtors shall transfer the Blitz Liquidating Trust Assets to the Blitz Liquidating Trust; and (ii) Wal-Mart shall waive its secured setoff claim against Blitz U.S.A., Inc. and will pay to the Blitz Liquidating Trust the sum of $1.54 million in payables owed to Blitz U.S.A., Inc., to pay Administrative Expense Claims and fund a recovery to holders of General Unsecured Claims against the USA Debtors. With respect to the BAH Settlement Payment, the USA Debtors shall transfer the BAH Settlement Payment to the Blitz Liquidating Trust, which may be done by directing BAH to pay the BAH Settlement Amount directly to the Blitz Liquidating Trust. Notwithstanding any prohibition on assignability under applicable non-bankruptcy law, on the Effective Date and periodically thereafter if additional Blitz Liquidating Trust Assets become available, the USA Debtors shall be deemed to have automatically transferred to the Blitz Liquidating Trust all of their right, title, and interest in and to all of the Blitz Liquidating Trust Assets, and in accordance with section 1141 of the Bankruptcy Code, all such assets shall automatically vest in the Blitz Liquidating Trust free and clear of all Claims and Liens, subject only to the Allowed Claims of the Blitz Liquidating Trust Beneficiaries as set forth in the Plan and the expenses of the Blitz Liquidating Trust as set forth herein and in the Blitz Liquidating Trust Agreement. Thereupon, the Debtors shall have no interest in or with respect to the Blitz Liquidating Trust Assets or the Blitz Liquidating Trust.

**5.6. Treatment of Blitz Liquidating Trust for Federal Income Tax Purposes; No Successor-in-Interest.** In accordance with Treas. Reg. § 301.7701-4(d), the Blitz Liquidating Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Blitz Liquidating Trust Assets, make timely distributions to the Blitz Liquidating Trust

Beneficiaries and not unduly prolong its duration. The Blitz Liquidating Trust shall not be deemed a successor-in-interest of the USA Debtors for any purpose other than as specifically set forth herein or in the Blitz Liquidating Trust Agreement.

**5.6.1 Blitz Liquidating Trust as a "Grantor Trust".** The Blitz Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Blitz Liquidating Trust Beneficiaries treated as grantors and owners of the Blitz Liquidating Trust. For all federal income tax purposes, all parties (including, without limitation, the USA Debtors, the Blitz Liquidating Trustee, and the Blitz Liquidating Trust Beneficiaries) shall treat the transfer of the Blitz Liquidating Trust Assets by the USA Debtors to the Blitz Liquidating Trust, as set forth in the Blitz Liquidating Trust Agreement, as a transfer of such assets by the USA Debtors to the holders of Allowed Claims of Blitz Liquidating Trust Beneficiaries entitled to distributions from the Blitz Liquidating Trust Assets, followed by a transfer by such holders to the Blitz Liquidating Trust. Thus, the Blitz Liquidating Trust Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income tax purposes.

**5.6.2 Valuation of Blitz Liquidating Trust Assets.** As soon as reasonably practicable after the Effective Date, the Blitz Liquidating Trustee (to the extent that the Blitz Liquidating Trustee deems it necessary or appropriate in his or her sole discretion) shall value the Blitz Liquidating Trust Assets based on the good faith determination of the value of such Blitz Liquidating Trust Assets. The valuation shall be used consistently by all parties (including the USA Debtors, the Blitz Liquidating Trustee, and the Blitz Liquidating Trust Beneficiaries) for all federal income tax purposes. The Bankruptcy Court shall resolve any dispute regarding the valuation of the Blitz Liquidating Trust Assets.

**5.6.3 Blitz Liquidating Trustee's Right and Power to Invest.** The right and power of the Blitz Liquidating Trustee to invest the Blitz Liquidating Trust Assets transferred to the Blitz Liquidating Trust, the proceeds thereof, or any income earned by the Blitz Liquidating Trust, shall be limited to the right and power to invest such Blitz Liquidating Trust Assets (pending distributions in accordance with the Plan) in Permissible Investments; *provided, however,* that the scope of any such Permissible Investments shall be limited to include only those investments that a liquidating trust, within the meaning of Treas. Reg. § 301.7701-4(d), may be permitted to hold, pursuant to the Treasury Regulations, or any

modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements, or otherwise.

**5.7. Responsibilities of the Blitz Liquidating Trustee; Litigation.** The responsibilities of the Blitz Liquidating Trustee shall include, but shall not be limited to:

**5.7.1** the making of Distributions as contemplated herein;

**5.7.2** establishing and maintaining the USA Debtors Contingent Claims Cash Reserve and the USA Debtors Disputed Claims Cash Reserve in accordance with the terms of the Plan;

**5.7.3** conducting an analysis of Administrative Expense Claims (including fee applications of Bankruptcy Professionals, *provided, however*, any analysis of such fee applications shall be subject to and in accordance with the BAH Settlement Term Sheet) against the USA Debtors, Priority Claims against the USA Debtors, Secured Claims against the USA Debtors and General Unsecured Claims against the USA Debtors, and prosecuting objections thereto or settling or otherwise compromising such Claims if necessary and appropriate;

**5.7.4** preparing and filing post-Effective Date operating reports for the USA Debtors;

**5.7.5** filing appropriate tax returns with respect to the Blitz Liquidating Trust and paying taxes properly payable by the Blitz Liquidating Trust, if any, in the exercise of its fiduciary obligations; provided however, that for the avoidance of doubt, neither the Blitz Liquidating Trust or the Blitz Liquidating Trustee shall have any authority or duty to file any tax returns for any of the Debtors;

**5.7.6** retaining such professionals as are necessary and appropriate in furtherance of its fiduciary obligations;

**5.7.7** taking such actions as are necessary and reasonable to carry out the purposes of the Blitz Liquidating Trust;

**5.7.8** protecting and enforcing the rights to the Blitz Liquidating Trust Assets vested in the Blitz Liquidating Trustee by any method reasonably determined to be appropriate, including, without limitation, by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity; and

**5.7.9** terminating the Blitz Liquidating Trust and seeking to close the USA Debtors' Chapter 11 Cases pursuant to Section 350(a) of the Bankruptcy Code.

**5.8. Expenses of the Blitz Liquidating Trustee.** Fees and expenses incurred by the Blitz Liquidating Trustee shall be paid from the Blitz Liquidating Trust Expense Reserve.

**5.9. Bonding of the Blitz Liquidating Trustee.** The Blitz Liquidating Trustee shall not be obligated to obtain a bond but may do so, in his or her sole discretion, in which case the expense incurred by such bonding shall be paid by the Blitz Liquidating Trust.

**5.10. Fiduciary Duties of the Blitz Liquidating Trustee.** Pursuant to the Plan and the Blitz Liquidating Trust Agreement, the Blitz Liquidating Trustee shall act in a fiduciary capacity on behalf of the interests of all holders of Claims against the USA Debtors (other than those holders of Blitz Personal Injury Trust Claims) that will receive Distributions pursuant to the terms of the Plan.

**5.11. Cooperation; Transfer of Books and Records.** On the Effective Date or as soon thereafter as is practical, the USA Debtors will transfer and assign, or cause to be transferred and assigned, to the Blitz Liquidating Trust, all of the books and records of the USA Debtors except those that pertain to (a) the Blitz Personal Injury Trust Claims, and (b) the Blitz Personal Injury Trust Assets, including, but not limited to, insurance policies, self-insured retentions, deductibles, retrospective premiums, dividend payments, procurement of insurance, and the submission or payment of insurance claims and any other books and records transferred in accordance with section 4.9 of the Plan. The Debtors (to the extent practicable) shall further cooperate to the extent reasonably requested by the Blitz Liquidating Trustee in the handling of Claims (other than Blitz Personal Injury Claims) filed against the USA Debtors, and generally in the operation of the Blitz Liquidating Trust for purposes set forth herein and for the duration of the Blitz Liquidating Trust. The Debtors (to the extent practicable) shall further cooperate to the

extent reasonably requested (as determined by the Debtors in their sole discretion) by the Blitz Liquidating Trustee in the handling of Claims (other than Blitz Personal Injury Trust Claims) against the USA Debtors, and generally in the operation of the Blitz Liquidating Trust for purposes set forth herein and for the duration of the Blitz Liquidating Trust, and shall use reasonable best efforts (as determined by the Debtors in their sole discretion) to request present or former officers, directors, employees, agents or representatives to the extent that the Blitz Liquidating Trustee reasonably requests the Debtors to make such request to any of the foregoing and deems such persons necessary to appear at any trial or arbitration proceeding relating to the liquidation of Claims against the USA Debtors (other than Blitz Personal Injury Trust Claims). To the extent that the Debtors, the BAH Plan Administrator or the Blitz Personal Injury Trustee, as appropriate, require any information from the Blitz Liquidating Trustee for preparation of any tax return or financial statement, the Blitz Liquidating Trustee shall use its reasonable best efforts to cooperate, to the extent reasonably requested to provide such information to the Debtors, the BAH Plan Administrator or the Blitz Personal Injury Trustee, as appropriate. The Debtors (and any present or former officer, director, employee, agent or representative to the extent that such person is request to perform act or otherwise perform hereunder), the Blitz Personal Injury Trustee and/or the BAH Plan Administrator shall be entitled to the reimbursement of any reasonable fees, including professional fees, and expenses, incurred in compliance with any request of the Blitz Liquidating Trust pursuant to the foregoing. The Debtors' obligation (if any) to take any action contemplated hereunder is subject to the Debtors having funding necessary to do so and the Debtors are only required to take such actions (if any) as are reasonably practical under the circumstances.

**5.12. Transfer of Privileged Information and Confidential Information.** On the Effective Date or as soon thereafter as is reasonably practicable, except for the Blitz Personal Injury Privileged Information (which shall be treated as set forth in section 4.10 of the Plan), the Privileged Information of the USA Debtors shall be transferred, assigned, given over to, and shall vest exclusively in the Blitz Liquidating Trustee. Further, with regard to any such privileges, (i) they are transferred or contributed for the sole purpose of enabling the Blitz Liquidating Trustee to perform its duties to administer the Blitz Liquidating Trust and for no other reason, (ii) they are vested solely in the Blitz Liquidating Trustee, and not in the Blitz Liquidating Trust or any other entity, committee or subcomponent of the Blitz Liquidating Trust,

or any person (including counsel) who has been engaged by, represents or has represented any Blitz Personal Injury Claimant or any person who alleges or may allege a claim directly or indirectly relating to or arising from the Debtors' products, premises or operations, (iii) they shall be preserved and not waived, (iv) for the avoidance of doubt (if any), any such transfer or contribution shall have no effect on any right, claim or privilege of any person other than the Debtors, and (v) no information subject to a privilege or a prior assertion thereof shall be publicly disclosed by the Blitz Liquidating Trustee or the Blitz Liquidating Trust or communicated to any person not entitled to receive such information or in a manner that would diminish the protected status of any such information.

To the extent not subject to an applicable privilege or immunity in accordance with the foregoing, the Blitz Liquidating Trustee and any of his or her Representatives shall maintain the confidentiality of all Confidential Information and such Confidential Information may only be disclosed to the following persons: (i) the Blitz Liquidating Trustee and outside counsel to the Blitz Liquidating Trustee; (ii) experts, consultants or non-legal professionals who actively assist the Blitz Liquidating Trustee in the analysis, valuation and/or litigation of any Claim against the Blitz Liquidating Trust or the Blitz Liquidating Trust Assets; (iii) the Blitz Personal Injury Trustee and outside counsel to the Blitz Personal Injury Trustee solely to the extent necessary to comply with sections 4.9 and/or 5.11 of the Plan; (iv) paralegal, stenographic, technical, clerical, document management and secretarial personnel employed by any of the foregoing; (v) the Bankruptcy Court and court personnel, including stenographic, video, or audio reporters; (vi) any person identified on the face of any such Confidential Information as an author or recipient thereof; (vii) any person who is determined to have been an author and/or previous recipient of the Confidential Information, but is not identified on the face thereof; and (viii) during depositions or trial testimony (or preparation therefor), witnesses to whom disclosure is reasonably necessary, *provided, however* that none of the foregoing Entities is, has not been engaged by, represents, or has represented any holder of a Blitz Personal Injury Claim or any other person who has or may assert a claim directly or indirectly relating to, based upon, or arising from the Debtors' products, premises or operations.

**5.13. Dissolution of the Blitz Liquidating Trust.** The Blitz Liquidating Trust shall be dissolved no later than five (5) years from the Effective Date unless the Bankruptcy

Court, upon a motion Filed prior to the fourth anniversary or the end of any extension period approved by the Bankruptcy Court (the Filing of which shall automatically extend the term of the Blitz Liquidating Trust pending the entry of an order by the Bankruptcy Court granting or denying the motion), determines that a fixed period extension is necessary to facilitate or complete the recovery and liquidation of the Blitz Liquidating Trust Assets. The Blitz Liquidating Trust Agreement shall require that each extension be approved by the Bankruptcy Court within six (6) months prior to the conclusion of the extended term. After (a) the final Distribution of the USA Debtors Contingent Claims Cash Reserve and the USA Debtors Disputed Claims Cash Reserve and the balance of the assets or proceeds of the Blitz Liquidating Trust pursuant to the Plan, (b) the Filing by or on behalf of the Blitz Liquidating Trust of a certification of dissolution with the Bankruptcy Court in accordance with the Plan, and (c) any other action deemed appropriate by the Blitz Liquidating Trustee, the Blitz Liquidating Trust shall be deemed dissolved for all purposes without the necessity for any other or further actions.

**5.14. Full and Final Satisfaction against Blitz Liquidating Trust.** On and after the Effective Date, the Blitz Liquidating Trust shall have no liability on account of any Claims or Equity Interests except as set forth in the Plan and in the Blitz Liquidating Trust Agreement. All payments and all Distributions made by the Blitz Liquidating Trustee under the Plan shall be in full and final satisfaction, settlement, and release of and in exchange for all Claims or Equity Interests against the Blitz Liquidating Trust.

## ARTICLE VI

## INSURANCE-RELATED MATTERS

**6.1. Preservation of Rights and Defenses**. The Blitz Personal Injury Trust shall have, with respect to each Blitz Personal Injury Trust Claim, among other things, all defenses whatsoever under bankruptcy and non-bankruptcy law (including but not limited to all defenses under section 502 of the Bankruptcy Code), affirmative defenses, rights of setoff and recoupment, counterclaims and rights of contribution, reimbursement, subrogation and indemnity (i) that the Protected Parties would have had under applicable law if the holder of such Blitz Personal Injury Trust Claim had asserted such Blitz Personal Injury Trust Claim against one or more of the Protected Parties, and (ii) that the Debtors now have or ever had, except as any of the foregoing may be waived as set forth in the Blitz Personal Injury TDP.

**6.2. Preservation of Rights Under Assigned Blitz Insurance Policies.** The Assigned Blitz Insurance Policies shall be assigned by Debtors to the Blitz Personal Injury Trust, and the Blitz Personal Injury Trust shall assume all of the rights, duties, and obligations of the Debtors, as an insured under the Assigned Blitz Insurance Policies, without any modification of the terms and conditions of the Assigned Blitz Insurance Policies. The Blitz Personal Injury Trust is, and shall be deemed to be, for all purposes, including, without limitation, for purposes of the ownership of any Assigned Blitz Insurance Policy, the successor to the Debtors in respect of Blitz Personal Injury Trust Claims. Neither the Debtors nor any other Entity shall be entitled to any Assigned Blitz Insurance Policy Rights that may be available after the Effective Date. Nothing in the Plan and/or the Blitz Personal Injury Trust Agreement shall impair or otherwise limit any Non-Participating Insurer's right to contest coverage for any Blitz Personal Injury Trust Claim under any applicable Assigned Blitz Insurance Policies. The Allowed Amount of a Blitz Personal Injury Trust Claim shall determine and constitute the liability of the Blitz Personal Injury Trust (as successor for all purposes to the liabilities of the Debtors in respect of Blitz Personal Injury Trust Claims) for all purposes in respect of such Blitz Personal Injury Trust Claim; however, it shall not be deemed to be a judgment or settlement against any Blitz Insurer or any Blitz Insurance Policy. All disputes regarding the nature, extent and/or existence of Assigned Blitz Insurance Policy Rights shall be adjudicated exclusively in coverage litigation not in the Bankruptcy Court. Nothing in the Plan shall be deemed to accelerate any obligations allegedly owed by any Non-Participating Insurer under any applicable Assigned Blitz Insurance Policies.

**6.3. Preservation of Insurance Claims.** The Debtors' release, and the Protected Parties' discharge and release, from all Claims as provided herein shall neither diminish nor impair the enforceability of any of the Assigned Blitz Insurance Policies.

**6.4. No Acceleration of Assigned Blitz Insurance Policy Rights.** Notwithstanding any estimate of the amounts of any Blitz Personal Injury Trust Claims in connection with any aspect of the Plan or these Chapter 11 Cases, no such estimate or valuation shall be binding on any Non-Participating Insurer for any purpose including, without limitation, establishing the amount of any losses under any Assigned Blitz Insurance Policy; determining the amount of any judgment, settlement, or other obligation to pay any Blitz Personal Injury

Trust Claim under any Assigned Blitz Insurance Policy; a waiver of any Non-Participating Insurer's rights under any Assigned Blitz Insurance Policy or otherwise; or otherwise affecting or triggering any coverage obligations under any Assigned Blitz Insurance Policy. Nothing in the Plan, the Blitz Personal Injury Trust Agreement or the Blitz Personal Injury TDP shall be deemed to accelerate any obligations allegedly owed by any Non-Participating Insurer under any applicable Assigned Blitz Insurance Policy. Notwithstanding any otherwise applicable law to the contrary, the Confirmation Order shall not be deemed to constitute a binding judgment or settlement for purposes of affecting or triggering any coverage obligations under any Assigned Blitz Insurance Policy. Absent an express written agreement by a Non-Participating Insurer to the contrary, (i) no lump sum or accelerated payment under any Assigned Blitz Insurance Policy will be due upon entry of the Confirmation Order or upon allowance of any Blitz Personal Injury Trust Claim; and (ii) any payment obligation allegedly owed to the Blitz Personal Injury Trust by a Non-Participating Insurer under any Assigned Blitz Insurance Policy shall be due when, if ever, a covered Allowed Blitz Personal Injury Trust Claim, is presented to such Non-Participating Insurer and determined to be covered under any Assigned Blitz Insurance Policy, all in accordance with the Blitz Personal Injury Trust Agreement.

**6.5. Reduction of Insurance Judgments**. Any right, claim or cause of action that a Non-Participating Insurer may have been entitled to assert against any Participating Insurer but for the Channeling Injunction, if any such right, claim, or causes of action exist under applicable non-bankruptcy law, shall be channeled to and become a right, claim or cause of action solely as a setoff claim solely against the Blitz Personal Injury Trust and not against or in the name of the Participating Insurer in question. Any such right, claim, or cause of action to which a Non-Participating Insurer may be entitled, shall be solely a setoff against any recovery of the Blitz Personal Injury Trust from that Non-Participating Insurer, and under no circumstances shall that Non-Participating Insurer receive an affirmative recovery of funds from the Blitz Personal Injury Trust or any Participating Insurer for such right, claim, or cause of action. Any setoff in favor of a Non-Participating Insurer shall not constitute a classified or unclassified Claim under the Plan and shall not be subject to or impaired by the Plan. Instead, any setoff shall be determined, calculated and applied solely as a matter of applicable non-bankruptcy law without regard to the Plan or any bankruptcy law or decision.

**6.5.1** Pursuant to section 363(e) of the Bankruptcy Code, as adequate protection for any interest that Non-Participating Insurers may have in the Assigned Blitz Insurance Policies, in the event that a court, arbitrator, or other tribunal with competent jurisdiction over a coverage dispute related to the Assigned Blitz Insurance Policies determines that any Non-Participating Insurer would have been entitled, but for the terms of the Plan and Confirmation Order, to recover from any other Blitz Insurer as a result of such Non-Participating Insurer's claim for contribution, subrogation, indemnification, reimbursement, or other similar claim against such other Blitz Insurer that arises in relation to one or more of the Assigned Blitz Insurance Policies, including any claim for any such other Blitz Insurer's alleged share or equitable share of the defense or indemnity of the Debtors and/or the Blitz Personal Injury Trust, such Non-Participating Insurer's obligations under the Assigned Blitz Insurance Policies shall be reduced, dollar-for-dollar, by the amount of such Non-Participating Insurer's determined claim against such other Blitz Insurer that may be eliminated by the Plan and/or Confirmation Order. Further, nothing in the Plan or Confirmation Order shall prejudice a Non-Participating Insurer's right, as a predicate to being provided with the foregoing adequate protection under section 363(e), to raise as an issue in any dispute arising under the Assigned Blitz Insurance Policies, including any insurance coverage dispute with the Debtors and/or the Blitz Personal Injury Trust, that a Non-Participating Insurer, but for the Confirmation Order, would have had a right to pursue a claim for contribution, subrogation, indemnification, reimbursement or other similar relief against any such other Insurer, which claim may now be barred. Non-Participating Insurers shall not name or be required to name any such other Blitz Insurer as a party to such dispute to assert, effect or otherwise enforce the foregoing right to adequate protection under section 363(e).

**6.5.2** In the event that a Non-Participating Insurer either (i) obtains a final binding award (whether by judgment, arbitration award, or other judicial or quasi-judicial proceeding) against any other Blitz Insurer after a contested proceeding, or (ii) agrees to a settlement with any such other Blitz Insurer with the consent of the Debtors and/or the Blitz Personal Injury Trust entitling such Non-Participating Insurer to obtain a sum certain from any other Blitz Insurer as a result of a Non-Participating Insurer's claim for contribution, subrogation, indemnification, reimbursement, or other similar claim against any such other Blitz Insurer that arises in relation to one or more of the Assigned Blitz Insurance Policies for

its alleged share or equitable share of the defense and/or indemnity of the Debtors and/or the Blitz Personal Injury Trust, then the Debtors and/or the Blitz Personal Injury Trust shall voluntarily reduce such Non-Participating Insurer's obligation under the Assigned Blitz Insurance Policies by the amount of such award or settlement, or return to such Non-Participating Insurer an amount equal to such final award or settlement for claims released pursuant to the Plan and Confirmation Order, which amount shall be sufficient to eliminate such other Blitz Insurer's obligation to satisfy the settlement or award against it.

**6.6. Insurance Agreements.** Except to the extent expressly set forth in section 6.7 of the Plan, nothing contained in the Plan or any negotiations leading up to the Plan shall constitute a waiver of: (i) any claim, right, or cause of action that any of the Debtors, any Additional Insured, any Vendor or the Blitz Personal Injury Trust, as applicable, may have against any Non-Participating Insurer; or (ii) any defense to coverage that any Non-Participating Insurer may have against the Debtors, any Additional Insured, any Vendor, or the Blitz Personal Injury Trust. The discharge and release provisions contained in the Plan shall neither diminish nor impair the duties or obligations of any Non-Participating Insurer under any Assigned Blitz Insurance Policy or agreement relating thereto.

**6.7. Insurance Neutrality**. Notwithstanding any other terms or provisions in the Plan, Confirmation Order, any Plan Document, any finding of fact and/or conclusion of law with respect to the Confirmation of the Plan, or any Final Order or opinion entered on appeal from the Confirmation Order (including any other provision that purports to be preemptory or supervening), the Confirmation Order: (i) shall be without prejudice to the legal, equitable or contractual rights, remedies, claims, exclusions, limitations and/or defenses of any Non-Participating Insurer under any Assigned Blitz Insurance Policies and any other contracts related to the provision of insurance entered into by or issued to any of the Debtors or any of their predecessors that may provide either pre- and/or post-Petition Date insurance coverage for Claims asserted by or against the Debtors; (ii) shall not expand or alter any insurance coverage under any of the Assigned Blitz Insurance Policies, or shall be deemed to create any insurance coverage that does not otherwise exist, if at all, under the terms of the Assigned Blitz Insurance Policies, including, without limitation, insurance coverage for any Debtor or other Entity that is not a named insured under the Assigned Blitz Insurance Policies; (iii) shall not be deemed to

grant to any Entity, other than the Debtors and/or any Vendor, pursuant to the terms of any Assigned Blitz Insurance Policies, any right to sue any Non-Participating Insurer directly, in connection with any Claim, that such Entity did not have under applicable non-bankruptcy law prior to the commencement of the Chapter 11 Cases; (iv) shall not relieve the Debtors, any Vendor (or any other Entity or entity claiming to be an insured under any Assigned Blitz Insurance Policies) from any obligations or duties imposed by any Assigned Blitz Insurance Policies; (v) shall not be construed as an acknowledgment either that the Assigned Blitz Insurance Policies cover or otherwise apply to any Claims or that any Claims are eligible for payment under any of the Assigned Blitz Insurance Policies; (vi) shall not affect, impair or prejudice the claims and/or defenses of any Non-Participating Insurers under any Assigned Blitz Insurance Policies in any manner; (vii) shall not have any *res judicata*, collateral estoppel, or other preclusive effect on, or otherwise prejudice, diminish, impair or affect (under principles of waiver, estoppel, or otherwise) any Non-Participating Insurer's legal, equitable or contractual rights or obligations under any Assigned Blitz Insurance Policies; (viii) shall not constitute an adjudication, judgment, trial, hearing on the merits, finding, conclusion, other determination, or evidence or suggestion of any such determination: (a) establishing the liability (in the aggregate or otherwise) or coverage obligation of any Non-Participating Insurers for any Claims, including, *inter alia*, on the basis of the decision in *UNR Industries, Inc. v. Continental Casualty Co.*, 942 F.2d 1101 (7th Cir. 1991); and/or (b) establishing the liability or obligation of the Debtors, the Blitz Personal Injury Trust and/or the Blitz Liquidating Trust with respect to any Claim.

**6.7.1** The Plan shall not, and is not intended to, modify any of the rights or obligations of Non-Participating Insurers or the Debtors under the Assigned Blitz Insurance Policies; and the Debtors, and/or the Blitz Personal Injury Trust shall remain bound by all of the terms, conditions, limitations and/or exclusions contained in the Assigned Blitz Insurance Policies, which shall continue in full force and effect. Notwithstanding anything contained in the Plan, the Confirmation Order or any Plan Document to the contrary, to the extent that there is an inconsistency between any of the Assigned Blitz Insurance Policies, and any provision of the Plan, the Confirmation Order or any Plan Document, the terms of the Assigned Blitz Insurance Policies, shall control; and the rights and/or obligations of Non-Participating Insurers shall be determined under, and in accordance with, the Assigned Blitz Insurance Policies, any Insurance Settlement Agreements and/or applicable law, as the case may be; *provided,*

*however,* that nothing in section 6.7 of the Plan shall preclude the effectiveness of the Channeling Injunction or shall affect or limit, or be construed as affecting or limiting, the protection afforded to the Protected Parties under the Channeling Injunction, or shall affect or limit, or be construed as affecting or limiting the releases, covenants and/or agreements in the Blitz Personal Injury Trust Agreement (or any releases granted in connection therewith).

## ARTICLE VII

## INJUNCTIONS AND RELEASES

### 7.1. Term of Certain Injunctions and Automatic Stay.

**7.1.1** All of the injunctions (which do not include the Injunctions, as defined in the Plan) and/or automatic stays provided for in or with respect to these Chapter 11 Cases, whether pursuant to section 105, section 362 or any other provision of the Bankruptcy Code or other applicable law, in existence immediately prior to the Confirmation Date shall remain in full force and effect until the Injunctions (as defined in the Plan) provided for by the Plan become effective. In addition, on and after the Confirmation Date, the Proponents, with the consent of all the Settling Parties, may seek such further orders as they deem necessary to preserve the *status quo* during the time between the Confirmation Date and the Effective Date.

**7.1.2** Each of the Injunctions shall become effective on the Effective Date and shall continue to be effective at all times thereafter. Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by the Injunctions shall be enjoined or stayed during the period between the Confirmation Date and the Effective Date.

**7.1.3** On and after the Confirmation Date but prior to the Effective Date, all Entities are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any Claim, debt, right or cause of action of the Debtors which the Debtors retain sole and exclusive authority to pursue in accordance with Section 12.1.4 of the Plan.

### 7.2. Releases.

**7.2.1 Releases by Debtors and Estates.** ***For good and valuable consideration, including without limitation, (a) the Insurance Settlement Payment and Wal-***

*Mart's additional payment of $1.54 million, payment of which is critical to the Debtors' ability to obtain confirmation of the Plan and to effectuate distributions to holders of Blitz Personal Injury Trust Claims, and (b) the BAH Settlement Payment, payment of which is critical to the Debtors' ability to obtain confirmation of the Plan and to effectuate distributions to holders of Allowed Claims against the USA Debtors, as of the Effective Date, each of (i) the Debtors, on behalf of themselves and their respective Estates and their respective Affiliates, members, officers, directors, and employees, and any person claiming by or through them and (ii) the Creditors' Committee, on behalf of itself and its members (solely in their capacities as members of the Creditors' Committee), shall be deemed to completely and forever release, waive, disclaim and discharge the Protected Parties, of and from any and all claims, counterclaims, actions, causes of action, lawsuits, proceedings, adjustments, offsets, contracts, obligations, liabilities, controversies, costs, expenses, attorneys' fees and losses whatsoever, whether in law, in admiralty, in bankruptcy, or in equity, and whether based on any federal law, state law, foreign law, common law or otherwise, foreseen or unforeseen, matured or unmatured, known or unknown, accrued or not accrued based upon any acts, omissions, conduct or other matters occurring prior to the Effective Date and in any way related to the Debtors, their businesses, operations, activities, their Chapter 11 Cases, and/or any Blitz Product.*

**7.2.2 Releases by Holders of Claims and Equity Interests.** *For good and valuable consideration, including, without limitation, (a) the Insurance Settlement Payment and Wal-Mart's additional payment of $1.54 million, payment of which is critical to the Debtors' ability to obtain confirmation of the Plan and to effectuate distributions to holders of Blitz Personal Injury Trust Claims, and (b) the BAH Settlement Payment, payment of which is critical to the Debtors' ability to obtain confirmation of the Plan and to effectuate distributions to holders of Allowed Claims against the USA Debtors, as of the Effective Date, each present and former holder of a Claim or Equity Interest will be deemed to completely and forever release, waive, disclaim and discharge the Protected Parties of and from any and all claims, counterclaims, actions, causes of action, lawsuits, proceedings, adjustments, offsets, contracts, obligations, liabilities, controversies, costs, expenses, attorneys' fees and losses whatsoever, whether in law, in admiralty, in bankruptcy, or in equity, and whether based on any federal law, state law, foreign law, common law or otherwise, foreseen or*

***unforeseen, matured or unmatured, known or unknown, accrued or not accrued based upon any acts, omissions, conduct or other matters occurring prior to the Effective Date and in any way related to the Debtors, their businesses, operations, activities, their Chapter 11 Cases, and/or any Blitz Product.***

**7.2.3 Exceptions to Releases.** ***The Releases set forth in sections 7.2.1 and 7.2.2 shall not apply to***

**7.2.3.1.** ***Claims to enforce the terms of the Plan and the Plan Documents;***

**7.2.3.2.** ***Discovery Plastics, LLC solely with respect to the Fenn or Kornegay cases***

**7.2.3.3.** ***Any professionals, advisors, consultants or attorneys that have filed a proof of claim or that does file a motion or request for payment of administrative expense in the Debtors' Chapter 11 Cases;***

**7.2.3.4.** ***Any defenses, claims, counterclaims or objections in any way related to proofs of claim or requests for payment of administrative expense asserted by any officer, director or employees of any of the Debtors against any of the Debtors;***

**7.2.3.5.** ***Any claims held by Michael Montgomery against the USA Debtors;***

**7.2.3.6.** ***Any Blitz Personal Injury Claims occurring on or before the Release Date with the exception that (a) Wal-Mart and the BAH Settling Parties shall be released for all Blitz Personal Injury Claims occurring on or before the Release Date, (b) Westchester shall be released for all Blitz Personal Injury Claims occurring on or before the Release Date with the exception of Calder and Bosse (which shall be treated in accordance with paragraphs 28 and 29 of the Insurance Settlement Term Sheet, as applicable), and Jonathan and Renee Green shall retain and not release his claim to sanctions which is now pending appeal until such time as the Debtors, pursuant to paragraph 2 of the Insurance Settlement Term Sheet, dismiss their appeal and release the***

*$250,000 that has already been deposited to their counsel in escrow, at which time any claim by Jonathan and Renee Green shall be released, and (c) the Participating Insurers shall be released from any and all liability under the Participating Insurer Policies, except that Westchester shall not be released from the Calder and Bosse claims.*

7.2.3.7. *Any Blitz Personal Injury Claim against the USA Debtors and all Non-Participating Insurers occurring before the Release Date, which Claims shall be channeled to the Blitz Personal Injury Trust.*

7.2.3.8. *Any claim for damages on account of bodily injury and/or property damage that occurred on or after 12:01 A.M. on July 31, 2012.*

**7.3. Plan Injunction**. *Except as otherwise provided in the Plan and/or the Plan Documents (including specifically the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP), upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employers, agents, officers, directors, or principals, shall be and are permanently enjoined from and restrained against*

7.3.1 *taking any actions to interfere with the implementation or consummation of the Plan.*

7.3.2 *commencing or continuing in any court, proceeding or other tribunal of any kind, any suit, action, or other proceeding, or otherwise asserting any Claim or Equity Interest, which has been released pursuant to Sections 7.2.1, or 7.2.2 hereof or from seeking to hold any Protected Party liable in any such suit, action or proceeding or for any such Claim, or Equity Interest that has been released pursuant to Sections 7.2.1 or 7.2.2 of the Plan;*

7.3.3 *enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the Debtors, their Estates, their assets, the Protected Parties, the Blitz Liquidating Trust Assets and/or the Blitz Personal Injury Trust Assets;*

***7.3.4 creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance against the Debtors' assets, their Estates' assets, the Protected Parties' assets, the Blitz Liquidating Trust Assets and/or the Blitz Personal Injury Trust Assets; and***

***7.3.5 asserting, implementing or effectuating any setoff, right of subrogation, indemnity, contribution or recoupment of any kind against any obligation due any Protected Party or against the property of any Protected Party with respect to any such claim, demand or cause of action.***

## ARTICLE VIII

## EXECUTORY CONTRACTS AND UNEXPIRED LEASES

**8.1. Executory Contracts and Unexpired Leases Deemed Rejected.** Except as otherwise provided for herein, and except for executory contracts and unexpired leases which the Debtors either have assumed, have rejected or have filed a motion to assume prior to the Confirmation Date and which remains pending as of the Confirmation Date, all executory contracts and unexpired leases for goods, services or premises used in connection with Debtors' business operations shall be deemed rejected by the Debtors on the Effective Date, and the Plan shall constitute a motion to reject such executory contracts and unexpired leases. Subject to the occurrence of the Effective Date, entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such rejection is in the best interests of the Debtors, their Estates, and all parties in interest in these Chapter 11 Cases.

**8.2. Bar Date for Claims Arising from Rejection or Termination.** Claims created by the rejection of executory contracts or unexpired leases pursuant to the Plan must be filed with the Bankruptcy Court and served on the Blitz Liquidating Trustee or the BAH Plan Administrator, as applicable, no later than thirty (30) days after the Effective Date. Any Claims for rejection of executory contracts or unexpired leases pursuant to the Plan for which a proof of claim is not filed and served within such time will be forever barred and shall not be enforceable against the Debtors or their Estates, assets, properties, or interests in property; against the Blitz Liquidating Trust; or against the Blitz Personal Injury Trust. Unless otherwise ordered by the

Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as General Unsecured Claims under the Plan. For avoidance of doubt, nothing in the Plan shall extend any deadline for the filing of any Claims established in a previously entered order of the Bankruptcy Court.

**8.3. Assignment of Assigned Blitz Insurance Policies.** On the Effective Date, the Debtors shall assign the Assigned Blitz Insurance Policies to the Blitz Personal Injury Trust pursuant to section 365 of the Bankruptcy Code. The Plan shall constitute a motion to assume such Assigned Blitz Insurance Policies and, subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of such assumption and assignment pursuant to section 365(f) of the Bankruptcy Code and/or under applicable non-bankruptcy law, and findings by the Bankruptcy Court that each such assumption and assignment is in the best interests of the Debtors, their Estates, and all parties in interest in these Chapter 11 Cases. To the extent that any Assigned Blitz Insurance Policy is not an executory contract, it shall remain in full force and effect in accordance with its terms such that each of the parties' contractual, legal and equitable rights under each Assigned Blitz Insurance Policy shall remain unaltered; and such Assigned Blitz Insurance Policies shall be treated as reinstated and assigned to the Blitz Personal Injury Trust.

## ARTICLE IX

## ACCEPTANCE OR REJECTION OF THE PLAN

**9.1. Impaired Classes to Vote.** Each holder of a Claim or Equity Interest that is classified in an Impaired Class and is eligible to receive a Distribution pursuant to the Plan shall be entitled to vote to accept or reject the Plan.

**9.2. Acceptance by Impaired Class of Claims.**

**9.2.1** Pursuant to section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if, after excluding any Claims designated pursuant to section 1126(e) of the Bankruptcy Code, (a) the holders of at least two-thirds in dollar amount of the Allowed Claims actually voting in such Class have voted to accept such Plan and (b) more than one-half in number of such Allowed Claims actually voting in such Class have voted to accept the Plan.

**9.2.2** Except for holders of Claims in Classes that are deemed or presumed to have accepted or rejected the Plan pursuant to the terms of the Plan other than in this section 9.2.2, if holders of Claims in a particular Impaired Class of Claims were given the opportunity to vote to accept or reject the Plan and notified that a failure of any holders of Claims in such Impaired Class of Claims to vote to accept or reject the Plan would result in such Impaired Class of Claims being deemed to have accepted the Plan, then such Class of Claims shall be deemed to have accepted the Plan.

**9.3. Presumed Acceptances by Unimpaired Classes.** Classes of Claims or Equity Interests designated as Unimpaired are conclusively presumed to have voted to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code, and the votes of the holders of such Claims or Equity Interests will not be solicited.

**9.4. Presumed Rejection of the Plan.** Impaired Classes of Claims or Equity Interests that do not receive or retain property under the Plan are conclusively presumed to have voted to reject the Plan pursuant to 1126(g) of the Bankruptcy Code, and the votes of such Claims or Equity Interests will not be solicited.

**9.5. Nonconsensual Confirmation.** In the event that any Impaired Class of Claims shall fail to accept the Plan in accordance with section 1129(a) of the Bankruptcy Code, the Proponents reserve the right to (a) request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code with respect to such non-accepting class, in which case the Plan shall constitute a motion for such relief, or (b) modify the Plan in accordance with section 10.1 hereof to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

## ARTICLE X
## MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

**10.1. Modification of the Plan.** Proponents, unless otherwise provided in the Plan or the Plan Documents, may alter, amend, or modify the Plan and the Plan Documents under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date so long as the Plan and the Plan Documents, as modified, meet the requirements of sections 1122 and 1123 of the Bankruptcy Code and all the Settling Parties have consented to such alterations, amendments

or modifications to the Plan and Plan Documents. After the Confirmation Date, and prior to the Effective Date, unless otherwise provided in the Plan or the Plan Documents, Proponents may alter, amend, or modify the Plan and the Plan Documents in accordance with section 1127(b) of the Bankruptcy Code and with the consent of all the Settling Parties. From and after the Effective Date, the Plan Documents may be modified in accordance with their respective terms, *provided, however*, that any modification to any Plan Document must be consistent with the Plan and the Confirmation Order. In the event that any modifications to any Plan Document are not consistent with the Plan and Confirmation Order, section 1.2.5 of the Plan shall govern such inconsistencies.

**10.2. Revocation or Withdrawal.**

**10.2.1 Right to Revoke.** Proponents may revoke or withdraw the Plan at any time prior to the Effective Date with the consent of all the Settling Parties.

**10.2.2 Effect of Withdrawal or Revocation.** If Proponents revoke or withdraw the Plan, then the Plan and the settlements contemplated thereby, including, without limitation the Insurance Settlement and the BAH Settlement shall be deemed null and void. In such event, nothing contained herein or in any of the Exhibits hereto shall be deemed to constitute an admission of liability by Proponents, any Protected Party or any other Entity nor a waiver or release of any Claims by Proponents, any Protected Party or any other Entity or to prejudice in any manner the rights of the Debtors, any Protected Party or any Entity in any further proceedings.

## ARTICLE XI

## CONDITIONS PRECEDENT

**11.1. Conditions Precedent to Confirmation**. Each of the following is a condition precedent to the Confirmation of the Plan, which must be satisfied or waived by each of the Settling Parties in its sole and absolute discretion in accordance with section 11.5 of the Plan:

**11.1.1** The Bankruptcy Court shall have entered an order approving the Insurance Settlement Agreement on terms which shall be acceptable to each of the Insurance Settling Parties, in their sole discretion;

**11.1.2** the Bankruptcy Court shall have entered an order approving the Disclosure Statement as containing adequate information within the meaning of section 1125 of the Bankruptcy Code;

**11.1.3** the Confirmation Order, including, *inter alia*, the Channeling Injunction and the Releases, in a form and substance acceptable to all the Settling Parties, shall have been entered by the Bankruptcy Court and shall not in any way impair, diminish or detract from the terms of the Insurance Settlement or the BAH Settlement;

**11.1.4** all documents, instruments, and agreements provided under, or necessary to implement, the Plan, shall have been executed and delivered by the applicable parties and shall be in a form and substance acceptable to all the Settling Parties;

**11.1.5** the Debtors and the Blitz Personal Injury Trustee shall have executed the Blitz Personal Injury Trust Agreement and shall have established the Blitz Personal Injury Trust pursuant to the Plan and shall be in a form and substance acceptable to all the Settling Parties;

**11.1.6** the Debtors and the Blitz Liquidating Trustee shall have executed the Blitz Liquidating Trust Agreement and shall have established the Blitz Liquidating Trust pursuant to the Plan and shall be in a form and substance acceptable to Proponents;

**11.1.7** the substantive consolidation of the USA Debtors and the substantive consolidation of the BAH Debtors shall have been approved by the Bankruptcy Court; and

**11.1.8** the following findings of fact or conclusions of law shall be contained in the Confirmation Order:

**11.1.8.1.** As of the Petition Date, certain of the Debtors have been named as defendants in personal injury or wrongful death actions seeking recovery for damages allegedly caused by Blitz Products;

**11.1.8.2.** The Blitz Personal Injury Trust, as of the Effective Date, will assume the liabilities of the Debtors and the Protected Parties with respect to the Blitz

Personal Injury Trust Claims and shall assume all obligations of the Blitz Personal Injury Trust set forth in the Plan Documents;

**11.1.8.3.** The Blitz Personal Injury Trust, upon the Effective Date, shall have received the Blitz Personal Injury Trust Assets or, if applicable, the right to receive such assets in accordance with the terms of the Plan and the Plan Documents;

**11.1.8.4.** Pursuit of the Blitz Personal Injury Trust Claims outside the procedures prescribed by the Plan is likely to threaten the Plan's purpose to deal equitably with Blitz Personal Injury Trust Claims;

**11.1.8.5.** The Blitz Personal Injury Trust shall use its assets and income to pay Blitz Personal Injury Trust Claims and Blitz Personal Injury Trust Expenses in accordance with the Blitz Personal Injury Trust Agreement and Blitz Personal Injury TDP;

**11.1.8.6.** The actual amounts and timing of the Blitz Personal Injury Trust Claims cannot be determined at the time of the entry of the Confirmation Order;

**11.1.8.7.** The sole and exclusive remedy of holders of Blitz Personal Injury Trust Claims against the Debtors and the Protected Parties shall be against the Blitz Personal Injury Trust, and no such Blitz Personal Injury Trust Claims may be asserted against the Debtors or any Protected Party;

**11.1.8.8.** An identity of interests exists between the Debtors and the non-debtor Protected Parties such that a Claim asserted against any non-debtor Protected Party gives rise to a claim against the Debtors by contract and/or operation of the law of indemnity and/or contribution;

**11.1.8.9.** The terms of the Channeling Injunction, including any provisions barring actions against third parties, are set out in conspicuous language in the Plan and in the Disclosure Statement and are essential elements of the Plan and the Debtors' liquidating efforts, and are appropriate under the circumstances;

**11.1.8.10.** The procedures and payment mechanisms set forth in the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP are fair and equitable to the holders of Blitz Personal Injury Trust Claims and provide reasonable assurance that the Blitz Personal Injury Trust will value, and be in a financial position to pay, Blitz Personal Injury Trust Claims that involve similar claims in substantially the same manner;

**11.1.8.11.** The Plan provides a mechanism to pay for all, or substantially all, Blitz Personal Injury Trust Claims;

**11.1.8.12.** The transfer of Blitz Personal Injury Trust Assets to the Blitz Personal Injury Trust does not violate any obligations of the Debtors;

**11.1.8.13.** Any transfers of property by the Debtors (i) to the Blitz Liquidating Trust and/or the Blitz Personal Injury Trust (a) are or will be legal, valid and effective transfers of property, (b) vest or will vest the Blitz Liquidating Trust and/or the Blitz Personal Injury Trust, as the case may be, with good title to such property free and clear of all Liens, Claims, encumbrances or Equity Interests, except as expressly provided in the Plan or Confirmation Order, (c) do not and will not constitute avoidable transfers under the Bankruptcy Code or under applicable bankruptcy or nonbankruptcy law, and (d) except as provided otherwise in the Plan Documents, do not and will not subject the Debtors, the Blitz Liquidating Trust, the Blitz Personal Injury Trust and/or the BAH Plan Administrator to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor, transferee or stamp or recording tax liability, and (ii) to holders of Claims under the Plan are for good consideration and value;

**11.1.8.14.** The Bankruptcy Court has subject-matter jurisdiction to issue the Channeling Injunction; and the Channeling Injunction is authorized by section 105 of the Bankruptcy Code and/or by the Bankruptcy Court's inherent authority or other statutory authority;

**11.1.8.15.** Approval of the Insurance Settlement, the BAH Settlement and any other settlement agreement between the Debtors and any other Entities not previously approved by the Bankruptcy Court is appropriate under Bankruptcy Rule 9019 and the applicable law governing approval of such settlements and compromises and is granted as part of the Confirmation Order;

**11.1.8.16.** Subject to the provisions of section 14.2.7 of the Plan, upon the contribution of the Insurance Settlement Payment to the Blitz Personal Injury Trust, all interests in the Participating Insurer Policies shall be deemed to have been released and sold back to the Participating Insurers free and clear of all rights, claims, liens, interest, and/or encumbrances in the Participating Insurer Policies pursuant to section 363 of the Bankruptcy Code;

**11.1.8.17.** Subject to the provisions of section 14.2.7 of the Plan, upon the contribution of the Insurance Settlement Payment to the Blitz Personal Injury Trust, all Blitz Personal Injury Claims arising on or after 12:01 PM CST on July 31, 2007 (except for *Calder* and *Bosse*) and for which litigation was commenced as of the date of execution of the Insurance Settlement Term Sheet shall be deemed dismissed and withdrawn with prejudice without any further action of the Insurance Settling Parties;

**11.1.8.18.** The Plan complies with all applicable sections of the Bankruptcy Code, and the Debtors have complied with all applicable sections of the Bankruptcy Code;

**11.1.8.19.** The substantive consolidation of the USA Debtors for purposes of Distributions as set forth in section 12.1.5 of the Plan and the substantive consolidation of the BAH Debtors for purposes of Distributions as set forth in section 12.1.6 of the Plan are approved;

**11.1.8.20.** In light of the respective direct and indirect benefits provided, or to be provided, to the Blitz Personal Injury Trust or the USA Debtors, as applicable, by, or on behalf of, each Participating Insurer, Wal-Mart or any other Protected Party pursuant to the Insurance Settlement Term Sheet, the identification of the Participating

Insurers, Wal-Mart or any other Protected Party in the Channeling Injunction is fair and equitable with respect to any Entity that might subsequently assert Blitz Personal Injury Trust Claims or any other Claim against a Participating Insurer, Wal-Mart or any other Protected Party pursuant to the Insurance Settlement Term Sheet. The Insurance Settlement constitutes a reasonable settlement and fair resolution of the Participating Insurers' alleged liabilities and obligations under the Participating Insurer Policies. The Insurance Settlement constitutes a reasonable settlement and fair resolution of Wal-Mart's alleged liabilities and obligations with respect to any Blitz Personal Injury Trust Claim and Wal-Mart's rights under the Blitz Insurance Policies;

**11.1.8.21.** In light of the respective direct and indirect benefits provided, or to be provided, to the Blitz Personal Injury Trust or the USA Debtors, as applicable, by, or on behalf of, each BAH Settling Party or any other Protected Party pursuant to the BAH Settlement, the identification of the BAH Settling Parties or any other Protected Party in the Channeling Injunction is fair and equitable with respect to any Entity that might subsequently assert Blitz Personal Injury Trust Claims or any other Claim against a BAH Settling Party or any other Protected Party pursuant to the BAH Settlement. The BAH Settlement constitutes a reasonable settlement and fair resolution of the BAH Settling Parties' alleged liabilities by the Creditors' Committee on behalf of the USA Debtors' Estates and for the Blitz Personal Injury Claims;

**11.1.8.22.** The contributions to be made by Protected Parties to the Blitz Personal Injury Trust and the USA Debtors' Estates are substantial and are a fundamental, integral and essential component of the success and implementation of the Plan;

**11.1.8.23.** The Channeling Injunction and Releases, as applied to Blitz Personal Injury Trust Claims against the Protected Parties, are essential and necessary for the Debtors because, among other reasons, the Protected Parties would not be willing to make their contributions to the Blitz Personal Injury Trust or the USA Debtors' Estates without the protection provided by the Channeling Injunction and Releases;

**11.1.8.24.** The Plan would not be able to be confirmed and the Insurance Settlement would not be able to be consummated without the BAH Settlement Payment to the USA Debtors' Estates; the BAH Settling Parties would not have agreed to the terms of the BAH Settlement if they did not include the Channeling Injunction and Releases for the BAH Settling Parties;

**11.1.8.25.** The identification and designation of each Protected Party is fair and equitable with respect to Entities that might subsequently assert Blitz Personal Injury Trust Claims against any such Protected Party, in light of the benefits provided, or to be provided, to the Blitz Personal Injury Trust by or on behalf of the Protected Parties;

**11.1.8.26.** In view of the substantial contributions to the Blitz Personal Injury Trust and the USA Debtors' Estates made by or on behalf of the Protected Parties, it is reasonable and fair for the Plan to provide that holders of Blitz Personal Injury Trust Claims be enjoined from pursuing any action against the Protected Parties;

**11.1.8.27.** The Plan does not violate any consent to assignment, consent to settlement, management of claims, cooperation, or similar clause in any Assigned Blitz Insurance Policy;

**11.1.8.28.** The Plan does not materially increase any Non-Participating Insurer's risk of providing coverage for any Blitz Personal Injury Trust Claims under the relevant Assigned Blitz Insurance Policy as compared to the risk that was otherwise being borne by such Non-Participating Insurer prior to the Effective Date;

**11.1.8.29.** Except for an agreed upon joint press statement with respect to the Insurance Settlement to be released to the public at an agreed upon time, no Insurance Settling Party shall make any statements to the media concerning the Insurance Settlement other than referring the media to such press statement and any court filings not under seal. This paragraph shall not preclude plaintiff's counsel from identifying on their respective websites and in other materials describing their respective law firms, the fact that they were one of the counsel involved in the Insurance Settlement; and

**11.1.8.30.** The provisions of the Confirmation Order are non-severable and mutually dependent.

**11.2. Conditions Precedent to the Effective Date.** The "substantial consummation," as defined in section 1101 of the Bankruptcy Code, shall not occur, and the Plan shall be of no force and effect, until the Effective Date. The occurrence of the Effective Date is subject to satisfaction of each of the following conditions precedent, each of which may be waived by all the Settling Parties in their sole and absolute discretion:

**11.2.1** The Confirmation Order shall have become a Final Order;

**11.2.2** There is no stay in effect with respect to the Confirmation Order, and the Confirmation Order, including the Channeling Injunction and Releases, shall be in full force and effect;

**11.2.3** There is no order issued by any court that invalidates the Channeling Injunction and Releases or deprives any of the Protected Parties of the protections of the Channeling Injunction and Releases;

**11.2.4** The Blitz Personal Injury Trust shall have been funded as provided in section 4.5 of the Plan;

**11.2.5** At least eighty percent (80%) of the Insurance Settlement Payment shall have been funded by Wal-Mart and or the Participating Insurers;

**11.2.6** The Blitz Personal Injury Trustee shall have accepted his or her appointment and executed the Blitz Personal Injury Trust Agreement;

**11.2.7** The Blitz Liquidating Trust shall have been funded in accordance with the terms of this Plan;

**11.2.8** No suit, action or administrative proceeding shall have been filed and be pending, or shall have been threatened, against any of the Settling Parties which, if successful, would: (a) prohibit that Settling Party from consummating the transactions set forth in the Plan; (b) would make the transactions set forth in the Plan infeasible, impossible or undesirable, any

and all of which shall be determined by that Settling Party in its sole discretion; or (c) which would subject that Settling Party to damages, fines, or penalties in connection with the consummation of the Plan;

**11.2.9** The Debtors shall have sufficient funds to satisfy all Allowed Administrative Expense Claims in full, in Cash;

**11.2.10** If a Notice of Failure of Effective Date has been filed with the Court, such Notice of Failure of Effective Date shall have been cured in accordance with the provisions of paragraph 3 of the Insurance Settlement Term Sheet;

**11.2.11** The Plan Documents necessary or appropriate to implement the Plan, shall have been executed and shall be in full force and effect;

**11.2.12** All authorizations, consents, and regulatory approvals required, if any, in connection with the consummation of the Plan shall have been obtained; and

**11.2.13** All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed;

**11.3. Simultaneous Actions**. Except as otherwise specified to occur in a specific order, all actions required to be taken on the Effective Date of the Plan, to the extent such actions have actually been taken, shall be deemed to have occurred simultaneously. In no event shall any action be deemed to have occurred unless the action in fact occurred.

**11.4. Effect of Failure of Conditions**. In the event that one or more of the conditions specified in sections 11.1 or 11.2 of the Plan cannot be satisfied after a reasonable amount of time and the occurrence of such condition is not waived by all the Settling Parties in their sole and absolute discretion, then Proponents, with the consent of all the Settling Parties, shall file a notice of the failure of the Effective Date with the Bankruptcy Court, at which time the Plan and the Confirmation Order, if the conditions precedent to the Confirmation Date have been satisfied, shall be deemed null and void. If the Effective Date does not occur, then (a) the Confirmation Order, if the conditions precedent to Confirmation Date have been satisfied, shall be vacated, (b) no Distributions under the Plan shall be made, (c) the Debtors and all holders of

Claims and Equity Interests shall be restored to the *status quo ante*, including any injunctions and automatic stays issued in these Chapter 11 Cases, as of the day immediately preceding the Confirmation Date, if the conditions precedent to Confirmation Date shall have been made, as though the Confirmation Order had never been entered and the Confirmation Date never occurred, and (d) the Debtors' obligations with respect to all of the Claims and Equity Interests shall remain unchanged, and nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Equity Interests by or against the Debtors or any other Entity or to prejudice in any manner the rights of the Debtors or any Entity in any further proceedings involving the Debtors.

**11.5. Waiver of Conditions Precedent.** Proponents reserve the right to waive the occurrence of any of the foregoing conditions specified in sections 11.1 or 11.2 of the Plan or to modify any such conditions precedent with the consent of all the Settling Parties. Except as otherwise set forth herein, any such waiver of a condition precedent may be affected at any time, without notice, without leave or order of the Bankruptcy Court, and without formal action other than the filing of a stipulation executed by each of the Settling Parties and proceeding to consummate the Plan.

## ARTICLE XII

## IMPLEMENTATION OF THE PLAN

### 12.1. Corporate Restructuring and Re-Vesting of Assets.

**12.1.1 Intercompany Claims.** Except as otherwise may be provided in the Plan, on the Effective Date, all Intercompany Claims of any Debtor against any other Debtor are waived and cancelled.

**12.1.2 Equity Interests in the Debtors.** Except as otherwise may be provided in the Plan, on the Effective Date, the Equity Interests in the Debtors shall be cancelled.

**12.1.3 Title to Assets.** Except as otherwise may be provided in the Plan, on the Effective Date, title to all assets and properties and interests in property of the USA Debtors dealt with by the Plan shall either vest in the Blitz Personal Injury Trust or the Blitz Liquidating Trust, as applicable, free and clear of all Claims, Liens and/or Equity Interests and

title to all assets and properties and interests in property of the BAH Debtors dealt with by the Plan shall vest in BAH, free and clear of all Claims, Liens and Equity Interests.

**12.1.4 Preservation and Assignment of Rights and Causes of Action.** All rights and causes of action in connection with the Blitz Personal Injury Trust Claims accruing to the Debtors pursuant to the Bankruptcy Code or any other statute or any legal theory, and any rights for recovery under any Assigned Blitz Insurance Policy are hereby expressly assigned to the Blitz Personal Injury Trust, and on the Effective Date, shall be transferred and assigned to the Blitz Personal Injury Trust. All of the Debtors' right, title and interest, if any, in and to Claims of contribution and indemnification in respect of Blitz Personal Injury Trust Claims are hereby preserved to the extent those Claims have not been settled pursuant to the Insurance Settlement, or any other settlement agreement between the Debtors and any other Entities. The Blitz Personal Injury Trust shall investigate, prosecute, settle or abandon such rights, as may be determined in the sole discretion of the Blitz Personal Injury Trustee; *provided, however,* any such prosecution or settlement shall not violate the terms of the Insurance Settlement, or any other settlement agreement between the Debtors and any other Entities. All rights and causes of action accruing to the USA Debtors pursuant to the Bankruptcy Code or any other statute or any legal theory, not expressly assigned and transferred to the Blitz Personal Injury Trust, are expressly assigned to the Blitz Liquidating Trust and on the Effective Date, shall be transferred and assigned to the Blitz Liquidating Trust. All rights and causes of action accruing to the BAH Debtors pursuant to the Bankruptcy Code or any other statute or any legal theory not expressly waived or assigned are expressly retained and preserved by BAH.

**12.1.5 Substantive Consolidation of the USA Debtors.** The Plan, with respect to the USA Debtors, shall be implemented through a substantive consolidation of the assets and liabilities of the USA Debtors with one another. The Confirmation Order shall contain findings supporting the conclusions providing for substantive consolidation for purposes of distribution on the terms set forth in this section of the Plan. The substantive consolidation of the assets and liabilities and properties of the USA Debtors shall have the effects set forth in this section of the Plan

**12.1.5.1.** The Chapter 11 Cases of the USA Debtors shall be consolidated into the case of Blitz U.S.A., Inc. as a single consolidated case with respect to Claims against the USA Debtors. All property of the estate of each USA Debtor shall be deemed to be property of the consolidated estates with respect to the payment of Claims against the USA Debtors.

**12.1.5.2.** All Claims against each USA Debtor's Estate shall be deemed to be Claims against the consolidated estates, all proofs of claim filed against one or more of the USA Debtors shall be deemed to be a single Claim filed against the consolidated estates, and all duplicate proofs of claim for the same Claim filed against more than one USA Debtor shall be deemed expunged.

**12.1.5.3.** As set forth in section 12.1.1, no Distributions under the Plan shall be made on account of Intercompany Claims among the USA Debtors.

**12.1.5.4.** For purposes of determining the availability of the right of setoff under section 553 of the Bankruptcy Code, the USA Debtors shall be treated as one consolidated entity so that, subject to the other provisions of section 553, debts due to any of USA Debtors may be set off against the debts of any other of the USA Debtors.

**12.1.6 Substantive Consolidation of the BAH Debtors.** The Plan, with respect to the BAH Debtors, shall be implemented through a substantive consolidation of the assets and liabilities of the BAH Debtors with one another. The Confirmation Order shall contain findings supporting the conclusions providing for substantive consolidation for purposes of distribution on the terms set forth in this section of the Plan. The substantive consolidation of the assets and liabilities and properties of the BAH Debtors shall have the effects set forth in this section of the Plan.

**12.1.6.1.** On the Effective Date or as soon as reasonably practicable thereafter, LAM shall merge with and into BAH, as set forth in section 12.4.2 of the Plan.

**12.1.6.2.** The Chapter 11 Cases of the BAH Debtors shall be consolidated into the case of BAH as a single consolidated case with respect to Claims against the BAH Debtors. All property of the estate of each BAH Debtor shall be deemed to

be property of BAH's Estate with respect to the payment of Claims against the BAH Debtors.

**12.1.6.3.** All Claims against each BAH Debtor's Estate shall be deemed to be Claims against BAH's Estate, all proofs of claim filed against one or more of the BAH Debtors shall be deemed to be a single Claim filed against BAH, and all duplicate proofs of claim for the same Claim filed against more than one BAH Debtor shall be deemed expunged.

**12.1.6.4.** As set forth in section 12.1.1, no Distributions under the Plan shall be made on account of Intercompany Claims among the BAH Debtors.

**12.1.6.5.** Notwithstanding the substantive consolidation of the BAH Debtors provided by section 12.1.6, for purposes of determining the availability of the right of setoff under section 553 of the Bankruptcy Code, debts due to any of the BAH Debtors may not be set off against the debts of any other of the BAH Debtors.

**12.2. Setoffs**. Subject to the limitations provided in section 553 of the Bankruptcy Code, the Debtors, the Blitz Liquidating Trust or the Blitz Personal Injury Trust, as applicable, may, but shall not be required to, setoff against any Claim and the payments or Distributions to be made pursuant to the Plan in respect of such Claim, any claims, rights, causes of action and liabilities of any nature that the Debtors, the Blitz Liquidating Trust or the Blitz Personal Injury Trust may hold against the holder of such Claim; *provided, however*, that neither the failure to effect such a setoff nor the Allowance of any Claim hereunder shall constitute a waiver or release by the Debtors, the Blitz Liquidating Trust or the Blitz Personal Injury Trust, as the case may be, of any of such claims, rights, causes of action and liabilities that the Debtors, the Blitz Liquidating Trust or the Blitz Personal Injury Trust has or may have against the holder of such Claim.

**12.3. Corporate Authority.** The entry of the Confirmation Order shall constitute direction and authorization to and of the Debtors to take or cause to be taken any corporate action necessary or appropriate to consummate the provisions of the Plan, including without limitation taking all action to implement the BAH Settlement and the Insurance Settlement, and

all such actions taken or caused to be taken shall be deemed authorized and approved in all respects without any further action by the stockholders, officers and/or directors of the Debtors.

**12.4. Corporate Action.**

**12.4.1 By the USA Debtors.** Upon the Effective Date or as soon thereafter as reasonably practicable, after the vesting of the Blitz Liquidating Trust Assets in the Blitz Liquidating Trust and the vesting of the Blitz Personal Injury Trust Assets in the Blitz Personal Injury Trust, the USA Debtors other than Blitz U.S.A., Inc. shall be deemed to have been dissolved and terminated. Upon the Effective Date, the terms of all directors and officers of each USA Debtor shall be deemed to have expired, all such directors and officers shall be released of their duties and all actions in furtherance of the Plan shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by the USA Debtors, holders of Claims or Equity Interests, directors, managers, or officers of the USA Debtors, or any other Entity, including the transfer of assets of the USA Debtors to the Blitz Liquidating Trust, and the Blitz Personal Injury Trust, respectively, and the dissolution or winding up of the USA Debtors other than Blitz U.S.A., Inc. The directors and officers of the USA Debtors, the Blitz Liquidating Trustee, and the Blitz Personal Injury Trustee, as applicable, shall be authorized to execute, deliver, file, or record such contracts, instruments, release, and other agreements or documents and take such other actions as they may deem, in their sole discretion, necessary or appropriate to effectuate and implement the provisions of the Plan. The authorizations and approvals contemplated by section 12.4.1 of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

**12.4.2 By the BAH Debtors.** Upon the Effective Date or a soon as reasonably practicable thereafter: (i) LAM shall merge with and into BAH; (ii) the number of directors constituting the entire board of directors of BAH shall be fixed at one; (iii) the BAH Plan Administrator, who shall be a current member of the board of directors of BAH and chosen by the board of directors of BAH, shall be deemed to be elected as the sole officer and sole director of BAH and each existing officer and member of the board of directors of the BAH Debtors shall be deemed to have been removed as of the occurrence of the Effective Date; (iv) all existing stock in BAH shall be cancelled; (v) a single share of the stock of BAH shall be

issued to Kinderhook Capital Fund II, L.P. (which single share shall be issued for the sole purpose of allowing BAH to comply with any annual meeting or election of director requirements after the Effective Date, but shall not entitle the Kinderhook Capital Fund II, L.P. to receive, make, or call for any distribution, dividends or redemptions from BAH); (vi) all actions in furtherance of the Plan shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by the BAH Debtors, holders of Claims or Equity Interests, directors, members, managers, or officers of the BAH Debtors, or any other Entity, including the dissolution or winding up of BAH; and (vii) the BAH Plan Administrator shall be authorized to execute, deliver, file, or record such contracts, instruments, release, and other agreements or documents and take such other actions as the BAH Plan Administrator may deem, in the BAH Plan Administrator's sole discretion, necessary or appropriate to effectuate and implement the provisions of the Plan. As soon as reasonably practicable after making distributions provided for under the Plan, BAH shall be dissolved and the BAH Plan Administrator, without further action of the directors or stockholders of BAH, shall be authorized to file a certificate of dissolution and take any other action that may be necessary to terminate the corporate existence of BAH. The authorizations and approvals contemplated by section 12.4.2 of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

**12.5. Effectuating Documents and Further Transactions**. The Blitz Liquidating Trust, the Blitz Personal Injury Trust and/or the BAH Plan Administrator, as applicable, shall be authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take or direct such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

**12.6. Incorporation of Plan Documents**. All Plan Documents attached as exhibits to the Plan and/or filed with the Plan Supplement are hereby incorporated into and made a part of the Plan.

## ARTICLE XIII

## RETENTION OF JURISDICTION

**13.1. General Jurisdiction.**

**13.1.1** The Bankruptcy Court shall retain the fullest and most extensive jurisdiction permissible and necessary to ensure that the purposes and intent of the Plan are carried out. Except as otherwise provided in the Plan, the Bankruptcy Court shall retain jurisdiction to hear and determine all Claims against the Debtors, and to adjudicate and enforce all of the Debtors' causes of action. Nothing contained herein shall prevent the Debtors, the Blitz Liquidating Trust, the Blitz Personal Injury Trust or the BAH Plan Administrator, as applicable, from taking such action as may be necessary in the enforcement of any cause of action which the Debtors have or may have and which may not have been enforced or prosecuted by the Debtors, which cause of action shall survive confirmation of the Plan and shall not be affected hereto except as specifically provided herein.

**13.1.2** Following the entry of the Confirmation Order, the administration of the Chapter 11 Cases will continue at least until the completion of the transfers contemplated to be accomplished on the Effective Date. Moreover, the Blitz Personal Injury Trust shall be subject to the continuing jurisdiction of the Bankruptcy Court in accordance with the requirements of section 468(B) of the Internal Revenue Code and the Treasury regulations issued pursuant thereto. The Bankruptcy Court shall also retain jurisdiction for the purpose of classification of any Claim and the re-examination of Claims that have been Allowed temporarily for purposes of voting, and the determination of such objections as may be filed with the Bankruptcy Court with respect to any Claim, other than Blitz Personal Injury Trust Claims. The failure by the Proponents to object to, or examine, any Claim for the purposes of voting, shall not be deemed a waiver of the right of the Protected Parties, the Blitz Liquidating Trust, the BAH Plan Administrator and/or the Blitz Personal Injury Trust to object to or re-examine such Claim in whole or part for any other purpose.

**13.2. Specific Jurisdiction**. In addition to the foregoing, the Bankruptcy Court shall retain exclusive jurisdiction for the following specific purposes after the Confirmation Date:

**13.2.1** To modify the Plan after the Confirmation Date, pursuant to the provisions of the Bankruptcy Code, the Bankruptcy Rules and the terms and conditions of the Plan;

**13.2.2** To correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary changes or modifications in or to the Plan, the Plan Documents or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan, including the adjustment of the date(s) of performance under the Plan Documents in the event that the Effective Date does not occur as provided herein so that the intended effect of the Plan may be substantially realized thereby;

**13.2.3** To hear, determine and resolve controversies related to the Blitz Liquidating Trust;

**13.2.4** To assure the performance by all the Debtors, the Blitz Personal Injury Trust, the BAH Plan Administrator and/or the Blitz Liquidating Trust, as applicable, of their respective obligations to make Distributions under the Plan;

**13.2.5** To enforce and interpret the terms and conditions of the Plan Documents and any documents issued or executed with respect to the Plan;

**13.2.6** To enter such orders or judgments, including, but not limited to, the Injunctions (i) as are necessary to enforce the title, rights, and powers of the Debtors, the Blitz Liquidating Trust, the Blitz Personal Injury Trust and/or the Protected Parties, and (ii) as are necessary to enable holders of Claims to pursue their rights against any Entity that may be liable therefore pursuant to applicable law or otherwise, including but not limited to, Bankruptcy Court orders;

**13.2.7** To hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes, tax benefits, and similar or related matters with respect to the Debtors, the Blitz Liquidating Trust or the Blitz Personal Injury Trust, arising on or prior to the Effective Date, arising on account of transactions contemplated by the Plan Documents, or based upon the period of administration of the Chapter 11 Cases;

**13.2.8** To hear and determine all applications for compensation of professionals and reimbursement of expenses under sections 330, 331, or 503(b) of the Bankruptcy Code;

**13.2.9** To hear and determine any causes of action by, against or involving the Debtors arising during the period from the Petition Date through the Effective Date;

**13.2.10** To hear and determine any causes of action by, against or involving the BAH Debtors or the Blitz Liquidating Trust arising during the period from the Effective Date to the date of the order entering a final decree in the Chapter 11 Cases;

**13.2.11** To hear and determine any cause of action regarding the enforcement of Plan Documents or the transactions contemplated thereby;

**13.2.12** To determine any and all applications or motions pending on the Effective Date for the rejection or assumption of executory contracts or unexpired leases, and if need be, liquidate any and all Claims arising therefrom;

**13.2.13** To hear and determine such other matters as may be provided in the Confirmation Order;

**13.2.14** To consider and act on the compromise and settlement of any Claim (other than a Blitz Personal Injury Trust Claim) against or Equity Interest in the Debtors or their Estates including, without limitation, any disputes with respect to the Bar Dates;

**13.2.15** To hear and determine all questions and disputes regarding title to the assets of the Debtors and their Estates, the Blitz Liquidating Trust or the Blitz Personal Injury Trust;

**13.2.16** To hear and determine all matters, questions, and disputes with respect to the direct causes of action brought by the Debtors and their Estates, the Blitz Liquidating Trust or Blitz Personal Injury Trust;

**13.2.17** To hear and determine any other matters related hereto, including the implementation and enforcement of all orders entered by the Bankruptcy Court in the Chapter 11 Cases;

**13.2.18** To interpret, enforce, and administer the terms of the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP (including all annexes and exhibits to any of the foregoing), only to the extent the documents do not provide for an alternate forum for resolution;

**13.2.19** To hear and determine any proceeding that involves the validity, application, construction, interpretation, enforceability or enforcement of the Channeling Injunction or the application of section 105(a) of the Bankruptcy Code to the Channeling Injunction. Notwithstanding the foregoing, nothing herein shall constitute a waiver by any Protected Party of the protections granted to them under the Channeling Injunction or consent to the Bankruptcy Court's or District Court's consideration of any matter;

**13.2.20** To hear and determine matters concerning state, local, and federal taxes, fines, penalties, or additions to taxes for which a Debtor may be liable, directly or indirectly, in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

**13.2.21** To hear and determine any proceeding seeking to amend or restate the Blitz Personal Injury Trust Agreement in accordance with the Plan Documents; however, no amendment or modification of the Blitz Personal Injury Trust Agreement may modify any rights, remedies, Releases and/or Injunctions granted under the Plan to the Protected Parties;

**13.2.22** To enjoin any actions in violation of the Injunctions;

**13.2.23** To hear and determine all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the Debtors, the Blitz Liquidating Trust or the Blitz Personal Injury Trust, as applicable, after the Effective Date, including, without express or implied limitation, any claims to recover assets for the benefit of the Estates, including actions to recover insurance proceeds that are pending in Bankruptcy Court or District Court;

**13.2.24** To enter an order or final decree closing the Chapter 11 Cases; and

**13.2.25** To hear and determine all questions, matters, and disputes with respect to the Plan.

**13.3. Blitz Personal Injury Trust Agreement and Blitz Personal Injury TDP Controlling.** Notwithstanding anything in Article XIII to the contrary, the allowance of Blitz Personal Injury Trust Claims and the forum in which such allowance will be determined will be governed by and in accordance with the procedures established by the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP.

**13.4. District Court Jurisdiction.** To the extent that the Bankruptcy Court is not permitted under applicable law to preside over any of the foregoing matters specified in Article XIII, the reference to the Bankruptcy Court in Article XIII shall be deemed to be replaced by the District Court.

**13.5. Bankruptcy Court Does Not Exercise Jurisdiction.** If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction, or is otherwise without jurisdiction, over any matter arising under, arising in or related to these Chapter 11 Cases, including with respect to any of the matters set forth in Article XIII of the Plan, nothing herein shall prohibit or limit the exercise of jurisdiction by any other tribunal that has competent jurisdiction with respect to any such subject matter.

## ARTICLE XIV

## COMPROMISES AND SETTLEMENTS

**14.1. The Plan Settlements.**

**14.1.1** Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, the Plan incorporates a proposed compromise and settlement of numerous inter-Debtor, Debtor-Creditor and inter-Creditor issues designed to achieve an economic settlement of Claims against all of the Debtors and an efficient resolution of the Chapter 11 Cases. At the Confirmation Hearing, the Bankruptcy Court will determine whether to approve any such settlement as fair and equitable and within the bounds of reasonableness. If such settlements are approved, the Confirmation Order shall constitute an order of the Bankruptcy Court, pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019, approving such compromises and settlements.

**14.1.2** The BAH Settlement and the Insurance Settlement are each incorporated into the Plan and will become effective on the Effective Date.

**14.2. The Insurance Settlement.** To the extent not previously addressed in this Plan, the following provisions of the Insurance Settlement shall summarize the intent of the Parties with respect to the Insurance Settlement and incorporate terms not previously addressed in this Plan.

**14.2.1** The Participating Blitz Personal Injury Claimants have alleged Blitz Personal Injury Claims against certain of the Insurance Settling Parties. The Insurance Settlement creates a mechanism to provide for an orderly resolution of all such claims against the Insurance Settling Parties, subject to the entry of the Confirmation Order approving the Insurance Settlement and the occurrence of the Effective Date, in the manner described below.

**14.2.2** Pursuant to the Insurance Settlement Agreement, the Participating Insurers and Wal-Mart will make an aggregate cash payment to the Blitz Personal Injury Trust in the amount of $161,970,000 (comprised of the Insurance Settlement Payment and the Supplemental Insurance Settlement Payment). In addition, the Participating Insurers, upon the Effective Date, shall be deemed to withdraw their proofs of claim (or waive or gift with the consent of the Creditors' Committee) filed against the Debtors, and Wal-Mart will waive any and all Claims it may have against the Debtors arising prior to July 31, 2012, including, but not limited to, its pre-petition contribution and indemnity claims (or waive or gift with the consent of the Creditors' Committee), which is asserted to be in excess of $3 million. To the extent that Wal-Mart has a claim against the Debtors arising on or after July 31, 2012, Wal-Mart shall retain such claims but shall waive any right to distribution from any of the Debtors' Estates, the Blitz Liquidating Trust or the Blitz Personal Injury Trust. Wal-Mart's release of $1.54 million as part of the waiver of its proofs of claim is separate, apart and in addition to Wal-Mart's contribution to the Insurance Settlement Payment, it shall be considered an asset of the Blitz USA, Inc. Estate and shall not be contributed to, or otherwise be construed as an asset of, the Blitz Personal Injury Trust.

**14.2.3** In addition to the foregoing consideration, the Insurance Settlement contemplates that the Participating Insurer Policies will be repurchased by the Participating

Insurers through the Insurance Policy Buy-Back. The Assigned Blitz Insurance Policies will be assumed and assigned to the Blitz Personal Injury Trust in accordance with section 8.3 of the Plan.

**14.2.4** If any Insurance Settling Party requests from the other Insurance Settling Parties to issue any public statement regarding the Insurance Settlement, the Insurance Settling Parties shall agree on the terms and language of one joint press statement with respect to the Insurance Settlement Agreement to be released to the public at a mutually agreed upon time. No Insurance Settling Party shall make any other statements to the media concerning the Insurance Settlement, except that the Insurance Settling Parties may refer the media to the press statement and any court filings not under seal. This paragraph shall not preclude plaintiffs' counsel from identifying on their respective websites and in any other materials describing their respective law firms, the fact that they were one of the counsel involved in the Insurance Settlement.

**14.2.5** In exchange for the foregoing consideration, all Blitz Personal Injury Trust Claims against the Protected Parties will be permanently channeled to the Blitz Personal Injury Trust pursuant to the Channeling Injunction and the Protected Parties shall receive the benefit of the Channeling Injunction and Releases.

**14.2.6** The Insurance Settlement is expressly conditioned upon Confirmation of this Plan and approval of the terms set forth in the Insurance Settlement Term Sheet, and it is a further condition that the BAH Settlement be implemented and fully effective through the Plan. All such approvals shall be pursuant to a Final Confirmation Order.

**14.2.7** If Wal-Mart or any Participating Insurer defaults and does not pay its agreed upon share of the Insurance Settlement Payment and/or the Supplemental Insurance Settlement Payment in accordance with the terms of the Insurance Settlement, that defaulting party shall, after ten days notice and an opportunity to cure, not receive any benefits provided by the Insurance Settlement, including but not limited to the Releases, Injunctions and Insurance Policy Buy-Back until such time as the defaulting party makes full payment. If Wal-Mart and the Participating Insurers collectively deliver less than 80% of the Insurance Settlement Payment by the Payment Date (as defined in the Insurance Settlement Term Sheet)

and the Participating Blitz Personal Injury Claimants elect to terminate pursuant to the terms of paragraph 3 of the Insurance Settlement Term Sheet, and there is no cure pursuant to paragraph 3 of the Insurance Settlement Term Sheet and the Insurance Settlement is terminated, no Released Party shall receive any of the benefits provided by the Insurance Settlement, including but not limited to, the Releases, the Channeling Injunction or the Insurance Policy Buy-Back and all amounts paid by Wal-Mart or the Participating Insurers shall be returned to the paying party in accordance with the terms of the Insurance Settlement Term Sheet.

**14.2.8** No Admission of Liability

**14.2.8.1.** The Debtors, Wal-Mart and the Participating Insurers deny any liability for the Blitz Personal Injury Claims.

**14.2.8.2.** Neither the Plan nor the Insurance Settlement Term Sheet, nor any other item pertaining to the settlement contemplated herein, shall be offered in any other case or proceeding, including as evidence of any admission by the Debtors, Wal-Mart or a Participating Insurer of any liability with respect to any claim for damages or other relief.

**14.2.8.3.** Any stipulation or admission by the Debtors, Wal-Mart or a Participating Insurer contained in the Insurance Settlement Term Sheet, the Plan or in any other document pertaining to the Insurance Settlement, is made for settlement purposes only.

**14.2.9** This is intended to be a summary of the terms of the Insurance Settlement, which is fully incorporated herein, and made a part of the Plan, by reference. To the extent of any conflict between the terms of the Insurance Settlement set forth in the Plan and the terms of the Insurance Settlement set forth in the Insurance Settlement Term Sheet, the Insurance Settlement Term Sheet shall control.

**14.3. The BAH Settlement.**

**14.3.1** The Creditors' Committee, on behalf of the USA Debtors' Estates, has alleged various causes of actions against the BAH Settling Parties and sought standing from the Bankruptcy Court to commence an adversary proceeding against the BAH Settling Parties

on behalf of the USA Debtors' Estates. Furthermore, certain holders of Blitz Personal Injury Claims have alleged Blitz Personal Injury Trust Claims against certain of the BAH Settling Parties. The BAH Settlement resolves all such claims against the BAH Settling Parties, subject to the approval of the BAH Settlement and the occurrence of the Effective Date, in exchange for the consideration described below in sections 14.3.2, 14.3.3 and 14.3.4.

**14.3.2** Pursuant to the BAH Settlement, on behalf of the BAH Settling Parties, Blitz Acquisition Holdings, Inc. shall make a cash payment to the USA Debtors' Estates in the amount of $6.25 million on the Effective Date plus the Allowed Amount of the Flick Claim, up to $250,000, when such Claim may become an Allowed Claim and the BAH Settling Parties each have agreed, as of the Effective Date, to release and forever disclaim any claims and causes of action against the BAH Releasors. In exchange for the foregoing, on the Effective Date, the BAH Releasors each have agreed to release and forever disclaim any claims and causes of action against the BAH Released Parties; provided however, that (i) no release shall be provided to Discovery Plastics, LLC with respect to the Fenn or Kornegay cases; (ii) no release shall be provided to professionals, advisors, consultants or attorneys that have filed a proof of claim in the USA Debtors' Chapter 11 Cases; and (iii) no officers, directors or employees of any of the Debtors that have filed proofs of claim in any of USA Debtors' Chapter 11 Cases shall receive a release of any defenses, claims, counter-claims or objections in any way related to the Claims asserted in such proofs of claim.

**14.3.3** It shall be a condition to the BAH Settlement that the (i) Insurance Settlement be implemented and fully effective through the Plan, and (ii) the BAH Released Parties shall be Protected Parties under the Plan and shall receive Releases to the broadest extent provided to any other Entity under the Plan.

**14.3.4** Subject to the priorities of distribution set forth in the Bankruptcy Code, the Creditors' Committee may determine the allocation of the BAH Settlement Payment among the Creditors of the USA Debtors in their discretion without consulting the BAH Settling Parties; *provided, however,* that the BAH Settling Parties shall bear no responsibility for any shortfall in satisfying any Claims against the USA Debtors, whether Administrative Expense Claims, General Unsecured Claims or otherwise. The BAH Settling Parties

understand that the BAH Settlement Payment will be allocated to satisfying Administrative Expense Claims and General Unsecured Claims against the USA Debtors.

**14.3.5** No Admission of Liability

**14.3.5.1.** Each BAH Settling Party against whom one or more Blitz Personal Injury Trust Claims has been asserted denies any liability for such Blitz Personal Injury Claims.

**14.3.5.2.** Neither the Plan nor the BAH Settlement Term Sheet, nor any other item pertaining to the settlement contemplated herein, shall be offered in any other case or proceeding, including as evidence of any admission by the BAH Settling Parties of any liability with respect to any claim for damages or other relief.

**14.3.5.3.** Any stipulation or admission by the BAH Settling Parties contained in the BAH Settlement Term Sheet, the Plan or in any other document pertaining to the BAH Settlement, is made for settlement purposes only.

**14.3.6** This is intended to be a summary of the terms of the BAH Settlement, which is fully incorporated herein, and made a part of the Plan, by reference. To the extent of any conflict between the terms of the BAH Settlement set forth in the Plan and the terms of the BAH Settlement set forth in the BAH Settlement Term Sheet, the BAH Settlement Term Sheet shall control.

**14.4. Approval of Other Compromises and Settlements.** To the extent the Insurance Settlement and the BAH Settlement has not been approved previously by the Bankruptcy Court and is not the subject of a separate motion, the Plan constitutes a motion, pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019, for approval of any such agreement.

**14.5. Implementation of Settlements and Compromises.**

**14.5.1** Provided that a Participating Insurer and/or Wal-Mart has complied with its obligations under the Insurance Settlement Term Sheet, the Confirmation Order shall provide the benefits of the Channeling Injunction, Releases and other terms of the Insurance

Settlement to the Participating Insurer and Wal-Mart in exchange for any Cash and/or other contributions paid to the Blitz Personal Injury Trust on and after the Effective Date pursuant to the terms of the Insurance Settlement.

**14.5.2** To the extent that any of the Participating Insurers and/or Wal-Mart defaults on its funding obligation under the Insurance Settlement, the identity of the defaulting party and the amount it agreed to contribute and owes shall be disclosed and released to the Creditors' Committee or the Blitz Personal Injury Trustee, as appropriate. The Creditors' Committee or the Blitz Personal Injury Trustee, as appropriate, may either: (a) seek to enforce the Insurance Settlement with respect to any defaulting party; or (b) opt to treat any defaulting Participating Insurer(s) as a Non-Participating Insurer under the terms of the Insurance Settlement. The Participating Insurers and Wal-Mart shall be individually liable for the amounts each has agreed to contribute to the Insurance Settlement Payment and not jointly and/or severally liable for the Insurance Settlement Payment. Under no circumstances shall any of the Participating Insurers or Wal-Mart be required to satisfy the funding obligation of any defaulting party. Funding of eighty percent (80%) of the Insurance Settlement Payment is a condition precedent to the Effective Date of this Plan. If within ten (10) days after the Payment Date less than eighty percent (80%) of the Insurance Settlement Payment has been paid, a super-majority of seventy-five percent (75%) of the Participating Blitz Personal Injury Claimants may, at their election, file a Notice of Non-Occurrence of Effective Date, which notice shall give the Participating Insurers and Wal-Mart twenty (20) days to cure any such deficiency by providing funds to achieve eighty (80%) of the Insurance Payment Amount. If the Participating Insurers and Wal-Mart do not timely cure in accordance with the foregoing, the filing of the Notice of Non-Occurrence of Effective Date shall have the effect of terminating the Insurance Settlement and the Insurance Settling parties shall be returned to the position that they were in prior to the Insurance Settlement.

**14.5.3** Provided that the BAH Settling Parties have complied with their obligations under the BAH Settlement, the Confirmation Order shall provide the benefits of the Channeling Injunction, the Releases, the other releases of the BAH Released Parties described in section 14.3.2 of the Plan, and the other terms of the BAH Settlement in exchange for the BAH Settlement Payment paid to the USA Debtors or their designee on the Effective Date.

**14.6. Compromise and Settlement of Claims.** Pursuant to Bankruptcy Rule 9019(a), the Blitz Personal Injury Trust, the Blitz Liquidating Trust and the BAH Plan Administrator, as applicable, may compromise and settle various Claims against them and that they may have against other Entities consistent with the provisions of the Plan Documents. Except as otherwise provided in the Plan Documents, the Blitz Personal Injury Trust, the BAH Plan Administrator and the Blitz Liquidating Trust, as applicable, expressly reserve the right (without notice to Creditors or Bankruptcy Court approval) to compromise and settle Claims against either the Blitz Personal Injury Trust, BAH Debtors or the Blitz Liquidating Trust, as applicable, and Claims that either the Blitz Personal Injury Trust, the BAH Debtors or the Blitz Liquidating Trust, as applicable, may have against other Entities after the Effective Date. The BAH Plan Administrator expressly reserves the right to compromise and settle Claims against the BAH Debtors without further order of the Court.

## ARTICLE XV

## MISCELLANEOUS PROVISIONS

**15.1. Binding Effect of Plan.** The provisions of the Plan shall be binding upon all parties and inure to the benefit of the Debtors, their Estates, and their respective predecessors, successors, assigns, and Representatives. The terms of the Plan shall be enforceable against the Debtors, their Creditors, holders of Equity Interests in the Debtors, the Blitz Liquidating Trust, the Blitz Personal Injury Trust, the BAH Plan Administrator and all parties-in-interest.

**15.2. Reservation of Rights**. Except as expressly set forth in the Plan and/or the Plan Documents, nothing contained in the Plan shall constitute a waiver of any right, claim or cause of action of the Debtors, the Blitz Liquidating Trust, or the Blitz Personal Injury Trust. Except as set forth in the Plan and/or the Plan Documents, any rights, claims, or causes of action accruing to the Debtors pursuant to the Bankruptcy Code or pursuant to any statute or legal theory, including, without limitation, any Avoidance Actions, shall be transferred to the Blitz Liquidating Trust or shall be maintained by the BAH Debtors, as applicable; *provided, however*, that the Blitz Personal Injury Trust Assets shall be transferred to the Blitz Personal Injury Trust. Pursuant to sections 1123(a)(5) and 1123(b)(3)(B) of the Bankruptcy Code and consistent with section 5.3 of the Plan, the Blitz Liquidating Trust or the BAH Debtors, as applicable, shall retain and shall be the appointed representative with exclusive authority to pursue, litigate,

enforce, adjust and compromise and settle any such rights, claims, or causes of action, as appropriate, in accordance with what is in the best interests of and for the benefit of the Creditors who will receive Distributions from the Blitz Liquidating Trust or the BAH Debtors, as applicable. Notwithstanding any other provision of the Plan to the contrary, the Releases and the Injunctions set forth in Article VII, shall not be deemed or construed to satisfy, discharge, release or enjoin Claims by the Blitz Personal Injury Trust or any other Entity as the case may be, against the Blitz Personal Injury Trust for (i) payment of the Allowed Blitz Personal Injury Trust Claims in accordance with the Blitz Personal Injury TDP or (ii) the payment of Blitz Personal Injury Trust Expenses. Nothing contained in the Plan shall be deemed or construed to constitute a waiver of any right or claim of the Blitz Personal Injury Trust and/or Protected Party to enforce or assert any defense under any Plan Document.

**15.3. Dissolution of the Creditors' Committee.** On the Effective Date, the Creditors' Committee shall thereupon be released and discharged of and from all further authority, duties, responsibilities, and obligations arising from and based upon the Chapter 11 Cases, and the Creditors' Committee shall be deemed dissolved; *provided, however*, that (a) in the event that the Effective Date occurs prior to the Confirmation Order becoming a Final Order, the Creditors' Committee may, at its option, continue to serve and function for the purpose of participating in any appeal of the Confirmation Order until such time as the Confirmation Order becomes a Final Order, and (b) if the Effective Date occurs prior to the conclusion of any outstanding litigation or adversary proceedings in the Chapter 11 Cases or prior to the entry of a Final Order with respect to final fee applications of Bankruptcy Professionals, the Creditors' Committee may, at its option, continue to serve until a Final Order is entered with respect to such proceedings and/or applications.

**15.4. Exculpation and Release. The Exculpated Parties shall not have or incur, and are hereby released from, any claim, obligation, cause of action and/or liability to any holder of a Claim, Equity Interest, or any other Entity or any of their respective successors, assigns or Representatives for any act or omission with respect to or arising out of the Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for gross negligence, fraud or willful misconduct or any obligations that they have under or**

**in connection with the Plan, the Plan Documents, or any transactions contemplated thereby, and in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.**

**15.5. Governing Law**. Unless a rule of law or procedure is governed by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof, shall govern the construction of the Plan and the Plan Documents, except as otherwise expressly provided in the Plan Documents.

**15.6. Notice**. Any notices, requests and demands required or permitted to be provided under the Plan, in order to be effective, shall be in writing, and unless otherwise expressly provided herein, shall be deemed to have been duly given and made when served by (i) certified mail, return receipt request or (ii) by overnight delivery service, and (iii) confirmed by email service, to be addressed as follows:

To USA Debtors:

Daniel J. DeFranceschi, Esquire
Michael J. Merchant, Esquire
RICHARDS, LAYTON & FINGER, P.A.
920 N. King Street
Wilmington, Delaware 19801
Phone: (302) 651-7700
Facsimile: (302) 651-7701

To BAH Debtors:

Sean M. Beach, Esquire
John Dorsey, Esquire
YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

To Creditors' Committee:

Jeffrey D. Prol, Esquire
Mary E. Seymour, Esquire
LOWENSTEIN SANDLER LLP
65 Livingston Avenue

Roseland, New Jersey 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400

**15.7. Section 346 Injunction**. In accordance with section 346 of the Bankruptcy Code, for purposes of any state or local law imposing a tax, income will not be realized by the Debtors by reason of the forgiveness or discharge of indebtedness resulting from the consummation of the Plan. As a result, each state or local taxing authority is permanently enjoined and restrained, after the Confirmation Date, from commencing, continuing, or taking any act to impose, collect or recover in any manner any tax against the Debtors arising by reason of the forgiveness or discharge of indebtedness under the Plan.

**15.8. Exemption from Taxes**. Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any equity security under the Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or with respect to, the Plan shall be exempt from all transfer and recordation taxes, stamp taxes or similar taxes.

**15.9. Severability.** If, prior to Confirmation, any term or provision of the Plan, Confirmation Order, the Channeling Injunction, or any other Plan Document, is held by any court of competent jurisdiction or any other governmental Entity with appropriate jurisdiction to be invalid, void, prohibited, or unenforceable, (i) Proponents, with the consent of all the Settling Parties, may amend or modify the Plan to correct the defect, by amending or deleting the offending provision or otherwise, or may withdraw the Plan, or (ii) the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, prohibited or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, (i) to the extent such holding, alteration or interpretation is inconsistent with any provision of the Plan Support Agreements (including without limitation, any such holding, alteration or interpretation with respect to Articles III, IV, V, VI, VII or XIV of the Plan), such holding, alteration or interpretation shall not be effective absent the consent of all the Settling Parties and (ii) the

remainder of the terms and provisions of the Plan, the Plan Documents, the Confirmation Order and the Channeling Injunction shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. Notwithstanding anything to the contrary herein, Proponents shall not, without all the Settling Parties' written consent, alter, amend or modify the Plan at any time to the extent any such alteration, amendment, or modification would in any way impair, diminish or detract from the terms of the Plan Support Agreements. The Confirmation Order shall constitute a judicial determination, and shall provide, that each term and provision of the Plan, the Plan Documents, the Confirmation Order, the Channeling Injunction and Releases, as it may have been altered or interpreted in accordance with the forgoing (a) is valid and enforceable pursuant to its terms; (b) is integral to the Plan and may not be deleted or modified without all the Settling Parties' express written consent, (c) does not require the resolicitation of any acceptance or rejection of the Plan; and (d) is non-severable and mutually dependent.

**15.10. Plan Supplement**. Any Plan Supplement (and amendments thereto) filed by the Proponents shall be deemed an integral part of the Plan and shall be incorporated by reference as if fully set forth herein. Any and all exhibits, lists or schedules referred to herein or in the Disclosure Statement but not filed with the Plan shall be contained in the Plan Supplement and filed with the Clerk of the Bankruptcy Court at least five (5) Business Days prior to the deadline established by the Bankruptcy Court for filing and service of objections to the Plan.

**15.11. Standing of Protected Parties**. Each of the Protected Parties shall have standing to seek relief from the Bankruptcy Court or any court of competent jurisdiction for purposes of enforcement of the Channeling Injunction to the extent that any act occurs or is taken that is contrary to the provisions of, or would interfere with, restrict, defeat, nullify, violate or otherwise limit the protections afforded the Protected Party under, by or through the Channeling Injunction.

IN WITNESS WHEREOF, the Debtors have executed the Plan this 18th day of December, 2013.

Blitz U.S.A., Inc.
LAM 2011 Holdings, LLC
Blitz Acquisition Holdings, Inc.
Blitz Acquisition, LLC
Blitz RE Holdings, LLC
MiamiOK LLC f/k/a F3 Brands LLC

By: _____
Name: Rocky Flick
Title: President and Chief Executive Officer
of Blitz U.S.A., Inc.

Daniel J.. DeFranceschi (Bar No. 2732)
Michael J. Merchant (Bar No. 3854)
**RICHARDS, LAYTON & FINGER, P.A.**
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

*Counsel to Blitz Acquisition, LLC, Blitz RE Holdings, LLC, Blitz U.S.A., Inc. and MiamiOK LLC (f/k/a F3 Brands LLC)*

-and-

Sean M. Beach (Bar No. 4070)
John Dorsey (Bar No. 2988)
**YOUNG CONAWAY STARGATT & TAYLOR, LLP**
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

*Counsel for LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.*

The Official Committee of Unsecured Creditors

By: _____
Name: Diane Breneman
Title: Committee Co-Chair

The Official Committee of Unsecured Creditors

By: /s/ Owen Johnston
Name:
Title: Committee Co-Chair

Francis A. Monaco, Jr. (Bar No. 2078)
Kevin J. Mangan (Bar No. 3810)
**WOMBLE CARLYLE SANDRIDGE & RICE, LLP**
222 Delaware Avenue, Suite 1501
Wilmington, Delaware 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330

-and-

Jeffrey D. Prol, Esq.
Mary E. Seymour, Esq.
**LOWENSTEIN SANDLER LLP**
65 Livingston Avenue
Roseland, New Jersey 07068
Telephone: (973) 597-2500
Facsimile: (973) 597-2400

*Counsel to the Official Committee of Unsecured Creditors*

**EXHIBITS**

Exhibit 1: Definitions

Exhibit 2: Blitz Personal Injury Trust Agreement

Exhibit 3: Blitz Liquidating Trust Agreement

Exhibit 4: Blitz Personal Injury TDP

Exhibit 5: Assigned Blitz Insurance Policies

Exhibit 6: Participating Insurer Policies

Exhibit 7: Known Holders of Blitz Personal Injury Claims

Exhibit 8: Insurance Settlement Term Sheet

Exhibit 9: BAH Settlement Term Sheet

## EXHIBIT 1: DEFINITIONS

In addition to other words and terms defined elsewhere in the Plan Documents, the terms below shall have the respective meanings specified below:

**Additional Insured**: To the extent permissible by law: (i) the Debtors' predecessors, all of each Debtor's past and present subsidiaries and the predecessors and successors of such subsidiaries, their past and present affiliates and joint ventures and their predecessors and successors, and all of their past, present and future assigns; (ii) any other current or former affiliate of the Debtors, including any corporations that have been acquired by, merged into or combined with the Debtors, their predecessors, or past and present subsidiaries, affiliates successors and assigns; and (iii) any and all entities named as insureds or other insureds whether specifically listed or listed under a special endorsement, or that are otherwise named or claimed to be insured under the Blitz Insurance Policies, and those entities' directors, officers, agents and employees.

**Administrative Expense Claim:** Any (i) cost or expense of administration of the Chapter 11 Cases under section 503(b) of the Bankruptcy Code including, but not limited to: (a) any actual and necessary postpetition cost or expense of preserving the Estates or operating the businesses of the Debtors; (b) any payment to be made under the Plan, as the case may be, to cure a default on an assumed executory contract or unexpired lease; (c) any postpetition cost, indebtedness or contractual obligation duly and validly incurred or assumed by one or more of the Debtors in the ordinary course of business; (d) any valid and allowed reclamation claims in accordance with section 546(c) of the Bankruptcy Code; (e) compensation or reimbursement of expenses of professionals to the extent allowed by the Bankruptcy Court under sections 328, 330(a) or 331 of the Bankruptcy Code; (f) any Claim for compensation or reimbursement of expenses relating to services rendered in making a substantial contribution in the Chapter 11 Cases under sections 503(b)(3), (4) or (5) of the Bankruptcy Code; (g) all Claims for adequate protection payments authorized in connection with any debtor-in-possession credit facility; and (h) Section 503(b)(9) Claims; and (ii) any U.S. Trustee fee or charge assessed against any of the Estates under 28 U.S.C. § 1930.

**Affiliate:** As to any specified Entity: (i) any other Entity that, directly or indirectly through one or more intermediaries or otherwise, controls, is controlled by, or is under common control with, the specified Entity, and (ii) any Entity that is an "affiliate" (within the meaning of Bankruptcy Code § 101(2)) of the specified Entity. As used in clause (i) of this definition, "control" shall include the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an Entity (whether through ownership of equity of that Entity, by contract, or otherwise).

**Allowed:** With respect to any Claim other than an Administrative Expense Claim, a Disputed Claim or a Blitz Personal Injury Trust Claim, (i) any Claim that is specifically designated as Allowed under the Plan, (ii) any Claim proof of which was timely filed with the Bankruptcy Court or its duly appointed claims agent, or, in compliance with any order of the Bankruptcy Court regarding the filing of a proof of claim, with respect to which either no objection to the allowance thereof has been filed within the applicable period of limitation fixed by either the Plan or Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or the Claim has been allowed by a Final Order (but only to the extent so allowed), or (iii) any Claim that has been, or hereafter is, listed in the schedules as liquidated in amount and not disputed or contingent; *provided, however,* that notwithstanding the foregoing, with respect to a Blitz Personal Injury Trust Claim, the Blitz Personal Injury TDP shall govern the determination as to whether or not such Claims constitute Allowed Claims. Allowed Claims shall not, for purposes of Distribution under the Plan, include: (a) for any Claim arising prior to the Petition Date, interest on such Claim accruing from or after the Petition Date; or (b) any Non-Compensatory Damages.

With respect to any Claim that is asserted to constitute an Administrative Expense Claim, (i) a Claim that represents an actual and necessary expense of preserving the Estate or operating the business of the Debtors, to the extent such Claim is determined by the Debtors to constitute an Administrative Expense Claim; (ii) other than with respect to a Claim of a Bankruptcy Professional, a Claim that has been Allowed in whole or in part by a Final Order of the Bankruptcy Court and only to the extent that such allowed portion is determined pursuant to a Final Order to constitute a cost or expense of administration under sections 503(b) and 507(a)(1) of the Bankruptcy Code; or (iii) that represents a Claim of a Bankruptcy Professional, to the

extent such Claim is allowed by a Final Order of the Bankruptcy Court under section 330 of the Bankruptcy Code.

**Allowed Amount:** The dollar amount of an Allowed Claim.

**Assigned Blitz Insurance Policies:** Any Blitz Insurance Policy issued by a Non-Participating Insurer, including, without limitation the policies listed on Exhibit 5 hereto.

**Assigned Blitz Insurance Policy Rights:** All of the Debtors' and/or any Vendor's rights, claims for coverage, causes of action, or chooses in action for accrued coverage claims, demands, or other entitlements to insurance proceeds, and any and all extra-contractual rights (including any statutory or common law bad faith or unfair claim handling rights) arising under or in connection with each of the Assigned Blitz Insurance Policies, whether now existing or hereafter arising, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, disputed or undisputed, fixed or contingent, including, but not limited to:

(a) any and all rights of any of the Debtors and/or any Vendor to pursue or receive payments under any Assigned Blitz Insurance Policies, whether for liability, defense or otherwise;

(b) any and all rights of any of the Debtors and/or any Vendor to pursue or receive payments under any Assigned Blitz Insurance Policies from any domestic or foreign insolvent Non-Participating Insurer, whether in receivership, liquidation, rehabilitation, run-off, scheme of arrangement, or any other form of proceeding;

(c) any and all rights of any of the Debtors and/or any Vendor to pursue or receive payments under or with regard to any Assigned Blitz Insurance Policies from any state insurance guaranty association or fund; and

(d) any and all rights to pursue any causes of action against, or to receive payments related to any Assigned Blitz Insurance Policies from any Non-Participating Insurer.

**Avoidance Actions:** Any and all pending or possible actions, proceedings, accounts, controversies, agreements, promises, claims and rights of each Debtor and its Estate to (i) avoid

or recover a transfer of property of any of the Debtors' Estates or an interest of any of the Debtors in property or (ii) subordinate any Claim against or Equity Interest in any of the Debtors, including, without limitation, actions arising under sections 502(d), 510, 542, 543, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code, or under related state or federal statutes and common law, whether or not litigation has been commenced with respect to such cause of action as of the Effective Date.

**BAH Debtors:** Together, Blitz Acquisition Holdings, Inc. and LAM 2011 Holdings, LLC.

**BAH Debtors Contingent Claims Cash Reserve:** The Cash deposited by the BAH Plan Administrator in one or more segregated accounts on the Effective Date which amount shall be the good faith estimate of the total Distributions to be made on account of all Contingent Claims against the BAH Debtors as of such date. The BAH Debtors shall seek Bankruptcy Court approval of such BAH Debtors Contingent Claims Cash Reserve on the Effective Date or as soon thereafter as practicable.

**BAH Debtors Disputed Claims Cash Reserve:** The Cash deposited by the BAH Plan Administrator or in one or more segregated accounts on the Effective Date which amount shall be the good faith estimate of the total Distributions to be made on account of all Disputed Claims against the BAH Debtors, determined at the sole discretion of the BAH Plan Administrator.

**BAH Plan Administrator:** An individual selected by the BAH Debtors, on or prior to the Confirmation Date, to administer the terms of the Plan with respect to the BAH Debtors, and any successors thereto.

**BAH Released Parties:** The BAH Debtors, Kinderhook Industries II, LP, Kinderhook Capital Fund II, LP, Christian P. Michalik, Louis Aurelio, Rocky Flick, James Pearson, Charles Neal, John R. Elmburg, Eric Elmburg, Robert Elmburg, Discovery Plastics, LLC, Crestwood Holdings, Inc., Bergan, LLC, and each of the aforementioned's members, managers, officers, directors, affiliates, subsidiaries (other than the USA Debtors), including, without limitation, Reliance Products Holdings, Inc., Reliance Products, Inc., MollPlasticrafters, Inc., Renaissance Plastics, Inc., current and former shareholders, members, employees, professionals, advisors,

consultants, representatives, attorneys, other agents or the successors of any of them, in each case in their capacity as such, and present and former members, managers, directors and officers of each of the Debtors.

**BAH Releasors:** Collectively, the USA Debtors, the Creditors' Committee, the individual members of the Creditors' Committee, the Blitz Personal Injury Trust, the Blitz Liquidating Trust, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Michael Montgomery.

**BAH Settlement:** That certain settlement agreement by and among the BAH Settling Parties, the USA Debtors, the Creditors' Committee, the Participating Blitz Personal Injury Claimants and Michael Montgomery as reflected in the BAH Settlement Term Sheet.

**BAH Settlement Motion:** That certain Movants' Motion Pursuant to Bankruptcy Rule 9019 for Approval of Compromise and Settlement Resolving Certain Disputes [Docket No. 1538] that was filed on July 24, 2013.

**BAH Settlement Order:** That certain Order with Respect to Motion Pursuant to Bankruptcy Rule 9019 for Approval of Compromise and Settlement Resolving Certain Disputes [Docket No. 1618] that was entered by the Bankruptcy Court on August 14, 2013.

**BAH Settlement Payment:** The sum of $6.25 million, which is to be paid on the Effective Date, plus the Allowed Amount of the Flick Claim, in an amount not to exceed $250,000, which is to be paid upon the allowance of the Flick Claim, all of which amounts are to be paid by the BAH, on behalf of the BAH Settling Parties.

**BAH Settlement Term Sheet:** The term sheet attached as Exhibit 9 hereto, and incorporated into the Plan in its entirety subject to section 1.2.5 of the Plan.

**BAH Settling Parties:** Collectively, Kinderhook, the Kinderhook Directors, the Non-Kinderhook Directors, the BAH Debtors, and Crestwood.

**Ballot:** A ballot approved by the Bankruptcy Court in the Chapter 11 Cases to be distributed to holders of impaired Claims, for acceptance or rejection of the Plan.

**Bankruptcy Code:** Title 11 of the United States Code, as in effect on the Petition Date and as thereafter amended, if such amendments are made applicable to the Chapter 11 Cases.

**Bankruptcy Court:** The United States Bankruptcy Court for the District of Delaware, or any other court having jurisdiction over these Chapter 11 Cases or any proceeding within, or appeal of an order entered in, these Chapter 11 Cases.

**Bankruptcy Professional:** Any Entity (i) employed pursuant to an order of the Bankruptcy Court in accordance with sections 327 or 1103 of the Bankruptcy Code and to be compensated for services pursuant to sections 327, 328, 329, 330 and/or 331 of the Bankruptcy Code, or (ii) who wishes to apply to the Bankruptcy Court for compensation and reimbursement of expenses pursuant to section 503(b)(4) of the Bankruptcy Code.

**Bankruptcy Rules:** The Federal Rules of Bankruptcy Procedure, as amended, as applicable to the Chapter 11 Cases, including the local rules of the Bankruptcy Court,

**Bar Dates:** The dates fixed by orders of the Bankruptcy Court by which Entities required by such order to file a proof of claim must file a proof of claim or be forever barred from asserting such Claim against the Debtors or their property and from voting on the Plan and/or sharing in distributions hereunder.

**Bar Date Order:** Order of the Bankruptcy Court entered on May 23, 2012, which established the general deadline for filing proofs of claim against the Debtors.

**Blitz Insurance Policies:** Any known or unknown liability insurance policies issued to the Debtors in effect at any time on or before the Effective Date, including (a) those that name the Debtors and/or any Vendors as an insured, or otherwise affording the Debtors and/or any Vendor indemnity or insurance coverage, and upon which a Claim has been made with respect to any Blitz Personal Injury Trust Claim, and (b) any other insurance policies, whether known or unknown, that provide or may provide to the Debtors and/or any Vendor insurance coverage for Blitz Personal Injury Trust Claims, under which the Debtors and/or any Vendor is or is alleged to be an insured, named insured, additional insured, or otherwise entitled to any insurance coverage or other insurance benefits.

**Blitz Insurer:** Any insurance company, insurance broker or syndicate insurance broker, guaranty association, liquidator, or any other Entity with actual or potential obligation or liability to the Debtors and/or any Vendor under or related to any Blitz Insurance Policy, including any reinsurers with respect to claims covered by any such Blitz Insurance Policy.

**Blitz Liquidating Trust:** The liquidating trust established by Article V of the Plan pursuant to section 105(a) of the Bankruptcy Code and the Blitz Liquidating Trust Agreement.

**Blitz Liquidating Trust Agreement:** The trust agreement establishing and delineating the terms and conditions of the Blitz Liquidating Trust, a copy of which is attached as Exhibit 3 to the Plan.

**Blitz Liquidating Trust Assets:** All assets of the USA Debtors' Estates, except for the Blitz Personal Injury Trust Assets, including as of the Effective Date, $1.54 million in pre-petition payables due from Wal-Mart to Blitz USA and held as security by Wal-Mart, which shall be released by Wal-Mart and paid to the Blitz Liquidating Trust.

**Blitz Liquidating Trust Beneficiaries:** The holders of Allowed Claims against the USA Debtors under the Plan, but not including the holders of Blitz Personal Injury Trust Claims subject to the Blitz Personal Injury Trust.

**Blitz Liquidating Trust Documents:** The Blitz Liquidating Trust Agreement and all documents, attachments and exhibits thereto, and any amendments thereto made in accordance with the Bankruptcy Code, and which aid in effectuating the Blitz Liquidating Trust, which documents, attachments, and exhibits shall be filed with the Bankruptcy Court.

**Blitz Liquidating Trust Expense Reserve:** The reserve established pursuant to the Plan by the Blitz Liquidating Trustee to hold funds as are reasonably necessary for the Blitz Liquidating Trust to satisfy the expenses of administering the Blitz Liquidating Trust, including, without limitation, the winding down and closing of the USA Debtors' Chapter 11 Cases, the Blitz Liquidating Trustee's reasonable professional fees and expenses in respect of the claims reconciliation process, the liquidation of Blitz Liquidating Trust Assets, the prosecution,

negotiation and settlement of any causes of action with respect thereto, and the making of Distributions by the Blitz Liquidating Trustee under the Plan.

**Blitz Liquidating Trustee:** The individual initially selected by the Creditors' Committee to act as trustee of the Blitz Liquidating Trust pursuant to the terms of the Blitz Liquidating Trust Documents to administer the Blitz Liquidating Trust, and any successors thereto.

**Blitz Personal Injury Claim:** All Claims for damages or other relief for, based upon, arising out of, relating to or in any way involving bodily injury and/or property damage that occurred on or before 12:01 AM CST on July 31, 2012, and shall include asserted claims, whether known or unknown, based upon, arising out of, or in any way involving the products, premises or operations of the Debtors and, without any limitation of the foregoing shall include any such claims against Wal-Mart directly or indirectly relating to the Debtors' products, premises or operations, and any direct action claims by a claimant against the Participating Insurers. Blitz Personal Injury Claims shall not include any Vendor Claim, Co-Defendant Claim, or any Direct Action Claim.

**Blitz Personal Injury Claim Bar Date Order:** The order of the Bankruptcy Court entered on August 14, 2013, which established the general deadline for filing proofs of Blitz Personal Injury Claims against the Debtors.

**Blitz Personal Injury Confidential Information:** Any document (as used in Federal Rule of Civil Procedure 34(a), including, without limitation, electronic or computerized compilations), communication, or other information of the Debtors or any Protected Party that is provided to, assigned to, transferred to or otherwise shared with the Blitz Personal Injury Trustee, whether or not such document communication or other information is subject to a privilege or immunity, including, but not limited to all Blitz Personal Injury Privileged Information.

**Blitz Personal Injury Privileged Information:** Any Privileged Information which relates, in whole or in part, to any Blitz Product, any Blitz Product Litigation, any Blitz Personal Injury Trust Claim or any other matters assumed by or assigned to the Blitz Personal Injury

Trust, including, without limitation, (a) the Debtors' books and records transferred to the Blitz Personal Injury Trustee in accordance with section 4.9 of the Plan; (b) any Privileged Information containing a factual or legal analysis or review of any Blitz Personal Injury Trust Claim; (c) any Privileged Information evaluating the reasonableness, effectiveness, or confirmability of the Plan or any other plan of reorganization or plan of liquidation filed in the Chapter 11 Cases; (d) any Privileged Information that was created solely in connection with the mediations giving rise to the Insurance Settlement and the BAH Settlement; (e) any Privileged Information exchanged by the Debtors or their professionals, on the one hand, and the Creditors' Committee, Wal-Mart, and/or the Participating Insurers or their respective professionals, on the other hand, related to the Plan, the Plan Documents, the Insurance Settlement, the BAH Settlement or the Blitz Personal Injury Trust Claims; and (f) any Privileged Information containing a factual or legal analysis of the Debtors' or any other Additional Insured's obligations and/or potential exposure in connection with any Blitz Product, Blitz Product Litigation, or Blitz Personal Injury Trust Claim.

**Blitz Personal Injury TAC:** The Blitz Personal Injury Trust Advisory Committee to be formed to represent all holders of Blitz Personal Injury Trust Claims and to advise the Blitz Personal Injury Trustee, whose duties and responsibilities are set forth in section 4.8 hereof and in the Blitz Personal Injury Trust Agreement. Prior to the Confirmation Hearing, the Participating Blitz Personal Injury Claimants who serve on the Creditors' Committee shall select the initial members of the Blitz Personal Injury TAC.

**Blitz Personal Injury TDP:** The Blitz Personal Injury Trust Distribution Procedures to be implemented by the Blitz Personal Injury Trust pursuant to the terms and conditions of the Plan and attached as Exhibit 4 to the Plan, as it may be amended from time to time.

**Blitz Personal Injury Trust:** The trust established under Article IV of the Plan pursuant to section 105 of the Bankruptcy Code and pursuant to the Blitz Personal Injury Trust Agreement.

**Blitz Personal Injury Trust Agreement:** The trust agreement that governs the creation and operation of the Blitz Personal Injury Trust, a copy of which is attached as Exhibit 2 to the Plan.

**Blitz Personal Injury Trust Assets:** The assets and rights transferred or contributed to the Blitz Personal Injury Trust pursuant to the Plan, the Plan Documents and the Confirmation Order, and any and all interests, proceeds and investment income accrued thereon and all proceeds thereof, including, without limitation, (a) the Insurance Settlement Payment; (b) the Supplemental Insurance Settlement Payment per section 7 of the Plan Support Agreement; (c) the Assigned Blitz Insurance Policies; (d) the Assigned Blitz Insurance Policy Rights; (e) all defenses, rights of setoff, or recoupment with respect to any Blitz Personal Injury Trust Claim; (f) all contribution, reimbursement, subrogation or indemnity rights with respect to any Blitz Personal Injury Trust Claim asserted against a Assigned Blitz Insurance Policy; (g) the sum of $1.54 million from the Blitz Liquidating Trust and (h) any and all bonds or other collateral posted to secure pre-petition judgments entered with respect to Blitz Personal Injury Claims, but solely in the amount necessary to pay, compromise or otherwise resolve the pre-petition judgment, after which the remaining amounts (if any) of such bond and/or collateral shall be transferred to the Blitz Liquidating Trust.

**Blitz Personal Injury Trust Claims:** Any Blitz Personal Injury Claim, Vendor Claim, Co-Defendant Claim and/or Direct Action Claim.

**Blitz Personal Injury Trust Documents:** The Blitz Personal Injury Trust Agreement and all documents, attachments and exhibits thereto, including but not limited to, the Blitz Personal Injury TDP, and any amendments thereto made in accordance with the Bankruptcy Code, and which aid in effectuating the Blitz Personal Injury Trust, which documents, attachments, and exhibits shall be filed with the Bankruptcy Court.

**Blitz Personal Injury Trust Expenses:** Any and all costs, expenses, fees, taxes, disbursements, debts or obligations incurred for the administration of the Blitz Personal Injury Trust pursuant to the Blitz Personal Injury Trust Agreement, including, without limitation, the indemnification of the Indemnified Parties, to be paid by the Blitz Personal Injury Trust.

**Blitz Personal Injury Trust Termination Date:** The date on which the Blitz Personal Injury Trust is terminated as determined pursuant to the terms of the Blitz Personal Injury Trust Agreement.

**Blitz Personal Injury Trustee:** The individual initially selected by the Participating Blitz Personal Injury Claimants who serve on the Creditors' Committee to act as trustee of the Blitz Personal Injury Trust pursuant to the terms of the Blitz Personal Injury Trust Documents to administer the Blitz Personal Injury Trust, and any successors thereto.

**Blitz Product:** Any product or products manufactured, designed, supplied, produced, marketed, sold and/or distributed by or on behalf of any Debtor including, without limitation, personal consumer gas cans.

**Blitz Product Litigation:** Any claims and lawsuits filed in various jurisdictions against any of the Protected Parties involving claims arising out of and/or related to, in any manner or fashion, Blitz Product, including claims alleging personal injury, financial loss, loss of consortium, bodily injury, mental injury, mental anguish, shock, sickness, disease, disability, or death or the fear or apprehension thereof, or seeking compensation for the cost of medical monitoring or screening, or seeking relief of any kind for any other injury or condition of any kind or sort whatsoever, arising out of, caused by or related to, in whole or in part, directly or indirectly, any alleged manufacture, sale, handling, distribution, specification of the use of, or use of Blitz Product.

**Business Day:** Any day other than Saturday, Sunday, or a "legal holiday," as such term is defined in Bankruptcy Rule 9006(a).

**Capitalized Lease:** Any lease that is required to be treated as a capital lease under GAAP.

**Cash:** United States currency, a check drawn on a U.S. domestic bank, or a wire transfer of funds.

**Cash Reserves:** The BAH Debtors Contingent Claims Cash Reserve, the USA Debtors Contingent Claims Cash Reserve, the BAH Debtors Disputed Claims Cash Reserve and the USA Debtors Disputed Claims Cash Reserve.

**Channeling Injunction:** The permanent injunction provided for in section 4.3.3 of the Plan with respect to Blitz Personal Injury Trust Claims to be issued pursuant to the Confirmation Order.

**Chapter 11 Cases:** The chapter 11 cases of the Debtors commenced by the filing of voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on the applicable Petition Date and jointly administered in the Bankruptcy Court at Case No. 11-13603 (PJW).

**Claim:** A "claim," as defined in section 101(5) of the Bankruptcy Code.

**Class:** A category of Claims or Equity Interests pursuant to a Plan, as such term is used and described in section 1122 of the Bankruptcy Code.

**Class . . . Claim/Equity Interest:** The specific Class into which Claims or Equity Interests are classified pursuant to the Plan.

**Co-Defendant Claim:** Any claim, including without limitation, any Claim (other than any Blitz Personal Injury Claim, Blitz Vendor Claim, or Direct Action Claim) asserted against any of the Debtors or any other Protected Party that (a) that occurred on or before 12:01 AM CST on July 31, 2012 (b) is based on a right of contribution, reimbursement, subrogation or indemnity (as those terms are defined by the non-bankruptcy law of any relevant jurisdiction), whether arising by contract or by operation of law, or similar claims, whether or not such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts or legal bases therefore are known or unknown, and regardless of whether in the nature of or sounding in contract, tort, warranty, guarantee, contribution, joint and several liability, subrogation, reimbursement, indemnity, statutory right, conspiracy, conducting a fraudulent defense, or any other theory of law, equity or admiralty; and (c) asserts liability or responsibility directly,

indirectly or derivatively arising out of, attributable to, or resulting from either a Blitz Personal Injury Trust Claim or a Blitz Product.

**Confidential Information:** Any document (as used in Federal Rule of Civil Procedure 34(a), including, without limitation, electronic or computerized compilations), communication, or other information that is confidential in nature, including, but not limited to, any document or communication that contains non-public, confidential, proprietary and/or sensitive commercial, financial or business information and all non-public documents, information and materials, whether conveyed orally, in writing, or in electronic form, containing information and/or analyses related to any Blitz Product, Blitz Litigation, the availability of coverage under any Blitz Insurance Policy as well as any notes, summaries, memoranda or other work product created with respect thereto. For the avoidance of doubt, Confidential Information shall include (i) any document produced, whether formally or informally, in connection with these Chapter 11 Cases by parties other than the Debtors, and (ii) any document, communication or information, whether privileged or not privileged, that the Debtors are under a statutory or contractual obligation not to provide to a third party, *provided, however* that the definition of Confidential Information shall not include any discovery materials provided by Wal-Mart in connection with any Blitz Product Litigation, which documents shall be returned to Wal-Mart in accordance with section 35 of the Insurance Settlement Term Sheet.

**Confirmation:** Approval of the Plan by the Bankruptcy Court, pursuant to section 1129 of the Bankruptcy Code.

**Confirmation Date:** The date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

**Confirmation Hearing:** The hearing to be held before the Bankruptcy Court by which Proponents will seek Confirmation of the Plan.

**Confirmation Order:** The order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of chapter 11 of the Bankruptcy Code, which will contain the Channeling Injunction and Releases and otherwise be in form and substance acceptable to the Settling Parties.

**Contingent Claims:** A Claim that is a contingent and/or unliquidated Claim. Contingent Claims shall not include Blitz Personal Injury Claims

**Covered Blitz Personal Injury Claims:** Blitz Personal Injury Claims arising between the Release Date and July 31, 2012.

**Creditor:** A "creditor," as defined in section 101(10) of the Bankruptcy Code.

**Creditors' Committee:** The Official Committee of Unsecured Creditors of the Debtors appointed in the Chapter 11 Cases in accordance with section 1102(a) of the Bankruptcy Code and their duly appointed successors, if any, as the same may be reconstituted from time to time.

**Crestwood:** Collectively, John R. Elmburg, Eric Elmburg, Robert Elmburg, Discovery Plastics, LLC, Crestwood Holdings, Inc. and Bergan, LLC.

**Debtors:** The USA Debtors and the BAH Debtors, collectively, and as each is individually referred to from time to time as a Debtor.

**Direct Action Claim:** Any Claim or cause of action or right to bring a claim or cause of action arising under, arising out of or in any way relating to any Assigned Blitz Insurance Policy, by any holder of a Blitz Personal Injury Trust Claim or other Entity (other than any Debtor or an Additional Insured) against a Non-Participating Insurer, whether arising by contract, in tort, or under the laws of any jurisdiction, including any statute that gives a third party a direct cause of action against a Non-Participating Insurer, excluding, however, any claim by any other Non-Participating Insurer for statutory, equitable or other contribution, subrogation, or indemnity. For the avoidance of doubt, Direct Action Claims are limited to Claims occurring on or before the Release Date

**Disclosure Statement:** The Disclosure Statement dated December 18, 2013, filed under section 1125 of the Bankruptcy Code in the Chapter 11 Cases with respect to the Plan, as it may be amended from time to time.

**Disputed Claim:** A Claim which has been (i) "scheduled" as disputed or (ii) subject to an objection filed within the applicable period of limitation fixed by either the Plan or the

Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court; *provided, however*, regardless of whether an objection has been filed to such Claims, all Blitz Personal Injury Trust Claims shall be treated as Disputed Claims until deemed otherwise in accordance with the Blitz Personal Injury TDP.

**Distribution:** The payment or distribution under the Plan of property or interests in property of the Debtors to the holders of Allowed Claims, to the Blitz Liquidating Trust and to the Blitz Personal Injury Trust, as applicable.

**District Court:** The United States District Court for the District of Delaware.

**Effective Date:** The first Business Day after the date on which all of the conditions precedent to the effectiveness of the Plan have been satisfied or waived in accordance with the terms of the Plan, or, if a stay of the Confirmation Order is in effect on such date, the first Business Day after the expiration, dissolution, or lifting of such stay, *provided, however,* the Effective Date may occur on such other date agreed to in writing by all the Settling Parties. As reasonably promptly as is practical under the then prevailing circumstances, the Proponents shall file a notice with the Bankruptcy Court of the occurrence of the Effective Date.

**Entity:** Any person, individual, corporation, partnership, firm, limited liability company, association, joint stock company, joint venture, estate, trust, business trust, unincorporated organization, government or any political subdivision thereof, the United States Trustee, or other person or entity.

**Equity Interest:** The legal interests, equitable interests, contractual interests, equity interests or ownership interests, or other rights of any Person in the Debtors including all capital stock, stock certificates, common stock, preferred stock, partnership interests, limited liability company or membership interests, rights, treasury stock, options, warrants, contingent warrants, convertible or exchangeable securities, investment securities, subscriptions or other agreements and contractual rights to acquire or obtain such an interest or share in the Debtors, partnership interests in the Debtors' stock appreciation rights, conversion rights, repurchase rights, redemption rights, dividend rights, preemptive rights, subscription rights and liquidation preferences, puts, calls, awards or commitments of any character whatsoever relating to any such

equity, common stock, preferred stock, ownership interests or other shares of capital stock of the Debtors or obligating the Debtors to issue, transfer or sell any shares of capital stock whether or not certificated, transferable, voting or denominated "stock" or a similar security.

**Estate:** As to each Debtor, the estate created for such Debtor under section 541 of the Bankruptcy Code upon the commencement of its Chapter 11 Case.

**Excluded Creditors:** Collectively, any member of the Creditors' Committee, the Participating Blitz Personal Injury Claimants and any issuer of a Blitz Insurance Policy.

**Exculpated Parties:** Each of (i) the Debtors, and any of their respective successors or assigns, and any of their respective Representatives; (ii) the Creditors' Committee, its members and any of their respective Representatives; and (iii) the Protected Parties and any of their respective Representatives.

**File, Filed, or Filing:** Shall mean, respectively, file, filed, or filing with the Bankruptcy Court or its authorized designee in these Chapter 11 Cases.

**Final Order:** An order of a court: (i) as to which the time to appeal, petition for writ of certiorari, or otherwise seek appellate review or to move for reargument, rehearing or reconsideration has expired and as to which no appeal, petition for writ of certiorari, or other appellate review, or proceedings for reargument, rehearing or reconsideration shall then be pending; or (ii) in the event that an appeal, writ of certiorari, or other appellate review or reargument, rehearing or reconsideration thereof has been sought, such order shall have been affirmed by the highest court to which such order was appealed from which writ of certiorari or other appellate review or reargument, rehearing or reconsideration was sought, and the time to take any further appeal, to petition for writ of certiorari, to otherwise seek appellate review, and to move for reargument, rehearing or reconsideration shall have expired or such appeal has been withdrawn with prejudice; *provided, however*, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be Filed with respect to such order shall not cause such order not to be a Final Order.

**Flick Claim:** the proof of claim filed by Rocky Flick, which claim has been assigned number 274 by the Debtors' claims and noticing agent.

**GAAP:** Generally Accepted Accounting Principles as used in the United States, as in effect at the date of the Effective Date of the Plan.

**General Unsecured Claim:** An unsecured Claim against any Debtor, including any claims in connection with the rejection or termination of executory contracts and unexpired leases, but excluding any Administrative Expense Claims, Priority Claims, Secured Claims, Intercompany Claims, Equity Interests, and Blitz Personal Injury Trust Claims.

**Impaired:** When used in reference to a Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

**Indemnified Parties:** The Debtors; the present and former directors and officers of each of the Debtors; the Participating Insurers; Wal-Mart; The BAH Released Parties; shareholders of Debtors solely in their capacity as shareholders and solely related to the Blitz Personal Injury Claims; and the Representatives, Affiliates, subsidiaries and/or successors of each of the foregoing Entities.

**Injunctions:** The Plan Injunction provided for in section 7.3 of the Plan, the Section 346 Injunction provided for in section 15.7 of the Plan and the Channeling Injunction provided for in section 4.3.3 of the Plan.

**Insurance Action:** Any Claim, cause of action, or right of any of the Debtors, any Vendor and/or the Blitz Personal Injury Trust against any Non-Participating Insurer, arising from or related to: (a) the failure to provide or pay under an Assigned Blitz Insurance Policy, (b) the refusal of any Non-Participating Insurer to pay any obligation on, or compromise and settle, any Blitz Personal Injury Trust Claim under or pursuant to any Assigned Blitz Insurance Policy, or (c) the enforcement of any Assigned Blitz Insurance Policy Rights, (d) the interpretation or enforcement of the terms of any Assigned Blitz Insurance Policies with respect to any Blitz Personal Injury Trust Claim.

**Insurance Policy Buy-Back:** The repurchase and retirement of the Participating Insurer Policies pursuant to the Insurance Policy Buy-Back Order and the Confirmation Order.

**Insurance Policy Buy-Back Order:** That certain Order approving the Insurance Policy Buy-Back entered by the Bankruptcy Court on December ___, 2013.

**Insurance Settlement:** That certain settlement agreement by and among the Insurance Settling Parties as reflected in the Insurance Settlement Term Sheet.

**Insurance Settlement Motion:** That certain Motion for Order under 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002, 6004 and 9019 Approving Settlement and Authorizing Debtors to (I) Compromise, Settle, Release and Dismiss Claims of and Against the Debtors Pursuant to Insurance Settlement Term Sheet, and (II) Sell Certain Insurance Policies Back to the Participating Insurers Free and Clear of Liens, Claims, Interests and Other Encumbrances [Docket No. 1537] that was filed on July 24, 2013.

**Insurance Settlement Order:** That certain Order with Respect to Motion for Order under 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002, 6004 and 9019 Approving Settlement and Authorizing Debtors to (I) Compromise, Settle, Release and Dismiss Claims of and Against the Debtors Pursuant to Insurance Settlement Term Sheet, and (II) Sell Certain Insurance Policies Back to the Participating Insurers Free and Clear of Liens, Claims, Interests and Other Encumbrances [Docket No. 1616] that was entered by the Bankruptcy Court on August 14, 2013.

**Insurance Settlement Payment:** The sum of $161,320,000.00, which, pursuant to the Insurance Settlement and Insurance Policy Buy-Back, is to be paid by the Participating Insurers and Wal-Mart to the Blitz Personal Injury Trust within thirty (30) days after (i) the Confirmation Order becomes a Final Order or (ii) the Participating Insurers and Wal-Mart, each in their sole discretion, agree to waive the Final Order requirement.

**Insurance Settlement Term Sheet:** The term sheet attached as Exhibit 8 hereto, and incorporated into the Plan in its entirety subject to section 1.2.5 of the Plan.

**Insurance Settling Parties:** Collectively, the Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Wal-Mart.

**Intercompany Claim:** Any Claim by a Debtor against another Debtor.

**Internal Revenue Code:** The Internal Revenue Code of 1986, as amended, and any applicable rulings, regulations (including temporary and proposed regulations) promulgated thereunder, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or the IRS.

**IRS:** The United States of America's Internal Revenue Service.

**Kinderhook:** Together, Kinderhook Industries II, L.P. and Kinderhook Capital Fund II, LP.

**Kinderhook Directors:** Together, Christian P. Michalik and Louis Aurelio.

**Lien:** A "lien," as defined in section 101(37) of the Bankruptcy Code.

**Non-Compensatory Damages:** Any and all damages awarded by a court of competent jurisdiction that are penal or exemplary in nature, including, without limitation, any fine, penalty, forfeiture, attorneys' fees (to the extent such attorneys' fees are punitive or exemplary in nature), or multiple, punitive, exemplary, vindictive, imaginary, or presumptive damages based upon, arising from, or relating to any cause of action whatsoever (including, without limitation, violation of law, personal injury, or wrongful death, whether secured or unsecured, liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foresee or unforeseen, then existing or thereafter arising in law, equity or otherwise).

**Non-Kinderhook Directors:** Collectively, Rocky Flick, James Pearson and Charles Neal.

**Non-Participating Insurers:** Collectively, Hartford Insurance Company, Lumbermens Mutual Casualty Company, Admiral Insurance Company, American International Group, Nautilus Insurance Company, Arrowood Indemnity, RSUI Group, Inc., and any other Blitz Insurer who is not a Participating Insurer.

**Notice of Non-Occurrence of Effective Date:** A notice that may be filed by 75% of Participating Blitz Personal Injury Claimants if less than 80% of the Insurance Settlement Payment has been paid within 10 days after such payment is due in accordance with the provisions of paragraph 3 of the Insurance Settlement Term Sheet.

**Objection(s):** Any objection, application, motion, complaint or any other legal proceeding seeking, in whole or in part, to disallow, determine, liquidate, classify, reclassify, or establish the priority, expunge, subordinate or estimate any Claim (including the resolution of any request for payment of any Administrative Expense Claim).

**Participating Blitz Personal Injury Claimants:** The holders of Blitz Personal Injury Claims, including, without limitation, those claimants identified on Exhibit 7 hereto.

**Participating Insurer Policies:** Any Blitz Insurance Policy issued by a Participating Insurer, including, without limitation the policies listed on Exhibit 6 hereto.

**Participating Insurer:** Collectively, Old Republic Insurance Company, First Mercury Insurance Company, First Specialty Insurance Corporation, Liberty Surplus Insurance Corporation, Liberty Insurance Underwriters Inc., Arch Insurance Company, Continental Casualty Company, Westchester, Endurance American Specialty Insurance Company, Interstate Fire and Casualty Insurance Company, Navigators Specialty Insurance Company, Axis Surplus Insurance Company, United States Fire Insurance Company (solely in its capacity as claims handler for the policies issued to the Debtors on behalf of First Mercury Insurance Company that are listed on Exhibit 1 to the Insurance Settlement Term Sheet and not on behalf of policies, if any, that might have been issued by United States Fire Insurance Company) and each of their predecessors, and present or past parents, subsidiaries, divisions, affiliates, directors, officers, agents, employees, representatives, members, and attorneys, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as the existed on the execution date of the Insurance Settlement Term Sheet.

**Petition Date:** November 9, 2011, the date on which the Debtors commenced their Chapter 11 Cases in the Bankruptcy Court.

**Permissible Investments:** (a) short-term direct obligations of, or obligations guaranteed by, the United States of America, (b) short-term obligations of any agency or corporation which is or may hereafter be created by or pursuant to an act of the Congress of the United States as an agency or instrumentality thereof, (c) demand deposits or certificates of deposit at any bank or trust company, which has, at the time of the deposit, a capital stock and surplus aggregating at least $1,000,000,000, or (d) such other investments as the Bankruptcy Court may approve from time to time.

**Plan:** This Plan of Liquidation in its present form or as it may be amended, supplemented, or otherwise modified from time to time, and the exhibits and schedules to the foregoing, as the same may be in effect at the time such reference becomes operative.

**Plan Documents:** The Plan, the Disclosure Statement, the Plan Supplement, and all documents, attachments and exhibits thereto, including, but not limited to, the Blitz Personal Injury Trust Documents, the Blitz Liquidating Trust Documents, and any amendments thereto made in accordance with the Bankruptcy Code, and which aid in effectuating the Plan, which documents, attachments, and exhibits shall be filed with the Bankruptcy Court.

**Plan Injunction:** The injunction issued pursuant to section 7.3 of the Plan.

**Plan Support Agreement:** The Plan Support Agreement dated as of December 18, 2013, a copy of which is annexed to the Disclosure Statement as Exhibit C.

**Plan Supplement:** The compilation of documents or forms of documents specified in the Plan, including, without limitation, any exhibits to the Plan not included herewith, each in form and substance acceptable to Proponents.

**Plan Support Agreements:** Together, the Insurance Settlement Term Sheet and the BAH Settlement Term Sheet as approved by the Insurance Settlement Order and the BAH Settlement Order, respectively.

**Priority Claim:** Any Claim against a Debtor to the extent such claim is entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than an Administrative Expense Claim.

**Privileged Information:** Any document (as used in Federal Rule of Civil Procedure 34(a), including, without limitation, electronic or computerized compilations), communication, or other information subject to any attorney-client privilege, work product protection, common interest privilege or other privilege, protection or immunity held by any or all of the Debtors or the Debtors' Estates For purposes of Federal Rules of Evidence 501 and 502, the Blitz Personal Injury Trustee and/or the Blitz Liquidating Trustee as applicable shall be deemed a successor in interest to the Debtors with respect to all privileges, protections and immunities held by the Debtors or their Estates.

**Proponents:** The Debtors and the Creditors' Committee along with any other Entity that joins as a proponent of the Plan prior to the Confirmation Date, collectively.

**Protected Party:** Any of the following Entities:

**(a)** the Debtors;

**(b)** the present and former directors and officers of each of the Debtors;

**(c)** the Participating Insurers;

**(d)** Wal-Mart;

**(e)** Vendors;

**(f)** Any holder of a Co-Defendant Claim;

**(g)** Any other Additional Insureds;

**(h)** The BAH Released Parties;

**(i)** Shareholders of Debtors solely in their capacity as shareholders and solely related to the Blitz Personal Injury Claims; and

**(j)** Representatives, Affiliates, subsidiaries and/or successors of each of the foregoing Entities.

**Pro Rata:** The proportion that the Allowed Claim or Interest in a particular Class bears to the aggregate amount of (a) Allowed Claims or Allowed Equity Interests in such Class as of the date of determination, plus (b) Disputed Claims or Disputed Interests in such Class as of the date of determination, in their aggregate face amounts or such other amount: (i) as calculated by the Debtors or the Blitz Liquidating Trustee, as applicable, on or before the date of any such Distribution, (ii) as determined by an Order of the Bankruptcy Court estimating such Disputed Claim, or (iii) as directed by a Final Order of the Bankruptcy Court.

**Qualified Settlement Fund:** as defined in section 4.3 hereof.

**Released Claim:** Any Claim released by operation of the Releases.

**Release Date:** July 31, 2007 at 12:01 a.m. CST.

**Releases:** The releases provided for in section 7.2 of the Plan, including its subparagraphs.

**Representative:** With respect to any Entity, the present and former directors, officers, members, managers, employees, trustees, accountants (including independent certified public accountants), advisors, attorneys, consultants, experts or other agents of that Entity, or any other professionals of that Entity, in each case in their capacity as such.

**Secured Claim:** An Allowed Claim against a Debtor that is (i) secured by a Lien on a property in which a Debtor has an interest, to the extent of the value of the property that secures the Claim, (ii) secured by a letter of credit, Cash or a bond posted by or for the benefit of the Debtor or (iii) derived from or based upon a Secured Financing Agreement.

**Secured Financing Agreements:** An agreement between an Entity and a Debtor that creates a Lien in favor of such Entity in property of the Debtors, or a Capitalized Lease.

**Section 346 Injunction:** The injunction provided in section 15.7 of the Plan.

**Section 503(b)(9) Claims**: Claims arising under section 503(b)(9) of the Bankruptcy Code for the value of any goods received by Debtors within twenty (20) days before the

commencement of the Chapter 11 Cases in which the goods have been sold to Debtors in the ordinary course of Debtors' business.

**Settlement Motions**: Together, the Insurance Settlement Motion and the BAH Settlement Motion.

**Settling Parties:** Collectively, the Insurance Settling Parties and the BAH Settling Parties.

**Subsidiary:** "Subsidiary" of an Entity shall mean another Entity of which the first Entity is the direct or indirect owner of (i) securities entitling the first Entity to exercise a majority of the voting power with respect to the election of board of directors, managing trustees, or similar governing Entities for the other Entity or (ii) securities representing a majority of the equity interest of the other Entity.

**Supplemental Insurance Settlement Payment:** Payment of $650,000 to the Blitz Personal Injury Trust pursuant to paragraph 7 of the Plan Support Agreement.

**Unimpaired:** When used in reference to a Claim or Equity Interest, any Claim or Equity Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

**Unliquidated Claim:** Any Claim, the amount of liability for which has not been fixed, whether pursuant to agreement, applicable law, or otherwise, as of the date on which such Claim is sought to be estimated or any objection to such Claim is filed.

**U.S. Trustee:** The Office of the United States Trustee for Region 3.

**USA Debtors:** Collectively, Blitz Acquisition, LLC, Blitz U.S.A., Inc., MiamiOK LLC (f/k/a F3 Brands LLC) and Blitz RE Holdings, LLC.

**USA Debtors Contingent Claims Cash Reserve:** The Cash deposited by the Liquidating Trustee in one or more segregated accounts on the Effective Date, which amount shall be the good faith estimate of the total Distributions to be made on account of all Contingent Claims against the USA Debtors as of such date. The USA Debtors or the Blitz Liquidation

Trustee, as applicable, shall seek Bankruptcy Court approval of such Contingent Claims Cash Reserve on the Effective Date or as soon thereafter as practicable.

**USA Debtors Disputed Claims Cash Reserve:** The Cash deposited by the Blitz Liquidating Trustee or in one or more segregated accounts on the Effective Date which amount shall be the good faith estimate of the total Distributions to be made on account of all Disputed Claims, determined by the Blitz Liquidating Trustee.

**Vendor:** Any Entity that, prior to the Effective Date, sold or distributed any product manufactured, sold, distributed or otherwise produced by the Debtors.

**Vendor Claim:** Any claim, including without limitation, any Claim (other than any Blitz Personal Injury Claim, Co-Defendant Claim, or Direct Action Claim) asserted by any present or former vendor, retailer, seller, reseller and/or distributor of any Blitz Product against any Debtor or any other Protected Party, that (a) occurred on or before 12:01 AM CST on July 31, 2012; (b)(i) is based on a right of contribution, reimbursement, subrogation or indemnity (as those terms are defined by the non-bankruptcy law of any relevant jurisdiction), whether arising by contract or by operation of law, or similar claims, whether or not such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, whether or not the facts or legal bases therefor are known or unknown, and regardless of whether in the nature of or sounding in contract, tort, warranty, guarantee, contribution, joint and several liability, subrogation, reimbursement, indemnity, statutory right, conspiracy, conducting a fraudulent defense, or any other theory of law, equity or admiralty, and (ii) asserts liability or responsibility directly, indirectly or derivatively arising out of, attributable to, or resulting from a Blitz Personal Injury Trust Claim; or (c) arises on account of any Debtor's rejection of an executory contract providing for indemnification by any such Debtor of liability for Blitz Personal Injury Trust Claims.

**Voting Procedures:** Detailed instructions and procedures relating to the solicitation of votes with respect to the Plan, as approved by the Voting Procedures Order.

**Voting Procedures Order:** The order entered by the Bankruptcy Court dated December 18, 2013 approving the Voting Procedures.

**Wal-Mart:** Wal-Mart Stores, Inc., each of its predecessors, and present or past parents, subsidiaries, divisions, affiliates, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as they existed on the execution date of the Insurance Settlement Term Sheet, and the Representatives for any of the foregoing in their capacity as such.

**Westchester:** Together, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company.

# Exhibit 2

(Blitz Personal Injury Trust Agreement)

# BLITZ PERSONAL INJURY TRUST AGREEMENT

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**BLITZ PERSONAL INJURY TRUST AGREEMENT**[1]

This Blitz Personal Injury Trust Agreement (the "Agreement"), dated as of _____, 2013, and effective as of the later of the date on which all parties to this Agreement have executed this Agreement or the Effective Date of the Plan, is entered into by Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC, and MiamiOK LLC f/k/a F3Brands LLC (collectively, the "USA Debtors") and LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc. (the "BAH Debtors", and together with the USA Debtors, the "Debtors" or the "Settlors"), debtors and debtors-in-possession in the Chapter 11 Cases, as Settlors and by the Blitz Personal Injury Trustee and the Blitz Personal Injury Trust Advisory Committee ("Blitz Personal Injury TAC") identified on the signature page hereof.

WHEREAS, on the Petition Date, each of the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court. The Chapter 11 Cases, which are captioned *In re Blitz USA, Inc. et al.,* Case No. 11-13603 (PJW), are being jointly administered by the Bankruptcy Court.

WHEREAS, as of the Petition Date, some of the Debtors had been named as defendants in Blitz Product Litigation.

WHEREAS, the Plan was confirmed by the Confirmation Order dated _____, 2014 and entered by the Bankruptcy Court.

WHEREAS, the Plan Documents, provide, among things, for the creation of the Blitz Personal Injury Trust.

WHEREAS, pursuant to the Plan, the Blitz Personal Injury Trust shall be established to, among other things, assume liability for all Blitz Personal Injury Trust Claims; administer, process, settle, resolve and liquidate such Blitz Personal Injury Trust Claims; and to use the Blitz Personal Injury Trust Assets to satisfy all such Blitz Personal Injury Trust Claims that may qualify for a recovery in accordance with the terms of this Agreement and the Blitz Personal

[1] All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the *Debtors' and Official Committee of Unsecured Creditors' Amended Joint Plan of Liquidation*, as may be amended, modified or supplemented from time to time (the "Plan") and such definitions are incorporated herein by reference. All capitalized terms not defined herein or in the Plan, but defined in the Bankruptcy Code or Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"), shall have the meanings given to them by the Bankruptcy Code and Bankruptcy Rules, and such definitions are incorporated herein by reference.

Injury TDP; preserve, hold, manage, maximize and use the Blitz Personal Injury Trust Assets to administer, process, settle, resolve, liquidate and make payments as may be appropriate to holders of Blitz Personal Injury Trust Claims in accordance with this Agreement, the Blitz Personal Injury TDP and the Plan Documents.

WHEREAS, the Plan provides that on the Effective Date, the Blitz Personal Injury Trust Assets will be transferred to the Blitz Personal Injury Trust.

WHEREAS, on the Effective Date, the Debtors shall assign the Assigned Blitz Insurance Policies to the Blitz Personal Injury Trust.

WHEREAS, pursuant to the Plan, the Blitz Personal Injury Trust is intended to qualify as a "qualified settlement fund" within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code ( the "IRC").

WHEREAS, it is the intent of the Settlors, the Proponents, the Blitz Personal Injury Trustee and the Blitz Personal Injury TAC that the Blitz Personal Injury Trust be administered, maintained, and operated at all times through mechanisms that provide reasonable assurance that the Blitz Personal Injury Trust will administer, process, settle, resolve, liquidate, satisfy and pay, if applicable, all Blitz Personal Injury Trust Claims pursuant to this Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP in compliance with the terms of this Agreement.

WHEREAS, it is the intent of the Settlors, the Proponents, the Blitz Personal Injury Trustee and the Blitz Personal Injury TAC that holders of Covered Blitz Personal Injury Claims shall receive Offer Amounts that are substantially in accordance with the amounts listed on Exhibit B to the Blitz Personal Injury TDP assuming that (i) the Covered Claimants can support the level of injury and other compensation sought in their respective proofs of claim (with the understanding that (a) Covered Claimants who provide documentation supporting a higher recovery than sought in their proof of claim may receive Offer Amounts greater than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts, and (b) Covered Claimants who provide documentation supporting a lower recovery than sought in their proof of claim may receive Offer Amounts less than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts), and (ii) the Covered Claimants can satisfy the Threshold Components set forth in the TDP Scoring System.

WHEREAS, the Bankruptcy Court has determined that the Blitz Personal Injury Trust and the Plan satisfy all the legal prerequisites for issuing the Channeling Injunction pursuant to section 105 of the Bankruptcy Code, and such Channeling Injunction has been entered in connection with the Confirmation Order.

NOW, THEREFORE, for good and valuable consideration, it is hereby agreed as follows:

## SECTION 1
## AGREEMENT OF TRUST

**1.1. Creation and Name.** The Debtors, as Settlors, hereby create the Blitz Personal Injury Trust, which is the trust provided for and referred to in Article IV of the Plan. The Blitz Personal Injury Trustee may transact the business and affairs of the Blitz Personal Injury Trust in the name of the Blitz Personal Injury Trust.

**1.2 Purpose.** On the Effective Date, the Blitz Personal Injury Trust shall be established in accordance with the Plan Documents. The Blitz Personal Injury Trust shall be a "Qualified Settlement Fund" within the meaning of section 468B of the Internal Revenue Code and the regulations promulgated thereunder. The Blitz Personal Injury Trust shall assume the liability for all Blitz Personal Injury Trust Claims; shall administer, process, settle, resolve and liquidate such Blitz Personal Injury Trust Claims; and shall use the Blitz Personal Injury Trust Assets and the proceeds and income therefrom to satisfy and make payment to all Blitz Personal Injury Claims that may qualify for a recovery only in accordance with the terms of this Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP, all in accordance with the Plan, the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP. In this regard, holders of Covered Blitz Personal Injury Claims shall receive Offer Amounts that are substantially in accordance with the amounts listed on Exhibit B to the Blitz Personal Injury TDP assuming that (i) the Covered Claimants can support the level of injury and other compensation sought in their respective proofs of claim (with the understanding that (a) Covered Claimants who provide documentation supporting a higher recovery than sought in their proof of claim may receive Offer Amounts greater than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts, and (b) Covered Claimants who provide documentation supporting a lower recovery than sought in their proof of claim may receive Offer

Amounts less than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts), and (ii) the Covered Claimants can satisfy the Threshold Components set forth in the TDP Scoring System. The Blitz Personal Injury Trust will (i) administer, process, settle, resolve, liquidate, satisfy and/or pay, as applicable, Blitz Personal Injury Trust Claims in such a way that the holders of Blitz Personal Injury Claims are treated equitably and in a substantially similar manner, subject to the terms of the Plan, the Blitz Personal Injury Trust Agreement and the Blitz Personal Injury TDP and (ii) in accordance with section 4.14 of the Plan and the Blitz Personal Injury Trust Agreement, defend and indemnify the Protected Parties, at the Blitz Personal Injury Trust's sole expense, in connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction. Blitz Personal Injury Trust Claims shall be channeled to the Blitz Personal Injury Trust pursuant to the Channeling Injunction set forth in section 4.3.3 of the Plan and may thereafter be asserted only and exclusively against the Blitz Personal Injury Trust. All such Blitz Personal Injury Claims shall be liquidated and paid in accordance with this Blitz Personal Injury Trust Agreement, the Blitz Personal Injury TDP, the Plan and the Confirmation Order. For the avoidance of doubt, notwithstanding anything to the contrary in this Blitz Personal Injury Trust Agreement, the Blitz Personal Injury TDP, the Plan or the Confirmation Order, from among the categories of Blitz Personal Injury Trust Claims, only Blitz Personal Injury Claims that are Covered Blitz Personal Injury Claims shall be entitled to payment or compensation from the proceeds of the Insurance Settlement Payment (except for Michael Montgomery, whose sole recovery from the Blitz Personal Injury Trust is set forth below at paragraph 2.2(d)). The Blitz Personal Injury Trust shall be administered and implemented by the Blitz Personal Injury Trustee as provided in this Blitz Personal Injury Trust Agreement.

**1.3 Transfer of Assets.** Pursuant to Section 4.5 of the Plan, the USA Debtors, the Participating Insurers, Wal-Mart and the Blitz Liquidating Trust will transfer, issue or assign as appropriate and deliver to the Blitz Personal Injury Trust, the Blitz Personal Injury Trust Assets at the time and in the manner contemplated by the Plan Documents, in each case free and clear of any Claims, Liens, Equity Interests or other interests of any creditor, shareholder or other Entity.

**1.4 Acceptance of Assets and Assumption of Liabilities.**

(a) In furtherance of the purposes of the Blitz Personal Injury Trust, the Blitz Personal Injury Trustee, on behalf of the Blitz Personal Injury Trust, hereby expressly accepts the transfer and assignment to the Blitz Personal Injury Trust of the Blitz Personal Injury Trust Assets in the time and manner contemplated by the Plan. The Blitz Personal Injury Trust shall receive the benefits of and shall be bound by the Insurance Settlement as if it had been a party thereto at the time of execution of the Insurance Settlement Term Sheet.

(b) In furtherance of the purposes of the Blitz Personal Injury Trust, the Blitz Personal Injury Trustee, on behalf of the Blitz Personal Injury Trust, expressly assumes liability for all Blitz Personal Injury Trust Claims, subject to and as provided in the Plan and the Plan Documents. The Blitz Personal Injury Trust shall have all defenses, cross-claims, offsets, and recoupments, as well as rights of indemnification, contribution, subrogation, and similar rights, regarding such claims that the Debtors and/or the Protected Parties had, have or would have had under the Plan, applicable law or under any agreement related thereto; *provided, however,* that the Blitz Personal Injury Trust shall not have any cross-claims, rights of recovery, reimbursement, defense, indemnity, offset, recoupment, contribution, subrogation and similar rights against any Protected Party or the Proponents. Regardless of the foregoing, however, to be eligible to receive any payment from the Blitz Personal Injury Trust on account of a Covered Blitz Personal Injury Claim, a Claimant's Covered Blitz Personal Injury Claim must not be barred by any applicable federal, state or foreign statute of limitations or repose.

(c) No provision herein or in the Blitz Personal Injury TDP shall be construed to mandate distributions on any Blitz Personal Injury Claim or other actions that would contravene the Blitz Personal Injury Trust's compliance with the requirements of a "qualified settlement fund" within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under section 468B of the IRC.

(d) The Blitz Personal Injury Trust shall fully and completely defend each of the Debtors, the present and former directors and officers of each of the Debtors, the Participating Insurers, Wal-Mart, the BAH Released Parties, shareholders of the Debtors solely in their capacity as shareholders and solely related to the Blitz Personal Injury

Claims, and the Representatives, Affiliates, subsidiaries and/or successors of each of the foregoing connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction as set forth in section 4.14 of the Plan. In the event any person or Entity asserts any claim that is subject to the Channeling Injunction, the Blitz Personal Injury Trust shall, at its own expense, defend the validity of the Channeling Injunction and its application and use its best efforts to establish that such Claim is enjoined by filing a motion to defend the Channeling Injunction in the Bankruptcy Court or the Court where the underlying claim is filed. The Participating Insurers, Wal-Mart and the BAH Settling Parties (i) shall have consultation and approval rights with respect to the selection of counsel hired by the Blitz Personal Injury Trust for such defense obligations and (ii) shall have the right, at their own cost and expense, to associate in the defense in any proceeding concerning the enforcement and application of the Channeling Injunction. If the Blitz Personal Injury Trust breaches its duty to fully and completely defend the Protected Parties, the Blitz Personal Injury Trust is obligated to indemnify the Protected Parties, including advancement of defense costs. All defense and indemnity costs described in this section shall be assessed pro rata against the Non-Appealing Fund and the Special Circumstances Fund as set forth in the TDP Scoring System provided, however, that in the event that either the Non-Appealing Fund or the Special Circumstances Fund is unable to satisfy its pro rata obligations to the Protected Parties, such obligations shall be satisfied in full by the other Fund.

(e) Nothing in this Agreement shall be construed in any way to limit or expand the scope, enforceability, or effectiveness of the Channeling Injunction issued in connection with the Plan or the Blitz Personal Injury Trust's assumption of all liability for Blitz Personal Injury Trust Claims.

(f) The sole and exclusive remedy on account of Blitz Personal Injury Trust Claims shall be against the Blitz Personal Injury Trust, and no Blitz Personal Injury Trust Claim that has been channeled to the Blitz Personal Injury Trust may be asserted against any Protected Party or any Covered Claimant individually. Should any action based on or arising from or in connection with any Blitz Personal Injury Trust Claim be commenced against any of the Debtors, the present and former directors and officers of each of the Debtors, the Participating Insurers, Wal-Mart, the BAH Released Parties, shareholders of

the Debtors solely in their capacity as shareholders and solely related to the Blitz Personal Injury Claims, and the Representatives, Affiliates, subsidiaries and/or successors of each of the foregoing Protected Party in any tribunal whatsoever, the Blitz Personal Injury Trust shall seek to enjoin the prosecution of such action in the Bankruptcy Court in connection with these Chapter 11 Cases or in the jurisdiction where the underlying action is filed.

## SECTION 2

## POWERS AND TRUST ADMINISTRATION

**2.1 Powers.**

(a) The Blitz Personal Injury Trustee is and shall act as the fiduciary to the Blitz Personal Injury Trust in accordance with the provisions of this Agreement and the Plan, and shall have the power, on behalf of the Blitz Personal Injury Trust, to exercise all rights and fulfill all obligations of the Blitz Personal Injury Trust hereunder and under the Plan. The Blitz Personal Injury Trustee shall, at all times, administer the Blitz Personal Injury Trust and the Blitz Personal Injury Trust Assets in accordance with the purposes set forth in section 1.2 above. Subject to the limitations set forth in this Agreement, the Blitz Personal Injury Trustee shall have the power to take any and all actions that, in the judgment of the Blitz Personal Injury Trustee, are necessary or proper to fulfill the purposes of the Blitz Personal Injury Trust, including, without limitation, each power expressly granted in this section 2.1, any power reasonably incidental thereto, and any trust power now or hereafter permitted under the laws of the State of Delaware.

(b) Except as required by applicable law or otherwise specified herein, the Blitz Personal Injury Trustee need not obtain the order or approval of any court in the exercise of any power or discretion conferred on the Blitz Personal Injury Trustee hereunder.

(c) Without limiting the generality of section 2.1(a) above, and except as limited below, the Blitz Personal Injury Trustee shall have the power to:

(i) receive and hold the Blitz Personal Injury Trust Assets;

(ii) invest the monies held from time to time by the Blitz Personal Injury Trust;

(iii) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the Blitz Personal Injury Trust to operate;

(iv) pay the Blitz Personal Injury Trust Expenses;

(v) in accordance with section 3.1 below, establish such reserves and accounts for the Blitz Personal Injury Trust Expenses, with the Blitz Personal Injury Trust Assets as deemed by the Blitz Personal Injury Trustee to be useful in carrying out the purposes of the Blitz Personal Injury Trust;

(vi) sue and be sued and participate, as a party or otherwise, in any judicial, administrative, arbitrative, or other proceeding;

(vii) establish, supervise and administer the Blitz Personal Injury Trust in accordance with the Plan, this Agreement and the Blitz Personal Injury TDP, and take any and all actions contemplated to be taken by the Blitz Personal Injury Trustee under the Blitz Personal Injury TDP;

(viii) engage legal, financial, accounting, investment, and auditing consultants and agents as the business of the Blitz Personal Injury Trust may require; and to delegate to such persons power and authority as the fiduciary duties of the Blitz Personal Injury Trustee permit and as the Blitz Personal Injury Trustee, in his or her discretion, deems advisable or necessary to carry out the purposes of the Blitz Personal Injury Trust in accordance with the Plan and this Agreement;

(ix) pay reasonable compensation to legal, financial, accounting, investment, and auditing consultants and agents hired or retained by the Blitz Personal Injury Trust, including, without limitation, any such persons hired or retained in connection with the alternative dispute resolution and litigation activities of the Blitz Personal Injury Trust, and allocate such costs, as permitted under the TDP Scoring System, to one or more Covered Claimants as an Individual Cost or as a General Cost (as defined and using the methodology described in the TDP Scoring System);

(x) compensate the Blitz Personal Injury Trustee and the Blitz Personal Injury TAC member and reimburse the Blitz Personal Injury Trustee and the Blitz Personal Injury TAC members for reasonable out-of-pocket costs and expenses incurred by such persons in connection with the performance of their duties hereunder;

(xi) execute and deliver such instruments as the Blitz Personal Injury Trustee considers proper in administering the Blitz Personal Injury Trust;

(xii) enter into such other arrangements with third parties as are deemed by the Blitz Personal Injury Trustee to be reasonably necessary in carrying out the purposes of the Blitz Personal Injury Trust, provided such arrangements do not conflict with any other provision of this Agreement;

(xiii) defend and indemnify, and if appropriate purchase insurance indemnifying (A) the Blitz Personal Injury Trustee and (B) the Blitz Personal Injury TAC, to the fullest extent that a corporation or trust organized under the law of the State of Delaware is from time to time entitled to indemnify and/or insure its directors, officers, employees, agents, advisors and representatives (as set forth in the TDP Scoring System, the foregoing indemnification costs shall be borne pro rata between the Non-Appealing Fund and the Special Circumstances Fund in the manner described therein);

(xiv) in accordance with section 1.4(d) above and section 4.14 of the Plan, defend the Channeling Injunction;

(xv) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the Blitz Personal Injury Trust Assets to any one or more reputable individuals or recognized institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in section 4.4 below;

(xvi) consult with the Blitz Personal Injury TAC at such times and with respect to such issues relating to the conduct of the Blitz Personal Injury Trust as the Blitz Personal Injury Trustee considers desirable; and

(xvii) make, pursue (by litigation or otherwise), collect, compromise or settle, in the name of the Blitz Personal Injury Trust, any Claim, right, action, or cause of action, if any, included in the Blitz Personal Injury Trust Assets before any court of competent jurisdiction; provided that the Blitz Personal Injury Trust must seek approval of any settlement of actions that are pending before the Bankruptcy Court from the Bankruptcy Court after notice to parties in interest;

(xviii) process, resolve and object to Blitz Personal Injury Trust Claims as provided in the Plan, this Agreement and the Blitz Personal Injury TDP.

(d) The Blitz Personal Injury Trustee shall not have the power to cause the Blitz Personal Injury Trust to guarantee debt of any other Entity.

(e) The Blitz Personal Injury Trustee shall give the Blitz Personal Injury TAC prompt notice of any act performed or taken pursuant to sections 2.2(c)(i) and (ii), and 2.2(d), and any act proposed to be performed or taken pursuant to section 2.2(f) below.

(f) The Blitz Personal Injury Trustee shall have the power, but not the obligation, to, at the request and sole cost and expense of a Blitz Personal Injury Claimant whose claim arose prior to the Release Date, seek or sue for insurance coverage proceeds only in connection with the rights transferred to the Blitz Personal Injury Trust pursuant to Article IV of the Plan and the Assigned Blitz Insurance Policies.

**2.2 General Administration.**

(a) The Blitz Personal Injury Trustee shall act in accordance with this Agreement, the Blitz Personal Injury TDP (including the TDP Scoring System attached thereto and incorporated therein), and the Plan. In the event of an inconsistency between the Plan and this Agreement, the Plan shall govern. In the event of any inconsistency between this Agreement and the Blitz Personal Injury TDP, the Blitz Personal Injury TDP shall control. The Blitz Personal Injury Trust may, at the sole discretion of the Blitz Personal Injury

Trustee, adopt bylaws (if adopted, "Blitz Personal Injury Trust Bylaws"). The Blitz Personal Injury Trust Bylaws cannot supersede this Agreement, the Plan, the Blitz Personal Injury TDP, or the Blitz Personal Injury TDP Scoring System. To the extent not inconsistent with the terms of this Agreement, if and as when adopted the Blitz Personal Injury Trust Bylaws shall govern the affairs of the Blitz Personal Injury Trust. In the event of an inconsistency between Blitz Personal Injury Trust Bylaws and this Agreement, this Agreement shall govern.

(b) The Blitz Personal Injury Trustee shall: (i) timely file such income tax and other returns and statements required to be filed by the Blitz Personal Injury Trust and shall from the Blitz Personal Injury Trust Assets timely pay all taxes required to be paid by the Blitz Personal Injury Trust, (ii) comply with all withholding obligations, as required under the applicable provisions of the IRC and of any state law and any regulations promulgated thereunder, (iii) meet without limitation all requirements necessary to qualify and maintain qualification of the Blitz Personal Injury Trust as a qualified settlement fund within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under section 468B of the IRC, and (iv) take no action that could cause the Blitz Personal Injury Trust to fail to qualify as a qualified settlement fund within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under section 468B of the IRC. As set forth in the TDP Scoring System, the foregoing reporting costs shall be borne pro rata between the Non-Appealing Fund and the Special Circumstances Fund in the manner described therein.

(c) The Blitz Personal Injury Trustee shall timely account to the Bankruptcy Court as follows:

(i) Depending on whether the Blitz Personal Injury Trustee decides, in his or her sole discretion, to operate the Blitz Personal Injury Trust on a calendar or fiscal year basis, the Blitz Personal Injury Trustee shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, but in no event later than one hundred and twenty (120) days following the end of each calendar or fiscal year, an annual report containing, *inter alia,* financial statements of the Blitz Personal Injury Trust (including, without limitation,

a balance sheet of the Blitz Personal Injury Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Blitz Personal Injury Trustee and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles. The Blitz Personal Injury Trustee shall provide a copy of such report to the Blitz Personal Injury TAC, when such reports are filed with the Bankruptcy Court.

(ii) Simultaneously with delivery of each set of financial statements referred to in section 2.2(c)(i) above, the Blitz Personal Injury Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of Blitz Personal Injury Trust Claims disposed of during the period covered by the financial statements. The Blitz Personal Injury Trustee shall provide a copy of such report to the Blitz Personal Injury TAC, when such report is filed with the Bankruptcy Court.

(iii) All materials required to be filed with the Bankruptcy Court by this section 2.2(c) shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court.

(iv) As set forth in the TDP Scoring System, the foregoing reporting costs shall be borne pro rata between the Non-Appealing Fund and the Special Circumstances Fund in the manner described therein.

(d) The Blitz Personal Injury Trustee shall cause to be prepared as soon as practicable prior to the commencement of each calendar or fiscal year a budget and cash flow projections covering such calendar or fiscal year. The Blitz Personal Injury Trustee shall provide a copy of the budget and cash flow projections to the Blitz Personal Injury TAC.

(e) The Blitz Personal Injury Trustee shall consult with the Blitz Personal Injury TAC (i) on the general implementation and administration of the Blitz Personal Injury Trust;

(ii) on the general implementation and administration of the Blitz Personal Injury TDP; and (iii) on such other matters as may be required under this Agreement and the Blitz Personal Injury TDP.

(f) Without limiting the generality of the foregoing section 2.2(e), the Blitz Personal Injury Trustee shall be required to consult with the Blitz Personal Injury TAC pursuant to the Consultation Process set forth in section 6.1 below:

(i) to require that Claimants provide additional kinds of medical or other evidence pursuant to the Blitz Personal Injury TDP or the TDP Scoring System;

(ii) to change the form of release to be provided pursuant to section 6.6 of the Blitz Personal Injury TDP, provided that the changed release must be consistent with the requirements of the Plan and the Plan Documents and the Settlement Term Sheet;

(iii) to terminate the Blitz Personal Injury Trust;

(iv) to settle rights assigned to the Blitz Personal Injury Trust;

(v) to change the compensation of the Blitz Personal Injury Trustee, other than to reflect cost-of-living increases or changes approved by the Bankruptcy Court as otherwise provided herein;

(vi) to take structural or other actions to minimize any tax on the Blitz Personal Injury Trust Assets;

(vii) to adopt Blitz Personal Injury Trust Bylaws in accordance with section 2.2(a) above or to amend the Blitz Personal Injury Trust Bylaws in accordance with the terms thereof;

(viii) to amend any provision of this Agreement or the Blitz Personal Injury TDP in accordance with the terms thereof, provided that any such amendments must be consistent with the requirements of the Plan and the Plan Documents; and

(ix) to develop methods for auditing the reliability of medical evidence.

(g) For the avoidance of doubt, as set forth in Section 6.5(c) below, the Blitz Personal Injury Trustee may not amend (i) the TDP Scoring System, (ii) the enumerated criteria listed in paragraph H of the TDP Scoring System for application to the Special Circumstances Fund, or (iii) the amount of the Insurance Settlement Payment allocated to the Non-Appealing Fund and the Special Circumstances Fund.

(h) The Blitz Personal Injury Trustee shall meet with the Blitz Personal Injury TAC no less often than quarterly. The Blitz Personal Injury Trustee otherwise may meet with the Blitz Personal Injury TAC as and when deemed advisable by the Blitz Personal Injury Trustee.

(i) The Blitz Personal Injury Trustee, upon notice from the Blitz Personal Injury TAC, if practicable in view of pending business, shall at the next meeting with the Blitz Personal Injury TAC, consider issues submitted by the Blitz Personal Injury TAC for consideration by the Blitz Personal Injury Trust.

(j) Periodically, but not less often than once a year, the Blitz Personal Injury Trustee shall make available to Covered Claimants and other interested parties the number of claims that have been resolved by the Blitz Personal Injury Trust and the amounts of the awards in each case.

**2.3 Claims Administration.**

The bulk of the personal injury claims involving Blitz gasoline containers arise from incidents that occurred between July 31, 2007 (the "Release Date") and July 31, 2012. In contrast, only a discrete number of claims arise from incidents that occurred on or before the Release Date. The monies contributed to the Blitz Personal Injury Trust by the Participating Insurers pursuant to the Insurance Settlement represent consideration for the buy back of Participating Insurance Policies in effect for the period from the Release Date to July 31, 2012, the channeling of Blitz Personal Injury Trust Claims covered by the Participating Insurance Policies to the Blitz Personal Injury Trust, and the releases granted to the Participating Insurers under the Plan. The monies contributed by Wal-Mart under the Insurance Settlement represent consideration for, among other things, the channeling of all Blitz Personal Injury Claims to the Blitz Personal Injury Trust and the release being granted to Wal-Mart under the Plan. As set forth in detail below, in the

Blitz Personal Injury TDP and the TDP Scoring System, a portion of the consideration paid under the Insurance Settlement and the BAH Settlement in the sum of $129,820,000 shall be allocated to the Non-Appealing Fund and $30,000,000 to the Special Circumstances Fund to pay claims involving Blitz gasoline containers that arise from incidents that occurred between the Release Date and July 31, 2012. The claims that arose prior to the Release Date are not released against the Non-Participating Insurers and are channeled to the Blitz Personal Injury Trust. Holders of Blitz Personal Injury Claims arising prior to the Release Date will be subject the Channeling Injunction and shall retain all rights to pursue their claims against the Assigned Insurance Policies issued by the Non-Participating Insurers.

Blitz Personal Injury Trust Claims shall be administered as follows:

**(a) Covered Blitz Personal Injury Claims.** The Blitz Personal Injury TDP shall provide mechanisms such as *pro rata* and/or percentage distributions of the proceeds of the Insurance Settlement and the BAH Settlement allocable to the Blitz Personal Injury Trust, net of reserves for fees, costs, expenses and indemnification obligations incurred by the Blitz Personal Injury Trust, on account of Allowed Covered Blitz Personal Injury Claims and; periodic review of estimates of the numbers and values of Allowed Covered Blitz Personal Injury Claims or other comparable mechanisms, that provide reasonable assurance that the Blitz Personal Injury Trust will value and be in a financial position to pay similar Allowed Covered Blitz Personal Injury Claims in substantially the same manner. From and after the Effective Date, the Blitz Personal Injury Trust shall liquidate and pay the Allowed Covered Blitz Personal Injury Claims in accordance with the Blitz Personal Injury TDP. Notwithstanding the foregoing, the Blitz Personal Injury Trustee shall use his or her best efforts deliver Offer Amounts to the holders of Covered Blitz Personal Injury Claims that are substantially in accordance with the amounts listed on Exhibit B to the Blitz Personal Injury TDP assuming that (i) the Covered Claimants can support the level of injury and other compensation sought in their respective proofs of claim (with the understanding that (a) Covered Claimants who provide documentation supporting a higher recovery than sought in their proof of claim may receive Offer Amounts greater than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts, and (b) Covered Claimants who provide

documentation supporting a lower recovery than sought in their proof of claim may receive Offer Amounts less than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts), and (ii) the Covered Claimants can satisfy the Threshold Components set forth in the TDP Scoring System. All distributions the Blitz Personal Injury Trust makes on account of Allowed Covered Blitz Personal Injury Claims shall be final and, other than for demonstrative mathematical errors, shall not subject to recapture or disgorgement by the Blitz Personal Injury Trust or any other party.

**(b) Blitz Personal Injury Claims Arising Prior to the Release Date.** As set forth in Article VII of the Plan, all Blitz Personal Injury Claims that arose prior to the Release Date shall be channeled to the Blitz Personal Injury Trust and will be subject to the Channeling Injunction but shall not be deemed to have released their Blitz Personal Injury Claims against the USA Debtors and the Non-Participating Insurers. Holders of such claims shall retain the right to (i) liquidate their claims and seek payment from the Non-Participating Insurers in accordance with the Plan; (ii) assert their claims against, and, if necessary, prosecute an action against the Non-Participating Insurers, and (iii) may initiate an Insurance Action against the Blitz Personal Injury Trust if necessary to preserve their rights against Non-Participating Insurers.

**(c) Vendor Claims, Co-Defendant Claims and Direct Action Claims.** Vendor Claims, Co-Defendant Claims and Direct Action Claims shall be channeled to the Blitz Personal Injury Trust and will be subject to the Channeling Injunction. Holders of Vendor Claims, Co-Defendant Claims and Direct Action Claims shall receive the Releases and the benefit of the Channeling Injunction and shall retain their rights, if any, with respect to the Assigned Blitz Insurance Policies but shall not receive any distributions from the Blitz Personal Injury Trust on account of their claims.

**(d) Claims Related to Michael Montgomery**. In satisfaction of the claims of Michael Montgomery: (i) the Blitz Personal Injury Trust shall pay to Michael Montgomery the sum of $3,075,000; (ii) Michael Montgomery shall retain and be entitled to pursue his Claims against the insurance policies issued by Non-Participating Insurers that were in effect on the date that his injuries occurred and against Home Depot; and (iii)

Michael Montgomery shall have no other or further claims against the Blitz Personal Injury Trust or any of the Protected Parties.

**(e) Claims Related to David Calder**. In satisfaction of the claim of David Calder and his co-plaintiffs, Debtors, Westchester Fire Insurance Company ("Westchester Fire") and David Calder and his co-plaintiffs agree to settle and compromise in full the claims of David Calder and his co-plaintiffs by (a) Westchester Fire paying $2,942,014, and (b) the Debtors or the Blitz Personal Injury Trustee causing to be paid, or directing RLI Insurance Company to pay from the proceeds of the Debtors' bond that is returnable to the Blitz USA estate (Bond Number RSB4174412) the full amount of that bond that the Debtors posted for on appeal ($1,057,986.31). The forgoing payments shall be made within thirty (30) days of payment of the Insurance Settlement Amount but shall be further subject to the exchange of full and mutual releases, compliance with Medicare secondary payer requirements and the dismissal with prejudice of all appeals. The automatic stay of section 362 of the Bankruptcy Code shall remain in place through the payment of the Insurance Settlement Amount. If the Debtors or the Blitz Personal Injury Trustee are unable to deliver the full amount of their bond ($1,057,986.31) from the proceeds of the Debtors' bond for reasons beyond their control, the Debtors and/or the David Calder and his co-plaintiffs shall be free to go forward with their appeal(s) and otherwise prosecute their claims and, if they opt to do so, the other parties to the settlement of Calder's Claims shall be relieved of their obligations under this paragraph.

**(f) Claims Related to Jonathan Green**. Jonathan Green shall retain and shall not release his claim for sanctions, which is now pending appeal, until the occurrence of the Payment Date (as defined in the Insurance Settlement), and the vacator of the sanctions order by the Green court (to which the Debtors and the Green plaintiffs consent and the Participating Blitz Personal Injury Claimants do not oppose), at which time the $250,000 that has already been deposited with his counsel in escrow, shall be released and paid to Jonathan Green, and any claim asserted by Green shall be released and the parties to the Green case agree to mutually dismiss their appeals.

**(g) Fees and Expenses of Objecting Claimants.** $650,000 shall be paid to reimburse legal fees and expenses incurred in connection with these Chapter 11 Cases

through and including 10:00 a.m. on December 18, 2013, by the Torres claimants, Jones claimants, Perez claimants, Newby claimants, Bauman claimants, Mims claimants and Bosse claimants provided that such claimants either: (i) sign on to the Plan Support Agreement by not later than 10:00 a.m. December 18, 2013; or (ii) withdraw any written opposition to the Insurance Settlement by not later than 10:00 a.m. on December 18, 2013 and do not prosecute objections to approval of the Insurance Settlement, do not file or prosecute objections to the adequacy of the Disclosure Statement, do not file or prosecute objections to confirmation of the Plan and do not vote against or take any other action to oppose confirmation of the Plan. Qualifying claimants shall submit a request for reimbursement of legal fees and costs to the Blitz Personal Injury Trustee within 10 days of the Effective Date. Claims not timely filed shall be deemed waived. The Blitz Personal Injury Trustee in consultation with the Blitz Personal Injury TAC shall review and determine the amount of legal fees and costs allowable for each Qualifying Claimant. In the event that total allowed legal fees and costs exceed $650,000, the $650,000 shall be distributed pro-rata amongst allowed legal fees and costs. To the extent that allowed legal fees and costs are less than $650,000, allowed legal fees and costs shall be paid in full, and the remaining balance shall be added to the Non-Appealing Fund and shall be distributed to Covered Claimants in accordance with the procedures for distributions from the Non-Appealing Fund. Allowed legal fees and costs shall be paid within 10 days of allowance on a first in first out basis. For purposes of this provision, "legal fees and expenses" shall include fees billed at the regular hourly rate of bankruptcy counsel for any qualifying claimant. "Legal fees and expenses" shall not include fees incurred by plaintiff's tort counsel, unless such claimant has not retained separate bankruptcy counsel, in which case legal fees incurred by tort counsel only in connection with the Chapter 11 Cases, and not the underlying tort cases, shall be reimbursable under this provision at that attorney's regular hourly rate (or is such attorney does not have a regular hourly rate at the average hourly rate for attorneys of similar experience in the jurisdiction where such attorney's office is located to be determined by the Blitz Personal Injury Trustee in consultation with the Blitz Personal Injury TAC) . "Legal fees and expenses" shall include travel expenses, expert fees and deposition transcript costs incurred in connection with the Bankruptcy Cases by

bankruptcy counsel or by tort counsel in the instance where separate bankruptcy counsel has not been retained.

**2.4 MSP Claims Reporting.**

(a) It is the position of the Proponents that neither Debtors nor any Protected Party will have any reporting obligations in respect of their contributions to the Blitz Personal Injury Trust, or in respect of any payments, settlements, resolutions, awards, or other claim liquidations by the Blitz Personal Injury Trust, under the reporting provisions of section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (P.L.110-173), or any other similar statute or regulation, and any related rules, regulations, or guidance issued in connection therewith ("MMSEA"). Unless and until there is definitive regulatory, legislative, or judicial authority (as embodied in a final non-appealable decision from the United States Court of Appeals for the Third Circuit or the United States Supreme Court), or a letter from the Secretary of Health and Human Services confirming that the Debtors or any Protected Party have no reporting obligations under MMSEA with respect to any settlements, payments, or other awards made by the Blitz Personal Injury Trust or with respect to contributions made or will make to the Blitz Personal Injury Trust, the Blitz Personal Injury Trust shall, at its sole expense, in connection with the implementation of the Plan, act as a reporting agent for the Debtors and/or the Protected Parties and shall timely submit all reports that would be required to be made by the Debtors and/or the Protected Parties under MMSEA on account of any claims settled, resolved, paid, or otherwise liquidated by the Blitz Personal Injury Trust or with respect to contributions to the Blitz Personal Injury Trust including, but not limited to, reports that would be required if the Debtors and/or any Protected Party were determined to be "applicable plans" for purposes of MMSEA, or any of the Debtors and/or any Protected Party were otherwise found to have MMSEA reporting requirements. The Blitz Personal Injury Trust, in its role as reporting agent for the Debtors and/or any Protected Party shall follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agent or successor Entity charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA (collectively, "CMS") to determine whether or not, and, if so, how, to report to CMS pursuant to MMSEA.

(b) If the Blitz Personal Injury Trust is required to act as a reporting agent for the Debtors and/or any Protected Party pursuant to the provisions of section 2.4(a) above, the Blitz Personal Injury Trust shall provide a written certification to each of the Debtors and/or any Protected Party within ten (10) days following the end of each calendar quarter, confirming that all reports to CMS required by section 2.4(a) have been submitted in a timely fashion, and identifying (i) any reports that were rejected or otherwise identified as noncompliant by CMS, along with the basis for such rejection or noncompliance, and (ii) any payments to Medicare benefits recipients or Medicare-eligible beneficiaries that the Blitz Personal Injury Trust did not report to CMS.

(c) With respect to any reports rejected or otherwise identified as noncompliant by CMS, the Blitz Personal Injury Trust shall, upon request by the Debtors and/or any Protected Party, promptly provide copies of the original reports submitted to CMS, as well as any response received from CMS with respect to such reports; *provided, however,* that the Blitz Personal Injury Trust may redact from such copies the names, social security numbers other than the last four digits, health insurance claim numbers, taxpayer identification numbers, employer identification numbers, mailing addresses, telephone numbers, and dates of birth of the injured parties, Claimants, guardians, conservators and/or other personal representatives, as applicable.

(d) If the Blitz Personal Injury Trust is required to act as a reporting agent for the Debtors and/or any Protected Party pursuant to the provisions of section 2.4(a) above, with respect to each claim of a Medicare benefits recipient or Medicare-eligible beneficiary that was paid by the Blitz Personal Injury Trust and not disclosed to CMS, the Blitz Personal Injury Trust shall, upon request by the Debtors and/or any Protected Party, promptly provide the last four digits of the Claimant's social security number, the year of the Claimant's birth, the Claimant's injury, and any other information that may be necessary in the reasonable judgment of the Debtors and/or any Protected Party to satisfy their obligations, if any, under MMSEA, as well as the basis for the Blitz Personal Injury Trust's failure to report the payment. In the event the Debtors and/or any Protected Party disagrees with the Blitz Personal Injury Trust's decision not to report a claim paid by the Blitz Personal Injury Trust, the Blitz Personal Injury Trust shall promptly report the payment to CMS. All documentation relied upon by the Blitz Personal Injury Trust in

making a determination that a payment did not have to be reported to CMS shall be maintained for a minimum of six years following such determination.

(e) If the Blitz Personal Injury Trust is required to act as a reporting agent for the Debtors and/or any Protected Party pursuant to the provisions of section 2.4(a) above, the Blitz Personal Injury Trust shall make the reports and provide the certifications required by sections 2.4(a) and (b) above until such time as each of the Debtors and/or any Protected Party all determine, in their reasonable judgment, that they have no further legal obligation under MMSEA or otherwise to report any settlements, resolutions, payments, or liquidation determinations made by the Blitz Personal Injury Trust or contributions to the Blitz Personal Injury Trust. Furthermore, following any permitted cessation of reporting, or if reporting has not previously commenced due to the satisfaction of one or more of the conditions set forth in section 2.4(a) above, and if the Debtors and/or any Protected Party reasonably determine, based on subsequent legislative, administrative, regulatory, or judicial developments, that reporting is required, then the Blitz Personal Injury Trust shall promptly perform its obligations under sections 2.4(a) and (b) above.

(f) Section 2.4(a) above is intended to be purely prophylactic in nature, and does not imply, and shall not constitute an admission, that the Debtors and/or any Protected Party are in fact "applicable plans" within the meaning of MMSEA, or that they have any legal obligation to report any actions undertaken by the Blitz Personal Injury Trust or contributions to the Blitz Personal Injury Trust under MMSEA or any other statute or regulation.

(g) In the event that CMS concludes that reporting done by the Blitz Personal Injury Trust in accordance with section 2.4(a) above is or may be deficient in any way, and has not been corrected to the satisfaction of CMS in a timely manner, or if CMS communicates to the Blitz Personal Injury Trust, the Debtors and/or any Protected Party a concern with respect to the sufficiency or timeliness of such reporting, or there appears to the Debtors and/or any Protected Party a reasonable basis for a concern with respect to the sufficiency or timeliness of such reporting or non-reporting based upon the information received pursuant to section 2.4(b), (c) or (d) or other credible information, then each of the Debtors and/or any Protected Party shall have the right to submit its own reports to

CMS under MMSEA, and the Blitz Personal Injury Trust shall provide to any party that elects to file its own reports such information as the electing party may require in order to comply with MMSEA, including, without limitation, the full reports filed by the Blitz Personal Injury Trust pursuant to section 2.4(a) above without any redactions. The Debtors and/or any Protected Party shall keep any information they receive from the Blitz Personal Injury Trust pursuant to this section 2.4(g) confidential and shall not use such information for any purpose other than meeting obligations under MMSEA.

(h) Notwithstanding any other provisions hereof, if the Blitz Personal Injury Trust is required to act as a reporting agent for the Debtors and/or any Protected Party, then such Entities shall take all steps necessary and appropriate as required by CMS to permit any reports contemplated by this section to be filed. Furthermore, until the Debtors and/or any Protected Party provide the Blitz Personal Injury Trust with any necessary information that may be provided by CMS's Coordination of Benefits Contractor (the "COBC") to effectuate reporting, the Blitz Personal Injury Trust shall have no obligation to report under section 2.4(a) above with respect to any such entity that has not provided such information.

**2.5 Payment of MSP Obligations.**

In connection with the implementation of the Plan, the Blitz Personal Injury Trustee shall obtain prior to remittance of funds to Covered Claimants' counsel or the Covered Claimant, if pro *se,* in respect of any Blitz Personal Injury Trust Claim a certification from the Covered Claimant to be paid that said Covered Claimant has or will provide for the payment and/or resolution of any obligations owing or potentially owing under 42 U.S.C. § 1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Blitz Personal Injury Trust Claim. The Blitz Personal Injury Trust shall provide a quarterly certification of its compliance with this section to each of the Debtors and each Protected Party, and permit reasonable audits by such entities, no more often than quarterly, to confirm the Blitz Personal Injury Trust's compliance with this section.

For the avoidance of doubt, the Blitz Personal Injury Trust shall be obligated to comply with the requirements of this section regardless of whether the Debtors and/or any Protected Party elects to file its own reports under MMSEA pursuant to section 2.4(g) above.

**2.6 Retention of Qualified MSP Compliance Vendor.**

In accordance with section 4.12 of the Plan, the Blitz Personal Injury Trust shall, at its expense, retain _____ to provide such services as are required to ensure compliance with the Blitz Personal Injury Trust's MSP requirements. The Participating Insurers and Wal-Mart shall have the right to obtain information from _____, the Blitz Personal Injury Trust and any holder of a Covered Blitz Personal Injury Claim as they may reasonably request to ensure that the Blitz Personal Injury Trust has complied with MSP requirements or for the purpose of internal audits and insurance or reinsurance claims. The Blitz Personal Injury Trust is prohibited from making a distribution to any holder of a Blitz Personal Injury Claim who refuses to provide the information necessary to meet MSP requirements with regard to that claimant. If a Covered Claimant fails to provide the information necessary to meet MSP requirements by the date by which the Blitz Personal Injury Trustee intends to terminate the Blitz Personal Injury Trust in accordance with section 6.4 of this Agreement, any amount reserved for such Covered Claimant shall be treated as a residual fund to be redistributed to other Covered Claimants pursuant to either paragraph I of the TDP Scoring System (if such funds were reserved from the Special Circumstances Fund for the benefit of a Covered Claimant with a claim against the Special Circumstances Fund) or paragraph K of the TDP Scoring System (if such funds were reserved from the Non-Appealing Fund for the benefit of a Covered Claimant who does not have a claim against the Special Circumstances Fund).

**2.7 Indemnification for Medicare Claims Reporting and Payment Obligations.**

For the avoidance of doubt, the Blitz Personal Injury Trust shall defend, indemnify save and hold harmless each Protected Party from any claims in respect of Medicare claims reporting and payment obligations in connection with Blitz Personal Injury Trust Claims, including any obligations owing or potentially owing under MMSEA or 42 U.S.C. § 1395y(b) or any related rules, regulations, or guidance issued in connection therewith, or relating thereto, and any claims arising from or related to the Blitz Personal Injury Trust's obligations under sections 2.4 and 2.5 above. All defense and indemnity costs described in this section shall be assessed pro rata against the Non-Appealing Fund and the Special Circumstances Fund as set forth in the TDP Scoring System provided, however, that in the event that either the Non-Appealing Fund of the Special Circumstances Fund is unable to satisfy its pro rata obligations to the Protected Parties, such obligations shall be satisfied in full by the other Fund.

## SECTION 3
## ACCOUNTS, INVESTMENTS, AND PAYMENTS

**3.1 Accounts.** The Blitz Personal Injury Trustee may, from time to time, create such accounts and reserves as he or she may deem necessary, prudent, or useful to (i) provide for the payment, or to make provision for future payment, of expenses incurred or reasonably anticipated to be incurred by the Blitz Personal Injury Trust (the "Cost Reserve") and (ii) provide for the payment, or to make provision for future payment, on account of liquidated Blitz Personal Injury Trust Claims; and may, with respect to any such account or reserve, restrict the use of monies therein; provided, however, that such reserve be consistent with the allocation of expenses between the Non-Appealing Fund and the Special Circumstances Fund as set forth in the TDP Scoring System. With respect to the reserves contemplated under subpart (ii) above, reserves will be set consistent with Section 6.5 of the Blitz Personal Injury Trust Distribution Procedures. Because there are limited funds available in the Blitz Personal Injury Trust for the payment of the Blitz Personal Injury Claims, no Covered Claimant is entitled to payment "in full," payment that is disproportionately larger than similarly situated Covered Claimants with the same injuries and similar characteristics, or payment that is at the expense of other Covered Claimants. The amount of the initial Cost Reserve shall be $1,000,000.00, deducted *pro rata* from the Non-Appealing Fund and the Special Circumstances Fund (*i.e.*, Because the $30,000,000 allocated to the Special Circumstances Fund represents 18.75% of $160,000,000, $187,500 of the $1,000,000 reserve shall come from the Special Circumstances Fund and $812,500 shall come from the Non-Appealing Fund). After consultation with the Blitz Personal Injury TAC, the Blitz Personal Injury Trustee may increase the size of the Cost Reserve in an amount necessary to provide for expenses incurred or reasonably anticipated to be incurred by the Blitz Personal Injury Trustee. The Blitz Personal Injury Trustee shall include a reasonably detailed description of any account or reserve created in accordance with this section 3.1 in the annual reports described in section 2.2(c)(i) hereof, which description shall include, with respect to any such account, the transfers made to such account, the proceeds of or earnings on the assets held in each such account, and the payments or disbursements made from each such account.

**3.2 Investments.** Investment of monies held in the Blitz Personal Injury Trust shall be administered in a manner consistent with the standards set forth in the Uniform Prudent Investor Act, subject to the following limitations and provisions:

(a) The Blitz Personal Injury Trust may invest in well diversified equity portfolios whose benchmark is a broad equity market index such as, but not limited to, the S&P 500 Index, Russell 1000 Index, S&P ADR Index or MSCI EAFE Index. The Blitz Personal Injury Trust shall not acquire, directly or indirectly, equity in any entity or business enterprise if, immediately following such acquisition, the Blitz Personal Injury Trust would hold more than 5% of the equity in such entity or business enterprise. The Blitz Personal Injury Trust shall not hold, directly or indirectly, more than 10% of the equity in any entity or business enterprise.

(b) The Blitz Personal Injury Trust shall not acquire or hold any long-term debt securities unless (i) such securities are included in the Blitz Personal Injury Trust Assets under the Plan, (ii) such securities are rated "Baa" or higher by Moody's, "BBB" or higher by Standard & Poor's ("S&P's"), or have been given an equivalent investment grade rating by another nationally recognized statistical rating agency, or (iii) have been issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof. This restriction does not apply to any pooled investment vehicles where pooled assets receive an investment grade rating (i.e., "BBB" rating or above) by a nationally recognized rating agency.

(c) Notwithstanding (b) above, the Blitz Personal Injury Trust may acquire or hold additional non-investment grade debt securities for longer than ninety (90) days if the Blitz Personal Injury Trust holds these securities as part of the Blitz Personal Injury Trust's intermediate-term bond manager portfolio, and such securities represent no more than 5% of the bond manager's portfolio.

(d) The Blitz Personal Injury Trust shall not acquire or hold for longer than ninety (90) days any commercial paper unless such commercial paper is rated "Prime-1" or higher by Moody's or "A-1" or higher by S&P's or has been given an equivalent rating by another nationally recognized statistical rating agency.

(e) The Blitz Personal Injury Trust shall not acquire any debt securities or other instruments issued by any entity if, following such acquisition, the aggregate market value of all debt securities and instruments issued by such entity held by the Blitz Personal Injury Trust would exceed 5% of the aggregate value of the Blitz Personal Injury Trust

Assets. There is no limitation on holding debt securities or other instruments issued or fully guaranteed as to principal and interest by the United States of America or any agency or instrumentality thereof.

(f) The Blitz Personal Injury Trust shall not acquire or hold any certificates of deposit unless all publicly held, long-term debt securities, if any, of the financial institution issuing the certificate of deposit and the holding company, if any, of which such financial institution is a subsidiary, meet the standards set forth in Section 3.2(b) above.

(g) The Blitz Personal Injury Trust may acquire and hold any securities or instruments obtained as proceeds of litigation or otherwise to resolve disputes, without regard to the limitations set forth in Subsections (a)-(f) above.

(h) The Blitz Personal Injury Trust shall not acquire or hold any repurchase obligations unless, in the opinion of the Blitz Personal Injury Trustee, they are adequately collateralized based on the advice and recommendation of its investment managers, the Blitz Personal Injury Trust may allow its investment managers to acquire prudently or hold derivative instruments like options and futures in the normal course of portfolio management. Specifically, the Blitz Personal Injury Trust may acquire or hold derivatives to manage or mitigate portfolio risk, including, but not limited to, interest rate risk and equity market risk. Using derivative instruments to leverage a portfolio to enhance returns (at a much greater risk to the portfolio) is prohibited.

(i) The Blitz Personal Injury Trust may lend securities on a short-term basis, subject to adequate, normal and customary collateral arrangements.

**3.3 Source of Payments.** All Blitz Personal Injury Trust Expenses and all other liabilities of the Blitz Personal Injury Trust shall be payable solely by the Blitz Personal Injury Trustee in a manner consistent with the allocation of costs and expenses pro rata between the Non-Appealing Fund and the Special Circumstances Fund as set forth in the TDP Scoring System. Neither any Protected Party or their respective subsidiaries, successors in interest, or the present or former shareholders, directors, officers, employees or agents, or their respective subsidiaries, nor the Blitz Personal Injury Trustee in his or her personal capacity, the Blitz Personal Injury TAC, or any of their respective officers, agents, advisors, or employees shall be liable for the payment of

Blitz Personal Injury Trust Expenses or any other liability of the Blitz Personal Injury Trust. The Blitz Personal Injury Trustee shall include a reasonably detailed description of Blitz Personal Injury Trust Expenses and other liabilities paid in accordance with this section 3.3 in the annual reports described in section 2.2(c)(i) above.

## SECTION 4

## BLITZ PERSONAL INJURY TRUSTEE

**4.1 Number.** There shall be one (1) Blitz Personal Injury Trustee. The initial Blitz Personal Injury Trustee shall be the person named on the signature page hereof.

**4.2 Term of Service.**

(a) The initial Blitz Personal Injury Trustee named pursuant to section 4.1 above shall serve an initial term of three (3) years. Thereafter each term of service shall be five (5) years. The initial Blitz Personal Injury Trustee shall serve from the Effective Date until the earlier of (i) the end of his or her term, (ii) his or her death, (iii) his or her resignation pursuant to section 4.2(b) below, (iv) his or her removal pursuant to section 4.2(c) below, or (v) the termination of the Blitz Personal Injury Trust pursuant to section 7.2 below.

(b) A Blitz Personal Injury Trustee may resign at any time by written notice to the Blitz Personal Injury TAC. Such notice shall specify a date when such resignation shall take place, which shall not be less than 90 days after the date such notice is given, where practicable.

(c) A Blitz Personal Injury Trustee may be removed by order of the Bankruptcy Court upon notice and motion filed by the Blitz Personal Injury TAC in the event that the Blitz Personal Injury Trustee becomes unable to discharge his or her duties hereunder due to accident or physical or mental deterioration, or for other good cause. Good cause shall be deemed to include, without limitation (i) substantial failure to comply with the general administration provisions of section 2.2 above, (ii) a consistent pattern of neglect and failure to perform or participate in performing the duties of the Blitz Personal Injury Trustee hereunder, (iii) repeated nonattendance at scheduled meetings, or (iv) one of the circumstances set forth in section 4.7 of this Agreement. Removal shall take effect at such time as the Bankruptcy Court shall determine.

**4.3 Appointment of Successor Blitz Personal Injury Trustee.**

(a) In the event of a vacancy in the position of a Blitz Personal Injury Trustee, the Blitz Personal Injury TAC shall consult concerning appointment of a successor (a "Successor Blitz Personal Injury Trustee"). The vacancy shall be filled by the vote of a majority of the Blitz Personal Injury TAC members. In the event that the Blitz Personal Injury TAC members fail to secure a majority vote for the appointment of a Successor Blitz Personal Injury Trustee, the Bankruptcy Court shall make the appointment. Nothing shall prevent the reappointment of a Blitz Personal Injury Trustee for an additional term or terms except that a Blitz Personal Injury Trustee removed for cause shall not be reappointed.

(b) Immediately upon the appointment of any Successor Blitz Personal Injury Trustee, all rights, titles, duties, powers and authority of the predecessor Blitz Personal Injury Trustee hereunder shall be vested in, and undertaken by, the Successor Blitz Personal Injury Trustee without any further act. No Successor Blitz Personal Injury Trustee shall be liable personally for any act or omission of his or her predecessor Blitz Personal Injury Trustee.

(c) Each Successor Blitz Personal Injury Trustee shall serve until the earlier of (i) the end of a full term of five (5) years if the predecessor Blitz Personal Injury Trustee completed his or her term, (ii) the end of the remainder of the term of the Blitz Personal Injury Trustee whom he or she is replacing if said predecessor Blitz Personal Injury Trustee did not complete said term, (iii) his or her death, (iv) his or her resignation pursuant to section 4.2(b) above, (v) his or her removal pursuant to section 4.2(c) above, or (vi) the termination of the Blitz Personal Injury Trust pursuant to section 7.2 below.

**4.4 Liability of Blitz Personal Injury Trustee, Blitz Personal Injury TAC.**

Neither the Blitz Personal Injury Trustee nor the members of the Blitz Personal Injury TAC shall have any liability to the Blitz Personal Injury Trust, to any Blitz Personal Injury Trust Claimant, or to any other Entity, for actions taken or not taken in connection with the operation of the Blitz Personal Injury Trust or the administration, processing, settlement, resolution, liquidation, satisfaction and/or payment of Blitz Personal Injury Trust Claims under the Blitz

Personal Injury TDP except for a breach of fiduciary duty by any of the foregoing committed through fraud, gross negligence or willful misconduct.

**4.5 Compensation and Expenses of Blitz Personal Injury Trustee.**

(a) The Blitz Personal Injury Trustee shall receive a retainer from the Blitz Personal Injury Trust to be paid from the Cost Reserve for his or her service as a Blitz Personal Injury Trustee in the amount of $_____ per annum[2] (the "Retainer"), which shall be payable in quarterly installments. The purpose of the Retainer is to provide a source for payment of the Blitz Personal Injury Trustee's hourly fee and expense reimbursement (see paragraph 4.5(c)). For all time expended (i) administering the Blitz Personal Injury Trust in accordance with the terms of this Agreement and the Plan, (ii) preparing for and attending Blitz Personal Injury Trust meetings, and (iii) receiving, processing, administering, resolving, liquidating and/or paying Blitz Personal Injury Trust Claims, the Blitz Personal Injury Trustee shall receive the sum of $_____ per hour[3], and the sum of $_____ per hour[4] for non-working travel time, in both cases computed on a quarter-hour basis. The Blitz Personal Injury Trustee shall record all hourly time to be charged to the Blitz Personal Injury Trust on a daily basis. If any payments received from by the Blitz Personal Injury Trustee from the Retainer are determined by the Blitz Personal Injury Trustee to be properly allocable to a particular Covered Claimant as an Individual Cost (each, a "Reimbursable Payment"), then, at the time the Individual Cost that qualifies as a Reimbursable Payment would have otherwise been deducted from the distribution to be made to such Covered Claimant, an amount equal to such Reimbursable Payment shall be transferred to the Cost Reserve from the Non-Appealing Fund or the Special Circumstances Fund (as applicable, depending on whether the Covered Claimant at issue is to be paid from the Non-Appealing Fund or the Special Circumstances Fund).

(b) On a monthly basis, by the 15th day of each month for the preceding month, the Blitz Personal Injury Trustee shall submit bills for compensation for such preceding month to the Blitz Personal Injury TAC and to any counsel for a Covered Claimant that has requested copies of such bills. If no objection is made in writing to such bill within

[2] To be determined prior to the Confirmation Hearing.
[3] To be determined prior to the Confirmation Hearing.
[4] To be determined prior to the Confirmation Hearing.

seven (7) days of submission, then the Blitz Personal Injury Trustee shall be entitled to pay such bill from the Retainer or, if the Retainer has been exhausted, from the Blitz Personal Injury Trust Assets. If a written objection is timely submitted to the Blitz Personal Injury Trustee, the objecting party shall discuss its objection in good faith with the Blitz Personal Injury Trustee in an effort to reach a consensual resolution. If no resolution is reached within seven (7) days of submission of a written objection then the Blitz Personal Injury Trustee shall be entitled to payment of the monthly bill to which such objection was submitted unless a written objection is filed with the Bankruptcy Court seeking a determination of the matter. An objection to a monthly bill filed with the Bankruptcy Court and notice of any hearing scheduled on such matter must be served on the Blitz Personal Injury Trust and the members of the Blitz Personal Injury TAC. If a written objection is filed, payment of the bill to which the objection relates shall be made only pursuant to (i) an order of the Bankruptcy Court or (ii) agreement of the Blitz Personal Injury Trustee and the party filing the objection, which agreement also would result in a withdrawal of the objection filed with the Bankruptcy Court.

(c) The Blitz Personal Injury Trust will promptly reimburse the Blitz Personal Injury Trustee for all reasonable out-of-pocket costs and expenses incurred by the Blitz Personal Injury Trustee in connection with the performance of his or her duties hereunder, provided however, that the Blitz Personal Injury TAC may make such motion to the Bankruptcy Court as it deems advisable to seek disgorgement of any cost or expense for which the Blitz Personal Injury Trustee has received reimbursement that the Blitz Personal Injury TAC believes was not reasonable under the circumstances. The costs and expenses incurred by the Blitz Personal Injury Trustee shall be apportioned between the Non-Appealing Fund and the Special Circumstances Fund as set forth in the TDP Scoring System.

(d) The aforementioned Retainer and hourly compensation payable to the Blitz Personal Injury Trustee hereunder shall be reviewed every year by the Blitz Personal Injury Trustee and, after consultation with the members of the Blitz Personal Injury TAC, appropriately adjusted as may be reasonable under the circumstances including, without limitation, for changes in the cost of living.

(e) The Blitz Personal Injury Trust shall include a description of the amounts paid under this section 4.5 in the accounts to be filed with the Bankruptcy Court and provided to the Blitz Personal Injury TAC pursuant to section 2.2(c)(i) above.

**4.6 Blitz Personal Injury Trustee's Employment of Experts.** The Blitz Personal Injury Trustee may, but shall not be required to, retain and/or consult with legal counsel, accountants, auditors, experts, or financial and investment advisors on the matters submitted to the Blitz Personal Injury Trustee (a "Trust Professional"). In the absence of gross negligence, the written opinion of, or information provided by, any such Trust Professional on the particular matter in respect of which such Trust Professional is an expert may be relied upon by the Blitz Personal Injury Trustee and shall be full and complete authorization and protection to the Blitz Personal Injury Trustee in respect of any action taken or not taken in good faith by the Blitz Personal Injury Trustee otherwise consistent with this Agreement and in accordance with the written opinion of or information provided by such Trust Professional. The reasonable and necessary fees for any Trust Professional(s) will be paid from the Blitz Personal Injury Trust Assets and allocated, as permitted under the TDP Scoring System, to one or more Covered Claimants as an Individual Cost (as defined and using the methodology described in the TDP Scoring System) to be charged to a particular Covered Claimant or as a General Cost (as defined and using the methodology described in the TDP Scoring System) to be paid from the Cost Reserve.

**4.7 Blitz Personal Injury Trustee's Independence.** The Blitz Personal Injury Trustee shall not, during the term of his or her service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for any Entity with a financial interest in the operation of the Blitz Personal Injury Trust. No Blitz Personal Injury Trustee shall act as an attorney for any Claimant either (i) in connection with such Claimant's Blitz Personal Injury Trust Claim, or (ii) otherwise prior to final payment on account of such Blitz Personal Injury Trust Claim, and (iii) the Blitz Personal Injury Trustee shall not make any agreement with the holder of any Blitz Personal Injury Trust Claim or such Claimant's representative prior to final payment on account of such Blitz Personal Injury Trust Claim applicable after such final payment. In addition to the circumstances set forth in section 4.2(c) of this Agreement, any violation of this section 4.7 shall be cause for removal of the Blitz Personal Injury Trustee.

**4.8 Bond.** The Blitz Personal Injury Trustee shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

## SECTION 5

## TRUST ADVISORY COMMITTEE

**5.1 Formulation and Members.** The Blitz Personal Injury TAC shall be formed pursuant to the Plan as of the Effective Date. The Blitz Personal Injury TAC shall consist of four (4) members, who shall initially be the persons named on the signature page hereof. Because there will be an even number of members of the Blitz Personal Injury TAC, in the event a vote of the Blitz Personal Injury TAC results in a tie, the Blitz Personal Injury Trustee shall hold a tiebreaker vote. In the event a member of the Blitz Personal Injury TAC is unable to attend an in-person or telephonic meeting of the Blitz Personal Injury TAC, such member may designate an alternate to attend such meeting on his or her behalf with such alternate having the same rights to be heard and vote on all matters discussed.

**5.2 Duties.** The members of the Blitz Personal Injury TAC shall serve in a fiduciary capacity representing all Blitz Personal Injury Claimants and Protected Parties. The Blitz Personal Injury Trustee must consult with the Blitz Personal Injury TAC on matters identified in section 2.2(e) above and may consult with the Blitz Personal Injury TAC with respect to such other matters relating to the Blitz Personal Injury Trust and the administration, processing, settlement, resolution, liquidation, satisfaction and/or payment, as applicable, of Blitz Personal Injury Trust Claims as the Blitz Personal Injury Trustee and the Blitz Personal Injury TAC deem advisable.

**5.3 Term of Office.**

(a) The initial members of the Blitz Personal Injury TAC appointed in accordance with section 5.1 above shall serve the staggered three-, four-, or five-year terms shown on the signature pages hereof. Thereafter, each term of office shall be five (5) years. Each member of the Blitz Personal Injury TAC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to section 5.3(b) below, (iii) his or her removal pursuant to section 5.3(c) below, (iv) the end of his or her term as provided above, or (v) the termination of the Blitz Personal Injury Trust pursuant to section 7.2 below.

(b) A member of the Blitz Personal Injury TAC may resign at any time by written notice to the other members of the Blitz Personal Injury TAC and the Blitz Personal Injury Trustee. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) A member of the Blitz Personal Injury TAC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, such as repeated nonattendance at scheduled meetings, or for other good cause. Such removal shall be made at the recommendation of the remaining members of the Blitz Personal Injury TAC with the approval of the Bankruptcy Court.

**5.4 Appointment of Successor Members.**

(a) A vacancy in the Blitz Personal Injury TAC caused by resignation, death or as a result of removal, shall be filled with an individual, not a firm, approved by the majority vote of the Blitz Personal Injury Trustee and all remaining members of the Blitz Personal Injury TAC. Nothing in this Agreement shall prevent the reappointment of an individual serving as a member of the Blitz Personal Injury TAC for an additional term or terms, except that a member removed for cause may not be reappointed, and there shall be no limitation on the number of terms that a Blitz Personal Injury TAC member may serve.

(b) Each successor member of the Blitz Personal Injury TAC shall serve until the earlier of (i) the end of the full term of five (5) years for which he or she was appointed if his or her immediate predecessor member of the Blitz Personal Injury TAC completed his or her term, (ii) the end of the term of the member of the Blitz Personal Injury TAC whom he or she replaced if his or her predecessor member did not complete such term, (iii) his or her death, (iv) his or her resignation pursuant to section 5.3(b) above, (v) his or her removal pursuant to section 5.3(c) above, or (vi) the termination of the Blitz Personal Injury Trust pursuant to section 7.2 below.

**5.5 Blitz Personal Injury TAC's Employment of Professionals.** The Blitz Personal Injury TAC may at the sole and non-reimbursable cost of its members (but is not required to)

retain and/or consult counsel, accountants, appraisers, auditors, forecasters, experts, and financial and investment advisors, and such other parties deemed by the Blitz Personal Injury TAC to be qualified as experts on matters submitted to the TAC (the "TAC Professionals"). Subject to the provisions of section 6.1 of this Agreement, the Blitz Personal Injury TAC and the TAC Professionals shall at all times have complete access to the Blitz Personal Injury Trust's officers, employees and agents, as well as to the Trust Professionals, and shall also have complete access to all information generated by them or otherwise available to the Blitz Personal Injury Trust or the Blitz Personal Injury Trustee other than the Blitz Personal Injury Privileged Information (as defined in the Plan), provided that any information provided by the Trust Professionals shall not constitute a waiver of any applicable privilege, and provided further that the foregoing provisions shall not amend, modify, or alter in any fashion the provisions regarding and/or restrictions applicable to Blitz Personal Injury Privileged Information or Blitz Personal Injury Confidential Information (each as defined in the Plan), the terms of which apply fully hereunder. In the absence of gross negligence, the written opinion of or information provided by any such TAC Professional on the particular matter in respect of which such TAC Professional is an expert may be relied upon by the Blitz Personal Injury TAC and shall be full and complete authorization and protection to the Blitz Personal Injury TAC in respect of any action taken or not taken in good faith by the Blitz Personal Injury TAC otherwise consistent with this Agreement and in accordance with the written opinion of or information provided by such TAC Professional.

**5.6 Compensation and Expenses of Blitz Personal Injury TAC.** The members of the Blitz Personal Injury TAC shall receive compensation from the Blitz Personal Injury Trust from the Blitz Personal Injury Trust Assets for their services as members of the Blitz Personal Injury TAC in the form of an hourly rate of no more than $350 per hour for preparation for and attendance at meetings or other conduct of the Blitz Personal Injury Trust as may be specifically requested by the Blitz Personal Injury Trustee and for which the Blitz Personal Injury Trustee agrees in advance to provide reasonable compensation. The members of the Blitz Personal Injury TAC shall also be reimbursed promptly for all reasonable out-of-pocket costs and expenses incurred by the members of the Blitz Personal Injury TAC in connection with their attendance at meetings and as may be agreed upon by the Blitz Personal Injury Trustee. Any such reimbursement or direct payment shall be deemed a Blitz Personal Injury Trust Expense and allocated, as permitted under the TDP Scoring System, to one or more Covered Claimants as

an Individual Cost (as defined and using the methodology described in the TDP Scoring System) to be charged to a particular Covered Claimant or as a General Cost (as defined and using the methodology described in the TDP Scoring System) to be paid from the Cost Reserve. The Blitz Personal Injury Trust shall include a description of the fees, costs, and expenses incurred under this section 5.6 in the accounts to be filed with the Bankruptcy Court and provided to the Blitz Personal Injury Trustee and the Blitz Personal Injury TAC, pursuant to section 2.2(c)(i) above.

## SECTION 6
## GENERAL PROVISIONS

**6.1 Procedures for Consultation with Blitz Personal Injury TAC.** In the event the Blitz Personal Injury Trustee is required to consult with the Blitz Personal Injury TAC as provided herein, the Blitz Personal Injury Trustee shall provide the Blitz Personal Injury TAC with written advance notice of the matter under consideration, and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Blitz Personal Injury Trustee shall also provide the Blitz Personal Injury TAC with such reasonable access to Trust Professionals and other experts retained by the Blitz Personal Injury Trust and its staff (if any) as the Blitz Personal Injury TAC may reasonably request during the time that the Blitz Personal Injury Trustee is considering such matter, and shall also provide Blitz Personal Injury TAC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Blitz Personal Injury Trustee; provided that in no event shall the Blitz Personal Injury TAC or its members (A) have any role, whether by consent, consultation or otherwise, in the Blitz Personal Injury Trust's selection of counsel, experts or other professionals to defend Blitz Personal Injury Trust Claims against the Blitz Personal Injury Trust, or (B) have any right to consult with or obtain information from the Blitz Personal Injury Trust or anyone employed by the Blitz Personal Injury Trust concerning the defense of any such Blitz Personal Injury Trust Claims.

In determining when to take definitive action on any matter subject to the consultation process set forth in this section 6.1, the Blitz Personal Injury Trustee shall take into consideration the time required for the Blitz Personal Injury TAC, if its members so wish, to engage and consult with its own independent financial or investment advisors as to such matter. In any event, the Blitz Personal Injury Trustee shall not take definitive action on any such matter

until at least thirty (30) days after providing the Blitz Personal Injury TAC with the initial written notice that such matter is under consideration by the Blitz Personal Injury Trustee, unless such time period is waived by the Blitz Personal Injury TAC.

**6.2 Indemnification.**

(a) The Blitz Personal Injury Trust shall indemnify, hold harmless and defend the Blitz Personal Injury Trustee, and the members of the Blitz Personal Injury TAC in the performance of their respective duties hereunder to the fullest extent that a corporation or trust organized under the laws of the State of Delaware is entitled to indemnify and defend such persons against any and all liabilities, expenses, claims, damages or losses incurred by them in the performance of their duties hereunder. Notwithstanding the foregoing, no individual shall be indemnified or defended in any way for any liability, expense, claim, damage, or loss for which he or she is ultimately held liable as a result of such individual's own breach of fiduciary duty committed through fraud, gross negligence or willful misconduct. As set forth in the TDP Scoring System, the foregoing indemnification costs shall be borne pro rata between the Non-Appealing Fund and the Special Circumstances Fund in the manner described therein.

(b) The Blitz Personal Injury Trust shall fully and completely defend each of the Debtors, the present and former directors and officers of each of the Debtors, the Participating Insurers, Wal-Mart, the BAH Released Parties, shareholders of the Debtors solely in their capacity as shareholders and solely related to the Blitz Personal Injury Claims, and the Representatives, Affiliates, subsidiaries and/or successors of each of the foregoing in connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction. In the event any person or Entity asserts any claim that is subject to the Channeling Injunction, the Blitz Personal Injury Trust shall, at its own expense, defend the validity of the Channeling Injunction and its application and use its best efforts to establish that such Claim is enjoined. The Participating Insurers, Wal-Mart and the BAH Settling Parties (i) shall have consultation and approval rights with respect to the selection of counsel hired by the Blitz Personal Injury Trust for such defense obligations and (ii) shall have the right, at their own cost and expense, to associate in the defense in any proceeding

concerning the enforcement and application of the Channeling Injunction. If the Blitz Personal Injury Trust breaches its duty to fully and completely defend the Protected Parties, the Blitz Personal Injury Trust is obligated to indemnify the Protected Parties, including advancement of defense costs. As set forth in the TDP Scoring System, the foregoing indemnification costs shall be borne pro rata between the Non-Appealing Fund and the Special Circumstances Fund in the manner described therein provided, however, that in the event that either the Non-Appealing Fund of the Special Circumstances Fund is unable to satisfy its pro rata obligations to the Protected Parties, such obligations shall be satisfied in full by the other fund.

(d) The Blitz Personal Injury Trust may but is not required to (after consulting with the Blitz Personal Injury TAC) purchase and maintain reasonable amounts and types of insurance on behalf of an Indemnified Party to provide for payment of the obligations of the Blitz Personal Injury Trust under this section 6.2 of this Agreement. As set forth in the TDP Scoring System, the costs of any such insurance shall be borne pro rata between the Non-Appealing Fund and the Special Circumstances Fund in the manner described therein.

**6.3 Irrevocability.** The Blitz Personal Injury Trust is irrevocable.

**6.4 Termination.**

(a) The Blitz Personal Injury Trust shall automatically terminate on the date that is ninety (90) days after the first to occur of the following events (the "Termination Date"):

(i) the Blitz Personal Injury Trustee decides to terminate the Blitz Personal Injury Trust because the Blitz Personal Injury Claims duly filed with the Blitz Personal Injury Trust have been liquidated and paid to the extent provided in this Agreement and the Blitz Personal Injury TDP or disallowed; or

(ii) if the Blitz Personal Injury Trustee has procured (after consulting with the Blitz Personal Injury TAC) and has in place irrevocable insurance policies and has established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected

remaining obligations and expenses of the Blitz Personal Injury Trust in a manner consistent with this Agreement and the Blitz Personal Injury TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a Final Order.

(b) On the Blitz Personal Injury Trust Termination Date, after the payment of all the Blitz Personal Injury Claims have been provided for and the liquidation of all properties and other non-cash trust assets then held by the Blitz Personal Injury Trust, all monies remaining in the Non-Appealing Fund (including any funds originating from the Non-Appealing Fund held in the Cost Reserve described in paragraph 3.1 above) shall be distributed pro rata to holders of Allowed Covered Blitz Personal Injury Claims that accepted their Offer Amount from the Blitz Personal Injury Trust and received an award from the Non-Appealing Fund in proportion to the amount each Covered Claimant received from the Non-Appealing Fund. Or, if in the judgment of the Blitz Personal Injury Trustee, such sums are determined to be *de minimis* such that the costs associated with making such a distribution would outweigh the impact of the distribution, then the excess funds may be given to such organization(s), exempt from federal income tax under section 501(c)(3) of the IRC, at the discretion of the Blitz Personal Injury Trustee. The amount of monies allocated to the Special Circumstances Fund shall be completely exhausted by costs and payments to Covered Claimants making application to the Special Circumstances Fund. All remaining monies originating from the Special Circumstances Fund held in the Cost Reserve described in paragraph 3.1 above shall be distributed pro rata among Covered Claimants receiving payment from the Special Circumstances Fund. Notwithstanding any contrary provision of the Plan and related documents, this section 6.4(b) cannot be modified or amended.

**6.5 Amendments.**

(a) Except as otherwise provided in sections 6.5(b) and 6.5(c) below, the Blitz Personal Injury Trustee, after consultation with the Blitz Personal Injury TAC, may modify or amend this Agreement and the Blitz Personal Injury Trust By-laws, provided that any such amendments must be consistent with the requirements of the Plan. The Blitz Personal Injury Trustee, after consultation with the Blitz Personal Injury TAC, may modify or

amend the Blitz Personal Injury TDP, *provided, however,* that no amendment to the Blitz Personal Injury TDP shall be inconsistent with the limitations on amendments provided therein, and provided further that any such amendments must be consistent with the requirements of the Plan and that the Blitz Personal Injury Trustee shall give the Blitz Personal Injury TAC prior notice of the proposed amendments. Any modification or amendment made pursuant to this section 6.5 must be done in writing. Notwithstanding anything contained in this Agreement, any Blitz Personal Injury Trust Bylaws, or the Blitz Personal Injury TDP to the contrary, neither this Agreement, the Blitz Personal Injury Trust Bylaws, nor the Blitz Personal Injury TDP shall be modified or amended in any way that could jeopardize, impair, or modify (i) the efficacy or enforceability of the injunctions entered in connection with confirmation of the Plan, or (ii) the status of the Blitz Personal Injury Trust as a qualified settlement fund under section 468B of the IRC.

(b) Sections 2.4, 2.5 and 2.6 of this Agreement may not be amended without the prior written consent of the Participating Insurers and Wal-Mart.

(c) There shall be no amendments to (i) the TDP Scoring System, (ii) the enumerated criteria listed in paragraph H of the TDP Scoring System for application to the Special Circumstances Fund, (iii) the amounts allocated to the Non-Appealing Fund and the Special Circumstances Fund, (iv) the mechanisms for allocating costs and expenses to Covered Claimants (including the Cost Reserve mechanism described in section 3.1 above), (v) the mechanism for review and objection to fees and expenses incurred by the Blitz Personal Injury Trustee described in section 4.5 above, or (vi) this section 6.5(c).

**6.6 Severability.** Should any provision in this Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Agreement.

**6.7 Notices.** Notices to Blitz Personal Injury Claimants asserting Blitz Personal Injury Trust Claims shall be given by first class mail, postage prepaid, at the address of such person in each case as provided on such person's claim form submitted to the Blitz Personal Injury Trust with respect to his or her Blitz Personal Injury Trust Claim.

(a) Any notices or other communications required or permitted hereunder to the following parties shall be in writing and delivered at the addresses designated below, or

sent by e-mail or facsimile pursuant to the instructions listed below, or mailed by registered or certified mail, return receipt requested, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished in writing to each of the other parties listed below in compliance with the terms hereof.

To the Blitz Personal Injury Trust: [TO BE PROVIDED]

To the Blitz Personal Injury Trustee: [TO BE PROVIDED]

To the Blitz Personal Injury TAC:

With a copy to:

(b) All such notices and communications if mailed shall be effective when physically delivered at the designated addresses or, if electronically transmitted, when the communication is received at the designated addresses and confirmed by the recipient by return transmission.

**6.8 Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the Protected Parties, the Blitz Personal Injury Trust, the Blitz Personal Injury Trustee, and their respective successors and assigns, except that neither the Protected Parties, the Blitz Personal Injury Trust, the Blitz Personal Injury Trustee, may assign or otherwise transfer any of its, or their, rights or obligations under this Agreement except, in the case of the Blitz Personal Injury Trust and the Blitz Personal Injury Trustee, as contemplated by section 2.1 above.

**6.9 Entire Agreement; No Waiver.** The entire agreement of the parties relating to the subject matter of this Agreement is contained herein and in the Plan Documents referred to herein, and this Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity.

**6.10 Headings.** The headings used in this Agreement are inserted for convenience only and do not constitute a portion of this Agreement, nor in any manner affect the construction of the provisions of this Agreement.

**6.11 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to conflict of law principles.

**6.12 Debtors' Representations and Cooperation.** The USA Debtors are hereby irrevocably designated as the settlors, and are hereby authorized to take any action required of the settlors in connection with this Agreement. Subject to possession of necessary funds to do so, the USA Debtors agree to reasonably cooperate as may be requested by the Blitz Personal Injury Trustee in implementing the goals and objectives of the Blitz Personal Injury Trust.

**6.13 Dispute Resolution.** Any disputes that arises under this Agreement or under the Blitz Personal Injury TDP may be resolved by (i) submission of the matter to an alternative dispute resolution ("ADR") process mutually-agreeable to the parties involved with such dispute, or (ii) application to the Bankruptcy Court for a judicial determination of the matter. Any review by the Bankruptcy Court of an agreed upon non-binding ADR procedure shall be *de novo.*

**6.14 Enforcement and Administration.** The provisions of this Agreement and the Blitz Personal Injury TDP shall be enforced by the Bankruptcy Court pursuant to the Plan. The parties hereby further acknowledge and agree that the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Blitz Personal Injury Trustee and over any disputes hereunder not resolved by ADR in accordance with section 6.13 above.

**6.15 Effectiveness.** This Agreement shall not become effective until it has been executed and delivered by all the parties hereto.

**6.16 Counterpart Signatures.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of January, 2014.

BLITZ USA, INC., BLITZ RE HOLDINGS, LLC, BLITZ ACQUISITION, LLC and MIAMIOK, LLC f/k/a F3BRANDS

By:_____
Name and Title:

LAM 2011 HOLDINGS, L.L.C. and BLITZ ACQUISITION HOLDINGS, INC.

By:_____
Name and Title:

BLITZ PERSONAL INJURY TRUSTEE

_____
_____

Expiration Date of Initial Term: _____
Anniversary of the date of this Agreement

Accepted and Agreed:

BLITZ PERSONAL INJURY TRUST
ADVISORY COMMITTEE

_____

_____

Expiration Date of Initial Term: ____
Anniversary of the date of this Blitz
Personal Injury Trust Agreement

_____

_____

Expiration Date of Initial Term: ____
Anniversary of the date of this Blitz
Personal Injury Trust Agreement

_____

_____

Expiration Date of Initial Term: ____
Anniversary of the date of this Blitz
Personal Injury Trust Agreement

_____

_____

Expiration Date of Initial Term: ____
Anniversary of the date of this Blitz
Personal Injury Trust Agreement

_____

_____

# Exhibit 3

(Blitz Liquidating Trust Agreement)

(To Be Filed)

# Exhibit 4

(Blitz Personal Injury TDP)

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

| | |
|---|---|
| In re: | Chapter 11 |
| BLITZ U.S.A., INC., | Case No. 11-13603 (PJW) |
| | (Jointly Administered ) |
| Debtors. | |

# BLITZ PERSONAL INJURY TRUST DISTRIBUTION PROCEDURES

# PERSONAL INJURY TRUST DISTRIBUTION PROCEDURES

The Blitz Personal Injury Trust Distribution Procedures (the "Blitz Personal Injury TDP") contained herein provide for resolving all Covered Blitz Personal Injury Claims for which the Blitz Personal Injury Trust has legal responsibility, as provided in and required by the Plan and the Blitz Personal Injury Trust Agreement. The Plan and Blitz Personal Injury Trust Agreement establish the Blitz Personal Injury Trust. The Blitz Personal Injury Trustee shall implement and administer the Blitz Personal Injury Trust and this Blitz Personal Injury TDP in accordance with the Plan and the Blitz Personal Injury Trust Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan, the Blitz Personal Injury Trust Agreement and/or the TDP Scoring System.

## Section I

## Introduction

**1.1 Purpose.** This Blitz Personal Injury TDP has been adopted pursuant to the Plan and the Blitz Personal Injury Trust Agreement. It is designed to provide fair, equitable and substantially similar treatment for all Covered Blitz Personal Injury Claims that may presently exist in substantially the same manner.

## Section II

## Overview

**2.1 Blitz Personal Injury Trust Goals.** One of the goals of the Blitz Personal Injury Trust is to treat all holders of Covered Blitz Personal Injury Claims (collectively, the "Covered Claimants") equitably. The Blitz Personal Injury TDP furthers that goal by setting forth procedures for processing and paying Covered Blitz Personal Injury Claims,

with the intention of paying all holders of substantially similar Covered Blitz Personal Injury Claims substantially similar distributions of value on account of such claims taking into account the rights such holders would have had in the tort system[1] absent the Debtors' bankruptcy and confirmation of the Plan. The Blitz Personal Injury TDP was created to employ a methodology to compensate Covered Claimants in accordance with the severity and extent of their injuries, and to ensure that similarly-situated Covered Claimants are compensated equitably and on an impartial basis, with the intention of paying all holders of Covered Blitz Personal Injury Claims as equivalent a share as possible of the value of their Claims based on values established by the Blitz Personal Injury Trust for the level of injury incurred by the Covered Claimant. To this end, this Blitz Personal Injury TDP establishes a procedure for determining Threshold Components, Gross Scores, Offer Amounts and Final Offer Amounts, which are set forth in the TDP Scoring System attached as Exhibit A hereto and incorporated herein. The Blitz TDP Scoring System shall be used to determine the distribution values, if any, to which holders of Covered Blitz Personal Injury Claims shall be entitled. The TDP Scoring System has been developed with the intention of achieving fair allocations and distributions of the Blitz Personal Injury Trust's funds among Covered Claimants suffering from different levels of injury in light of the best available information considering the severity of those injuries, and the rights Covered Claimants would have had in the tort system absent Blitz's bankruptcy and confirmation of the Plan. In addition, the Blitz Personal Injury TDP also creates a separate fund to compensate Covered Claimants with (i) burn injuries of less than 15% TBSA, (ii) injuries or losses

[1] As used in the Blitz Personal Injury TDP, the phrase "in the tort system" shall mean "in litigation proceedings".

other than burn injuries[2], and (iii) particular types injuries and/or death caused by burn injuries that warrant additional compensation based upon unique or non-standard injuries that cannot be readily compensated through the mechanism being used to compensate the majority of Covered Claimants with burn injuries of more than 15% TBSA.

**2.2 Claims Liquidation Procedures.** Covered Blitz Personal Injury Claims shall be processed based on the criteria and in the manner set forth in the TDP Scoring System. The Blitz Personal Injury Trust shall take all reasonable steps to resolve Covered Blitz Personal Injury Claims as efficiently and expeditiously as possible at each stage of claims processing and review. To this end, the Blitz Personal Injury Trust, in its sole discretion, may conduct settlement discussions with Covered Claimants' representatives with respect to more than one claim at a time, provided that each Claim is individually evaluated pursuant to the valuation factors set forth in the TDP Scoring System.

## Section III

## Personal Injury TDP Administration

**3.1 Personal Injury Trust Advisory Committee.** Pursuant to the Plan and the Blitz Personal Injury Trust Agreement, the Blitz Personal Injury Trust and this Blitz Personal Injury TDP shall be administered by the Blitz Personal Injury Trustee in consultation with the Blitz Personal Injury TAC, which represents the interests of holders of Covered Blitz Personal Injury Claims. The Blitz Personal Injury Trustee shall obtain the consent of the Blitz Personal Injury TAC on any amendments to these Procedures pursuant to Section 7.1 below, and on such other matters as are otherwise required below and in Section 2.2(f) of the Blitz Personal Injury Trust Agreement. The Blitz Personal

[2] This is not intended to cover derivative claims such as loss of consortium but does cover situations where there is a property damage claim arising from an occurrence where no claimants suffered a burn injury.

Injury Trustee shall also consult with the Blitz Personal Injury TAC on such matters as are provided below and in Section 2.2(e) of the Blitz Personal Injury Trust Agreement. The initial members of the Blitz Personal Injury TAC are identified in the Blitz Personal Injury Trust Agreement.

**3.2 Consent and Consultation Procedures.** In those circumstances in which consultation or consent is required, the Blitz Personal Injury Trustee shall provide written notice to the Blitz Personal Injury TAC of the specific amendment or other action that is proposed. The Blitz Personal Injury Trustee shall not implement such amendment nor take such action unless and until the parties have engaged in the Consultation Procedures described in Sections 2.2 and 6.1 of the Blitz Personal Injury Trust Agreement.

## Section IV

## Resolution of Covered Blitz Personal Injury Claims Liquidated Pre-Petition.

**4.1 Processing and Payment.** Covered Blitz Personal Injury Claims that were liquidated by final judgment or a fully executed settlement agreement prior to the Petition Date shall be allowed in the amount set forth in the judgment or settlement agreement and shall not be scored under the TDP Scoring System. Allowed Covered Blitz Personal Injury Claims that were so liquidated pre-petition shall be placed in the FIFO Payment Queue on the Effective Date and shall be paid at the same time that Covered Claims that accept their Offer Amounts pursuant to paragraph H of the TDP Scoring system are paid.

## Section V

## Claims Materials

**5.1 Claims Materials to be Provided by the Claimant.** Covered Claimants shall provide the Blitz Personal Injury Trustee with the supporting documentation as set forth in the TDP Scoring System. Moreover, each Covered Claimant will have provided

material as required by the proof of claim requirements set forth by the Bankruptcy Court in the underlying bankruptcy proceeding. A Covered Claimant may also provide any additional supplemental information about their claim or damages to the Blitz Personal Injury Trustee.

## Section VI

## General Guidelines for Liquidating and Paying Claims

**6.1 Showing Required.** To establish a valid Covered Blitz Personal Injury Claim, a Covered Claimant must meet the requirements set forth in this Blitz Personal Injury TDP and as further described in the TDP Scoring System. The Blitz Personal Injury Trust may require the submission of medical records or any other evidence to support or verify the claim, and may further require that medical evidence submitted comply with recognized medical standards to assure that such evidence is reliable. To the extent any private health information is obtained, such information will be kept confidential and not disclosed to any unauthorized individual. An unauthorized individual would be any person other than the Blitz Personal Injury Trustee, a member of the Blitz Personal Injury TAC, or any person not performing Blitz Personal Injury Trust related duties at the direction of the Blitz Personal Injury Trustee or the Blitz Personal Injury TAC.

**6.2 Costs Considered.** Notwithstanding any provisions of this Blitz Personal Injury TDP to the contrary, the Blitz Personal Injury Trustee shall always give appropriate consideration to the cost of investigating and identifying invalid Covered Blitz Personal Injury Claims so that the payment of allowed Covered Blitz Personal Injury Claims is not further impaired by such processes with respect to issues related to the validity of the medical and liability evidence supporting a Covered Blitz Personal

Injury Claim. The Blitz Personal Injury Trustee shall also have the latitude to make judgments regarding the amount of transaction costs to be expended by the Blitz Personal Injury Trust so that allowed Covered Blitz Personal Injury Claims are not unduly further impaired by the costs of additional investigation. Nothing herein shall prevent the Blitz Personal Injury Trustee, in appropriate circumstances, from contesting the validity of any Claim against the Blitz Personal Injury Trust whatever the costs, or to decline to accept liability and medical evidence from sources that the Blitz Personal Injury Trustee has determined to be unreliable pursuant to the claims evaluation process described herein and in the TDP Scoring System.

**6.3 Discretion to Vary the Order and Amounts of Payments in Event of Limited Liquidity.** Consistent with the provisions hereof and subject to the FIFO Payment Queue requirements set forth in the TDP Scoring System, the Blitz Personal Injury Trustee shall proceed as quickly as possible to liquidate Covered Blitz Personal Injury Claims, and shall make payments to holders of such Claims in accordance with this Blitz Personal Injury TDP promptly as Covered Claims are liquidated. All distributions the Blitz Personal Injury Trust makes on account of Allowed Covered Blitz Personal Injury Claims shall be final and, other than for demonstrative mathematical errors, shall not be subject to recapture or disgorgement by the Blitz Personal Injury Trust or any other party.

There can be no guarantee of a specific recovery to Covered Claimants due to the fact that Covered Blitz Personal Injury Claims are presently unliquidated, the amounts to be paid on account of such claims is unresolved, and the amount of expenses and indemnification obligations that the Blitz Personal Injury Trust will incur are unknown.

However, the proposed allocations attached hereto as Exhibit B are the best current estimate of the distributions to be made to Covered Claimants from the Non-Appealing Fund based on the assumptions that (i) the Covered Claimants can support the level of injury and other compensation sought in their respective proofs of claim (with the understanding that (a) Covered Claimants who provide documentation supporting a higher recovery than sought in their proof of claim may receive Offer Amounts greater than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts, and (b) Covered Claimants who provide documentation supporting a lower recovery than sought in their proof of claim may receive Offer Amounts less than the amounts listed for such claimant on Exhibit B, which would impact all Covered Claimants' Offer Amounts, and (ii) the Covered Claimants can satisfy the Threshold Components set forth in the TDP Scoring System. The Blitz Personal Injury Trustee shall use his or her best efforts to conform the Offer Amount for each Covered Claimant that satisfies the Threshold Components and provides sufficient proof of the severity of his or her injuries with the Offer Amount shown for such Covered Claimant on Exhibit B, less any General Costs and Individual Costs allocable to such claimant and treat similar claims equally consistent with his or her duties as Blitz Personal Injury Trustee and the purposes of the Blitz Personal Injury Trust.

**6.4 Punitive Damages.** In determining the value of a Covered Blitz Personal Injury Trust Claim, punitive or exemplary damages, i.e., damages other than compensatory damages, shall not be considered or allowed, notwithstanding their availability in the tort system, nor shall punitive or exemplary damages be payable with

respect to any Covered Blitz Personal Injury Claim litigated against the Blitz Personal Injury Trust in the tort system.

**6.5 Appeal Process.** If the holder of a disputed Covered Blitz Personal Injury Claim disagrees with the Personal Injury Trust's Offer Amount as determined under the TDP Scoring System, the Covered Claimant may reject the Offer Amount as follows:

(i) if the Covered Claimant rejects the Offer Amount proposed to it from the Non-Appealing Fund and does not meet any of the enumerated criteria for application to the Special Circumstances Fund, such Covered Claimant may only appeal (as set forth below) his or her Offer Amount (including an Offer Amount of $0) on the grounds that such Offer Amount was based on an incorrect or improper application of the factors or formulas set forth in the TDP Scoring System (including whether the Threshold Components have been satisfied). The Blitz Personal Injury Trustee shall set aside a reserve amount equal to the Final Offer Amount for each Covered Claimant that filed such an appeal. No Covered Claimant appealing his or her Offer Amount shall be eligible to receive any compensation from the Special Circumstances Fund unless such Covered Claimant meets one of the enumerated criteria listed in paragraph H of the TDP Scoring System; and

(ii) if the Covered Claimant meets one of the enumerated criteria listed in paragraph H of the TDP Scoring System, such Covered Claimant may apply to the Blitz Personal Injury Trustee to be paid from the Special Circumstances Fund. If a Covered Claimant with a claim against the Special Circumstances Fund believes that (a) the Blitz Personal Injury Trustee incorrectly concluded that the Applicant did not meet any of the enumerated criteria listed in paragraph H of the TDP Scoring System, or (b) following

the mandatory mediation required under the TDP Scoring System, the Final Offer Amount determined by the Blitz Personal Injury Trustee is inadequate relative to Final Offer Amounts received by other Covered Claimants with claims against the Special Circumstances Fund, such Covered Claimant may appeal the Final Offer Amount as set forth below, with all costs associated with such appeal treated as "Individual Costs" under the TDP Scoring System. In the event a Covered Claimant with a claim against the Special Circumstances Fund appeals his or her Final Offer Amount, the Blitz Personal Injury Trustee may (in consultation with the Blitz Personal Injury TAC) set aside an appropriate reserve from the Special Circumstances Fund in an amount that in the Blitz Personal Injury Trustee's estimation is reasonably sufficient to protect such appellant. Notwithstanding any appeals, any funds not reserved from the Special Circumstances Fund for an appellant shall be promptly distributed to the Covered Claimants with claims against the Special Circumstances Fund whose claims have been Allowed by the Blitz Personal Injury Trustee and accepted by the Covered Claimants.

**6.5(a) Establishment of ADR Procedures.**

The Blitz Personal Injury Trust, with the consent of the Blitz Personal Injury TAC, shall develop and adopt the ADR Procedures, which shall provide for mediation or binding arbitration to resolve disputes concerning whether the Blitz Personal Injury Trust's rejection or denial of a Covered Blitz Personal Injury Claim or award from the Special Circumstances Fund was proper. Proceedings under the ADR Procedures shall also be available for resolving disputes over the liquidated value of a disputed Covered Blitz Personal Injury Claim.

In all arbitrations or mediations, the arbitrator shall consider the Threshold Components set forth in the TDP Scoring System. In the case of an arbitration or mediation involving the liquidated value of a Covered Blitz Personal Injury Claim, the arbitrator shall consider the same valuation factors that are set forth in the TDP Scoring System. Any disputes regarding confidentiality shall be resolved by the arbitrator.

With respect to all Covered Blitz Personal Injury Claims eligible for arbitration, the Covered Claimant, but not the Blitz Personal Injury Trust, may elect mediation or binding arbitration. The ADR Procedures may be modified by the Blitz Personal Injury Trust with the consent of the Blitz Personal Injury TAC.

**6.5(b) Claims Eligible for Mediation or Arbitration.** In order to be eligible for mediation or arbitration, the Covered Claimant must first complete claim review in the Gross Scoring System and Special Circumstances processes, if applicable, as set forth in the TDP Scoring System. Claim review shall be treated as completed for these purposes when (i) in circumstances where the Covered Claimant does not meet one of the criteria in the TDP Scoring System for application or entry to the Special Circumstances Fund, the Blitz Personal Injury Trustee has made an Offer Amount to a Covered Claimant that the Covered Claimant does not believe is appropriate and the Covered Claimant has timely rejected his or her Offer Amount by serving a notice of rejection of Offer Amount and intent to seek binding arbitration or mediation, (ii) in circumstances where the Covered Claimant meets one of the criteria in the TDP Scoring System for application or entry to the Special Circumstances Fund, the Covered Claimant has rejected the liquidated value resulting from the Final Offer and the Covered Claimant has notified the Blitz Personal Injury Trust of the rejection in writing, or (iii) in

circumstances where a claimant fails to meet any the Threshold Components set forth in the TDP Scoring System, the claimant disputes the determination that he or she failed to meet the Threshold Components and has notified the Blitz Personal Injury Trust of such dispute in writing.

**6.5(c) Suits in the Tort System.** If the holder of a disputed Covered Blitz Personal Injury Claim disagrees with the result obtained in mediation or non-binding arbitration, the holder may file suit in the jurisdiction where the underlying injury occurred. For the avoidance of doubt, a Covered Claimant may not commence suit against the Blitz Personal Injury Trust until after he or she has first completed mediation or arbitration in compliance with the ADR Procedures to be established by the Blitz Personal Injury Trust. Any such lawsuit must be filed by the Covered Claimant in her or her own right and name and not as a member or representative of a class, and no such lawsuit may be consolidated with any other lawsuit, provided however, Claims arising out of a single incident may be brought together in a single action. All defenses that could have been asserted by the Debtors or any Released Party with respect to a Covered Blitz Personal Injury Claim shall be available on a non-exclusive basis to the Blitz Personal Injury Trust in such litigation. If the Covered Claimant was alive at the time the initial pre-petition complaint was filed or on the date the proof of claim was filed with the Bankruptcy Court, the case shall be treated as a personal injury case (not a wrongful death case) even if the Covered Claimant has died during the pendency of the Claim. Under no circumstances shall interest be paid under any statute on any judgments obtained in the tort system.

**6.5(d) Releases.** The Blitz Personal Injury Trustee shall have the discretion consistent with the terms of the Settlement Term Sheet to determine the form and substance of the releases to be provided by a Covered Claimant to the Blitz Personal Injury Trust provided; however that the release shall be in a form consistent with the terms of the Settlement Term Sheet. As a condition to making any payment to a Covered Claimant, the Blitz Personal Injury Trust shall obtain a general, partial, or limited release as appropriate in accordance with the applicable state or other law but only if consistent with the terms of the Settlement Term Sheet. The Blitz Personal Injury Trust shall provide the proposed form of release to the Insurance Settling Parties, and shall obtain the written consent of the Insurance Parties to such proposed form, which consent shall not be unreasonably withheld, prior to commencing the payment process. Execution of a release by the Covered Claimant shall be a condition precedent to receiving funds from the Blitz Personal Injury Trust.

**6.6 Third-Party Services.** Nothing in this Blitz Personal Injury TDP shall preclude the Blitz Personal Injury Trust from contracting with another claims resolution organization to provide services to the Blitz Personal Injury Trust so long as decisions about the categorization and liquidated value of Covered Blitz Personal Injury Claims are based on the relevant provisions of this Blitz Personal Injury TDP, including the TDP Scoring System.

## Section VII

## Miscellaneous

**7.1 Amendments.** Except as otherwise provided herein, the Blitz Personal Injury Trustee may amend, modify, delete, or add to any provisions of this Blitz Personal Injury TDP (including, without limitation, amendments to conform this Blitz Personal Injury

TDP to changes in circumstances), provided they first obtain the consent of the Blitz Personal Injury TAC, pursuant to the Consultation Procedures set forth in Sections 2.2 and 6.1 of the Blitz Personal Injury Trust Agreement. However, the following may not be amended: (i) the TDP Scoring System, (ii) the enumerated criteria listed in paragraph H of the TDP Scoring System for application to the Special Circumstances Fund, (iii) the amounts allocated to the Non-Appealing Fund and the Special Circumstances Fund, (iv) the mechanisms for allocating costs and expenses to Covered Claimants (including the Cost Reserve mechanism described in section 3.1 of the Blitz Personal Injury Trust Agreement), (v) the mechanism for review and objection to fees and expenses incurred by the Blitz Personal Injury Trustee described in section 4.5 of the Blitz Personal Injury Trust Agreement, or (vi) this section 7.1.

**7.2 Severability.** Should any provision contained in this Blitz Personal Injury TDP be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Blitz Personal Injury TDP.

**7.3 Governing Law.** Except for purposes of determining the liquidated value of any Covered Blitz Personal Injury Claim, administration of this Blitz Personal Injury TDP shall be governed by, and construed in accordance with, the laws of the State of Delaware. The law governing the liquidation of Covered Blitz Personal Injury Claims in the case of review under the TDP Scoring System, mediation, arbitration or litigation in the tort system shall be the law of the Covered Claimant's jurisdiction.

**EXHIBIT A**

The TDP Scoring System

Upon receipt by the Blitz Personal Injury Trust of the Insurance Settlement Payment and the BAH Settlement Payment, two funds shall be created to fund payments to Covered Claimants under this TDP Scoring System, the first in the amount of $129,820,000 is defined as the "Non-Appealing Fund," and the second in the amount of $30,000,000 is defined as the "Special Circumstances Fund." Blitz Personal Injury Trust Claims that are not Covered Claims shall not be treated under the TDP Scoring System and shall be governed by Section 4.3.2 of the Plan and Section 2.3(b) through 2.3(f) of the Blitz Personal Injury Trust Agreement. The monies in the Non-Appealing Fund and the Special Circumstances Fund, minus the costs and expenses allocated to each fund as provided herein, shall be used to make payments to Covered Claimants (defined below) on account of Allowed Covered Blitz Personal Injury Claims as set forth below.

In order to achieve consistent and fair valuations for Covered Blitz Personal Injury Claims, and to arrive at a value for Covered Blitz Personal Injury Claims pursuant to Section VI of the Blitz Personal Injury TDP, the Blitz Personal Injury Trust shall employ the TDP Scoring System, which consists of the following components:

(1) Blitz Product Identification
(2) Causation
(3) Statute of Limitations/Repose
(4) Offer Amount
(5) Special Circumstances
(6) Final Offer Amount

The filing of a proof of claim on or prior to the Supplemental Bar Date of October 14, 2013 at 5:00 p.m. (Pacific), delivery of all materials required by the Personal Injury POC form (including medical records) no later than ten (10) calendar days after the Confirmation Hearing, and a positive finding by the Blitz Personal Injury Trustee on Blitz Product Identification, Causation, and Statute of Limitations/Repose (collectively, the "Threshold Components") are threshold requirements that must be met in order to participate in the Gross Scoring and Special Circumstances distributions set forth in this TDP Scoring System. In order to qualify for compensation under the Blitz Personal Injury TDP, a holder of a Covered Blitz Personal Injury Claim (each a "Covered Claimant") must receive a positive assessment for each of the Threshold Components from the Blitz Personal Injury Trustee. The Blitz Personal Injury Trustee is entitled to (i) consult with the Blitz Personal Injury TAC and (ii) retain qualified experts to assist the Blitz Personal Injury Trustee in all aspects of the assessment. If a positive assessment is provided for each of the Threshold Components, the Covered Blitz Personal Injury Claim will proceed to an assessment of a Gross Score for the Covered Blitz Personal Injury Claim. The Gross Score will then be adjusted into an Offer Amount as set forth below in paragraph G. In the event that a Covered Blitz Personal Injury Claim does not receive a positive assessment for each Threshold Component, such Covered Blitz Personal Injury Claim will not receive a Gross Score

or an Offer Amount and will be disallowed. Other than the funds allocated to the Special Circumstances Fund (which will be distributed as described in paragraphs H, I and K below), all unused funds remaining in the Non-Appealing Fund after payment or an allocation of a payment amount has been made to all Covered Claimants shall be distributed to Covered Claimants pro rata according to each Claimant's Settlement Percentage as calculated pursuant to paragraph G below.

A. Blitz Product Identification Threshold

A positive Blitz Product identification may be established by all or some of the following factors:

1. Credible Covered Claimant testimony by deposition or sworn affidavit positively identifying the Blitz Product;
2. If the Covered Claimant was not the owner of the gasoline container, credible testimony of the owner of the container by deposition or sworn affidavit identifying the Blitz Product;
3. Actual production of the Blitz Product;
4. Photographs of the Blitz Product with appropriate materials authenticating the Blitz Product as being the container involved in the underlying injury; or
5. Other credible documentary proof as determined and/or required by the Blitz Personal Injury Trustee with input from the Blitz Personal Injury TAC in situations where the identification is deemed to be questionable.

In situations where the Blitz Personal Injury Trustee, in consultation with the Blitz Personal Injury TAC, determines that there are questions regarding product identification, the Blitz Personal Injury Trustee may employ professionals with experience in gas can identification to assist in assessing the product identification determination. The Blitz Personal Injury Trustee in his or her discretion shall then determine whether the evidence on product identification is sufficient.

B. Causation Threshold

The Causation Threshold requires the Covered Claimant to establish that the Covered Claimant was in fact injured in a manner that would be compensable in a lawsuit against the Debtors, as a product manufacturer, in the venue in which the incident occurred. Causation requires a report written pursuant to *NFPA 921's Guide for Fire and Explosion Investigations* by a trained fire investigator concluding that the Covered Claimant was injured in a manner that would be compensable against a product manufacturer. The Blitz Personal Injury Trustee, in consultation with the Blitz Personal Injury TAC, and if necessary and appropriate, with experts in fire investigation, may require additional information regarding causation if the Blitz Personal Injury Trustee determines there are questions about causation. After consultation with the Blitz Personal Injury TAC, the Blitz Personal Injury Trustee has discretion to employ professionals with experience in gas can fire and explosion evaluation to assist in assessing the evidence of

causation. The Blitz Personal Injury Trustee, in consultation with the Blitz Personal Injury TAC and experts, shall determine whether the evidence on causation is sufficient.

C. Statute of Limitations/Repose Threshold

If a Covered Blitz Personal Injury Claim is barred by the longest applicable statute of limitations or repose, the claim will not be eligible for further consideration by the Blitz Personal Injury Trust and will not be entitled to any distribution from the Blitz Personal Injury Trust. The Blitz Personal Injury Trustee, in consultation with the Blitz Personal Injury TAC, shall make this threshold determination.

D. Materials to be Provided by Covered Claimants

In order to receive a distribution based upon Gross Score or Special Circumstances, each Covered Claimant must provide all information reasonably required by the Blitz Personal Injury Trustee in consultation with the Blitz Personal Injury TAC and experts employed by the Blitz Personal Injury Trustee (if any), including information filed with a Covered Claimants' proof of claim. If the Covered Claimant decides to make application to the Special Circumstances Fund, the Covered Claimant can provide along with his or her application such supplemental information as the Covered Claimant deems necessary to support his or her Special Circumstances claim and must provide all information reasonably requested by the Blitz Personal Injury Trustee in consultation with the Blitz Personal Injury TAC and/or experts employed by the Blitz Personal Injury Trustee (if any). Pursuant to the Blitz Personal Injury TDP, the Blitz Personal Injury Trustee, the Blitz Personal Injury TAC, and experts employed by the Blitz Personal Injury Trustee (if any), may receive private health information from the Covered Claimants. To the extent any private health information is obtained, such information will be kept confidential and not disclosed to any unauthorized individual. An unauthorized individual would be any person not listed above in this paragraph or any person not performing Blitz Personal Injury Trust related duties at the direction of any of the entities listed.

E. Gross Score Determination for Blitz Personal Injury Trust Claims

The objective of the Blitz Personal Injury Trust is to compensate Covered Claimants in a manner that ensures that Covered Claimants are treated accurately and reasonably in light of the limited assets available to satisfy Covered Blitz Personal Injury Claims and the uncertainty regarding the total value of Covered Blitz Personal Injury Claims that will finally receive payment from the Blitz Personal Injury Trust. The Blitz Personal Injury TDP was created to employ a methodology to compensate Covered Claimants in accordance with the severity and extent of their injuries, and to ensure that similarly situated Covered Claimants are compensated equitably. Furthermore, the Blitz Personal Injury TDP was created to compensate the Covered Blitz Personal Injury Claimants for the economic and non-economic damages they could legally claim if the Debtors had not filed for Chapter 11 bankruptcy. Percentage of total body surface area burned with second or third degree burns ("%TBSA") and the degree of burn injury will be determined by the Covered Claimant's hospital discharge summary. If there is no hospital discharge summary, then a hospital admission will be used. If there is no hospital admission,

then an emergency room report will be used to determine %TBSA. Solely in instances where the discharge summary, the hospital admission, and the emergency room report do not specify the exact %TBSA of a burn victim, any and all additional relevant and reliable materials (including, without limitation, an autopsy report) may be considered by the Blitz Personal Injury Trustee to establish %TBSA. The following procedure will be used to compensate those who suffer from burn injuries equal to or greater than 15% TBSA. All Covered Blitz Personal Injury Claims for burn injuries involving less than 15% TBSA and property damage claims arising from an occurrence where no claimants suffered a burn injury, shall go straight into the Special Circumstances Fund without any Gross Score calculation and any distribution on such claims shall come solely from the Special Circumstances Fund.

For Covered Claimants with 15% TBSA or greater who survived their burns, compensable damages from the Non-Appealing Fund shall consist of only the following:

1. pain & suffering;
2. loss of enjoyment of life;
3. lost earning capacity and household services; and,
4. past and future medical costs.

For Covered Claimants who are survivors of deceased burn victims, compensable damages from the Non-Appealing Fund shall consist of only the following:

1. pain and suffering incurred by their decedent while alive;
2. past medical expenses; and
3. loss of financial support and services they potentially would have received from their decedent.

Compensable damages for Covered Claimants referenced in the two preceding paragraphs shall be computed as follows:

1. Pain and suffering is calculated based on a Covered Claimant's or decedent's days hospitalized in relation to %TBSA.
    a. For all Covered Claimants or decedents, other than those receiving care from Shriner's Hospital for Children, or a similarly situated facility, as noted in Section "F" below, "Days Hospitalized" or "days in the hospital" shall be determined based on a Covered Claimant or decedent's %TBSA, as noted in the 2012 National Burn Repository Report.
    b. For a Covered Claimant or decedent receiving care from Shriner's Hospital for Children, or a similarly situated facility, as noted in Section "F" below, "Days Hospitalized" or "days in the hospital" shall mean the number of days actually spent in an accredited hospital as a result of a Covered Claimant's injuries attributable to a Blitz Product as of the day of the Confirmation Hearing and shall include both days for initial hospitalization and any subsequent hospitalizations caused by their injuries attributable to the Blitz Product.

c. The annual average value of life is $356,000.00,[1] making the daily value of life approximately $1,000.00.
d. Pain and suffering damages are calculated using the following formula:
    i. Days hospitalized x daily value of life
    ii. E.g., 50 days hospitalized x $1,000.00 = $50,000.00

2. Loss of enjoyment of life is diminished in relationship to age and %TBSA.
    a. The accepted measure for loss of enjoyment of life is quality adjusted life years.
    b. For Covered Claimants under 18 years old, 15% annual quality of life is lost for every % of TBSA.
    c. For persons over 18 years old, 5% annual quality of life is lost for every % of TBSA.
        i. E.g., Covered Claimant under 18 years old with 50% TBSA, annual quality of life is calculated by 15% x 50= 7.5%.
        ii. E.g., Covered Claimant over 18 years old with 50% TBSA, annual quality of life is calculated by 5% x 50= 2.5%.
        iii. Annual loss of enjoyment of life is calculated using the following formula:
            a. Annual predicted quality of life lost x annual average value of life.
            b. E.g., 10% lost quality of life x $356,000.00 (see fn 1)= $35,600.00
        iv. Lifetime loss of enjoyment of life is calculated using the following formula:
            a. Annual loss of enjoyment of life x remaining life expectancy[2]
            b. E.g., $35,600 x 40 years remaining life expectancy=$1,424,000.00

3. Lost earning capacity and household services are calculated based on gender, age and %TBSA.
    a. Impairment to earn and perform services is based on disability ratings published U.S. Department of Veteran Affairs (38 CFR 4.118).
    b. Impairment rating is based on age and %TBSA and is equal to a sliding scale averaging 1.2% impairment for each %TBSA capped at 100%.
        i. E.g., 10% TBSA ≈ approximately 12% loss of earning capacity.
        ii. E.g., 60% TBSA ≈ approximately 72% loss of earning capacity.
    c. Pre-injury lifetime value of earning capacity and household services is determined by gender and age as published in "Economic Productivity by Age and Sex 2007

[1] The annual average value of life is calculated using a population average age of 38.6 (https://www.census.gov/population/age/data/2011comp.html) and an annual real discount rate of 3% after the 2008 value was adjusted to a 2012 level using the Consumer Price Index.

[2] Life expectancy, by gender, is the average remaining years yet to be lived for those persons reaching any certain age alive. Source: National Center for Health Statistics as published in *U.S. Life Tables, 2008* (http://www.cdc.gov/nchs/data/nvsr/nvsr61/nvsr61_03.pdf).

Estimates for the United States" (*Medical Care*, Volume 47, Number 7 Supplement 1, July 2009).

i. Loss = Impairment % x pre-injury lifetime value of earning capacity and household services.
ii. E.g., 25 year old male earnings and services = $2.1 million
iii. E.g., 60% TBSA ≈ 72% impairment rating
iv. E.g., 72% x $2.1 million ≈ $1.5 million

d. Lost earning capacity and household services is calculated based on the following formula:
   i. Percent of loss of earning capacity x life earning capacity
   ii. E.g., 25 year old on average makes $2 million for entire life
   iii. E.g., 25 year old w/ 60% TBSA =100% loss of earning capacity
   iv. E.g., 100% x 2 million = $2,000,000.00

4. Past medical expenses (including as set forth in paragraph F below) are to be provided by each Covered Claimant. The Covered Claimant's past medical expenses will be added to the other elements of recovery in determining the Covered Claimant's Gross Score.

5. Future medical expenses will be estimated by creating a sliding scale of available total life care plan numbers based on %TBSA.
   a. The life care plan number is then divided by life expectancy for an annual future medical figure.
   b. The annual future medical figure is then multiplied by the remaining life expectancy.

6. Loss of financial support and services is delineated by gender and age.
   a. For deceased victims under age 25, lost earnings and service are reduced by 80% to account for personal consumption.
   b. For deceased victims 25 years and older, lost earnings and service are reduced by 25% to account for personal consumption.
   c. Loss of financial support and services is calculated using the following formula:
      a. Pre-death lifetime value of earning capacity and household services is determined by gender and age as published in "Economic Productivity by Age and Sex 2007 Estimates for the United States" (*Medical Care*, Volume 47, Number 7 Supplement 1, July 2009).
         i. Loss for survivors of deceased victims under age 25 = lifetime value × 20%
         ii. Loss for survivors of deceased victims ages 25 & over = lifetime value × 75%

iii. E.g., $1.7 million pre-death value at age 10. Loss ≈ $1.7 million × 20% = $340,000.

iv. E.g., $1.1 million pre-death value at age 50. Loss ≈ $1.1 million × 75% = $825,000.

Any Covered Claimant who suffered burn injuries that cannot provide medical documentation acceptable to the Blitz Personal Injury Trustee establishing a %TBSA equal to or greater than 15% will not be included in the Gross Scoring process. Rather than receiving a Gross Score and Initial Offer, any Covered Claimant seeking compensation for burns comprising less than 15% TBSA will be accepted into the Special Circumstances Fund set forth in paragraph I. All Covered Claimants must have satisfied the Threshold Components as defined above before being accepted into the Special Circumstances Fund. If the Blitz Personal Injury Trustee, in consultation with the Blitz Personal Injury TAC, has any reason to question the amount and/or extent of injuries suffered by a Covered Claimant, the Blitz Personal Injury Trustee is empowered to retain an outside consultant regarding the extent of Covered Claimant's injuries and the Blitz Personal Injury Trustee is entitled to make adjustments to the Covered Claimants Gross Score as necessary based upon that consultation. Covered Claimants shall provide all information requested by the Blitz Personal Injury Trustee regarding any Threshold Component and any aspect of his or her damage claim.

F. Adjustments to the Gross Score for Past Medical Treatment at the Shriners Hospital for Children

With respect to the calculation of a Covered Claimant's past medical expenses as a component of a Covered Claimant's Gross Score, the Blitz Personal Injury TDP recognizes that a number of Covered Claimants received substantial medical care from the Shriners Hospital for Children. The Shriners Hospital for Children is a network of non-profit hospitals that provide medical care for minor children with severe burns and customarily does not charge for its medical services. In order to compensate those Covered Claimants treated at Shriners Hospital for Children equitably in comparison with other Covered Claimants with substantially similar injuries who underwent substantially similar medical treatments, the value of past medical expenses for Covered Claimants treated at Shriners Hospital for Children will be adjusted. The value of the past medical bills component for any Covered Claimant treated at Shriners Hospital for Children will be the number of days the Covered Claimant was a patient at Shriners Hospital For Children multiplied by the medical costs of an average day charged to all other Covered Claimants submitting claims for medical expenses incurred at non-charitable, full rate burn facilities, and who was of a similar age and suffered a similar %TBSA as the Covered Claimant suffered. The Trustee shall determine this rate in consultation with experts based upon the medical billing information submitted with the Covered Claimants' proofs of claim.

If a Covered Claimant received past medical treatment from a facility that operates in the same or substantially similar charitable manner as the Shriners Hospital for Children, the Covered Claimant can petition the Blitz Personal Injury Trustee to calculate past medical expenses in the same manner as set forth in the previous paragraph and the Blitz Personal Injury Trustee can do so in his or her sole discretion.

G. Determination of a Covered Claimant's Settlement Percentage

Once all Covered Claimants have received a Gross Score as set forth in paragraphs E and F, the sum of the amounts of the Gross Scores for all Covered Claimants will be calculated by the Blitz Personal Injury Trustee. Each Covered Claimant's Gross Score will then be divided by the sum of all the Gross Scores to determine the Settlement Percentage of each Covered Claimant's Gross Score in comparison with all the Covered Claimants receiving payment from the Non-Appealing Fund. A Covered Claimant's Offer Amount will be calculated by multiplying the Covered Claimant's Settlement Percentage by the amount of money held in the Non-Appealing Fund available for distribution (*i.e.*, net of any amounts paid into the Cost Reserve defined in paragraph 3.1 of the Blitz Personal Injury Trust Agreement). A Covered Claimant's Offer Amount will also reflect any reduction for Individual Costs (defined below) related to such claim.

H. Acceptance/Rejection of a Covered Claimant's Offer Amount

The Blitz Personal Injury Trustee will provide Offer Amounts to each Covered Claimant along with a release form approved by the Blitz Personal Injury Trust (the "Release") at the same time. If the Covered Claimant accepts his or her Offer Amount and returns the Release form properly executed, such Covered Blitz Personal Injury Claim will be placed in the FIFO Payment Queue in order of receipt of the Release.

If the Blitz Personal Injury Trust submits an Offer Amount to a Covered Claimant that the Covered Claimant does not believe is appropriate and the Covered Claimant meets one of the enumerated criteria set forth below, the Covered Claimant can reject the Offer Amount and opt to apply for payment out of the Special Circumstances Fund by serving within 15 days of receipt of their Offer Amount a notice of rejection of Offer Amount and of application to the Special Circumstances Fund. The criteria to be eligible to apply to the Special Circumstances Fund is as follows:

1. Wrongful death[3];
2. Amputation of a limb (this does not include amputation of individual digits, but shall include amputation or loss of all fingers on the hand);
3. Severe and permanent internal organ damage other than damage to the respiratory tract (including, without limitation, the mouth, lungs, or esophagus); and
4. Female who suffered severe burn injuries when less than 18 years of age and survived such injuries.

[3] If the Covered Claimant was alive at the time the initial pre-petition complaint was filed or on the date the proof of claim was filed with the Bankruptcy Court, the case shall be treated as a personal injury case (not a wrongful death case) even if the Covered Claimant has died during the pendency of the Claim.

If the Blitz Personal Injury Trustee submits an Offer Amount to a Covered Claimant that the Covered Claimant does not believe is appropriate and the Covered Claimant does not meet one of the criteria set forth above for application to the Special Circumstances Fund, the Covered Claimant may reject his or her Offer Amount by serving within 15 days of receipt of their Offer Amount a notice of rejection of Offer Amount and intent to seek binding arbitration or mediation which specifies whether the Covered Claimant is seeking binding arbitration or meditation. The Blitz Personal Injury Trust shall establish procedures for binding arbitration or mediation and, in communicating Offer Amounts, shall alert Covered Claimants of the manner in which they may provide notice of rejection of Offer Amount and intent to seek binding arbitration or mediation. Covered Claimants who are unable to resolve their claims at mediation or arbitration may file suit to liquidate their claim in the Courts of the jurisdiction where their claim arose. For the avoidance of doubt (i) no Covered Claimant may file suit to liquidate his or her claims until after such claimant has first mediated or arbitrated his or her claim in compliance with the procedures established by the Blitz Personal Injury Trust, and (ii) the costs incurred by the Blitz Personal Injury Trustee in any mediation, arbitration, or litigation of a Covered Claimant's Final Offer Amount will be an Individual Cost (defined below) borne by that Covered Claimant as set forth below. Covered Claimants receiving a judgment, binding arbitration award or if agreement is reached in mediation shall be entitled to have his or her claim paid based on such award or agreement. Any such judgment, award or settlement shall be paid on a pro rata basis from funds within the Non-Appealing Fund allocated by the Blitz Personal Injury Trustee to pay the Offer Amounts submitted to Covered Claimants who decline their original Offer Amounts (which allocation shall be no more than the aggregate amounts of all Offer Amounts that have been rejected by Covered Claimants pursuant to the first sentence of this paragraph), net of Individual Costs.

Each Covered Claimant will be responsible for (i) its own costs in making its application, (ii) all costs incurred by the Blitz Personal Injury Trust associated with such claimant's particular Covered Blitz Personal Injury Claim (including the costs and expenses the Blitz Personal Injury Trust incurs reviewing, calculating, investigating, evaluating, mediating, arbitrating, or litigating in connection with a particular Blitz Personal Injury Claim) ("Individual Costs"), and (iii) such claimant's proportionate share of general costs of the Blitz Personal Injury Trust ("General Costs"), which are all costs and expenses that are not recoverable from a Covered Claimant as an Individual Cost, including (i) indemnification costs, (ii) costs of any general reporting requirement, (iii) the costs of the MSP Claims Reporting described in section 2.4 of the Blitz Personal Injury Trust Agreement, (iv) the costs of the Qualified MSP Compliance Vendor described in section 2.6 of the Blitz Personal Injury Trust Agreement, (v) the costs of the fee and expense reporting described in section 4.5 of the Blitz Personal Injury Trust Agreement, (vi) the costs of compensation and/or expenses of the Blitz Personal Injury Trustee or the Blitz Personal Injury TAC (other than compensation and/or expenses that are charged to a particular Blitz Personal Injury Claimant as an Individual Cost), and (vii) any retainer delivered to the Blitz Personal Injury Trustee under section 4.5(a) of the Blitz Personal Injury Trust Agreement. Any General Costs of the Blitz Personal Injury Trust shall be paid from the Cost Reserve described in section 3.1 of the Blitz Personal Injury Trust Agreement. For the avoidance of doubt, General Costs are not recovered as a direct deduction from a Covered Claimant's Offer Amount but instead are recovered indirectly through the funding of the Cost Reserve (defined in paragraph 3.1 of the Blitz Personal Injury Trust Agreement).

Payment of a Covered Blitz Personal Injury Claim having accepted the Offer Amount will be paid within ten (10) business days of being placed in the FIFO Payment Queue or at the request of the Covered Claimant, the payment shall be earmarked and set-aside for sufficient time to allow the establishment of an appropriate trust or structured annuity.

I. Application to the Special Circumstances Fund

The Special Circumstances Fund is intended to provide compensation to Covered Claimants who were not eligible for a recovery from the Non-Appealing Fund because they:

1. Were burned less than 15% TBSA; or
2. Have property damage claims arising from an occurrence where no claimants suffered a burn injury; or
3. Because they involve exigent circumstances for Covered Claimants meeting one of the other enumerated criteria listed in paragraph H above

Upon application to the Special Circumstances Fund, the Offer Amount of each Covered Claimant making an application to the Special Circumstances Fund will be added into the Special Circumstances Fund to be held solely for the benefit of such Covered Claimant applying to the Special Circumstances Fund (each, an "Applicant" and collectively, the "Applicants"), not to be distributed to any other Covered Claimant.

Applications to the Special Circumstances Fund must be made within fifteen (15) days of receipt by the Applicant of his or her Offer Amount and must contain information sufficient to establish that the claim meets one of the enumerated criteria set forth for compensation from the Special Circumstances Fund in paragraph H above. The Applicant may also submit to the Blitz Personal Injury Trustee all relevant information justifying an award and that the Applicant wishes the Blitz Personal Injury Trustee to consider. All submissions must be completed within thirty (30) days of the date the application to the Special Circumstances Fund was submitted. An extension of such deadline may be authorized by the Blitz Personal Injury Trustee for good cause.

Promptly after all Covered Claimants that are eligible for payment from the Special Circumstances Fund have been identified by the Blitz Personal Injury Trustee, but prior to the Blitz Personal Injury Trustee's review and analysis of such Covered Claimants' Claims for purposes of determining the amounts to be paid from the Special Circumstances Fund with respect to such Claims, all such eligible Covered Claimants to the Special Circumstances Fund shall enter into mediation before a mediator selected by the Blitz Personal Injury TAC in order to reach a consensual and equitable distribution of the funds held in the Special Circumstances Fund. Any Covered Claimant that is eligible to seek payment from the Special Circumstances Fund that declines to participate in the mediation will be represented by the Blitz Personal Injury Trustee in such mediation. The costs and expenses of this mediation shall be shared pro rata by each of the Claimants eligible to seek payment from the Special Circumstances Fund by payment of the reasonable costs and expenses of the mediator coming from the Special Circumstances Fund. If the mediation results in an agreed distribution of the Special Circumstances Fund

assets, such payments as agreed shall be placed in the FIFO Payment Queue and shall be paid within ten (10) business days of being placed in the FIFO Payment Queue, or at the request of the Covered Claimant, such amounts shall be earmarked and set aside for sufficient time to allow the establishment of an appropriate trust or structured annuity. If a consensual allocation of the Special Circumstances Fund assets is not reached after mediation, at the option of the Blitz Personal Injury Trustee, either (x) distributions will be made to those Covered Claimants that have reached agreement in the mediation and a reserve shall be set for those Covered Claimants that have not reached agreement on their distribution amounts, or (y) the Blitz Personal Injury Trustee shall review and analyze all Covered Claims seeking a distribution from the Special Circumstances Fund and will submit a Final Offer Amount to all the Covered Claimants that have applied to the Special Circumstances Fund along with a Release. Among the considerations the Blitz Personal Injury Trustee will consider when calculating each Applicant's Final Offer from the Special Circumstances Fund will be the amount of such Covered Claimant's original Offer Amount from the Non-Appealing Fund and the proposed total distribution to such Applicant in relation to the proposed total distributions to all other Applicants to the Special Circumstances Fund, taking into consideration the severity of the injuries or other losses or harms generally compensable for tort claims such as the claim presented and sustained by such Applicant in relation to the injuries or damages of the other Applicants to the Special Circumstances Fund. Covered Claimants that accept the Final Offer Amount and return the Release form properly executed, will be placed in the FIFO Payment Queue. Payment from the Special Circumstances Fund of a Covered Blitz Personal Injury Claim placed in the FIFO Payment Queue having accepted the Final Offer Amount will be paid within ten (10) business days of being placed in the FIFO Payment Queue, or at the request of the Covered Claimant, such amounts shall be earmarked and set aside for sufficient time to allow the establishment of an appropriate trust or structured annuity.

Application to the Special Circumstances Fund does not guarantee that the Covered Claimant will receive a Final Offer Amount in excess of such Covered Claimant's Offer Amount from the Non-Appealing Fund. A Covered Claimant shall receive an amount that is at least equal to but not less than their original Offer Amount, however, each Covered Claimant that applies to the Special Circumstances Fund or who is to be compensated from the Special Circumstances Fund without having to apply (*i.e.*, Covered Claimants who were injured less than 15% TBSA) will be responsible for (i) his or her own costs in making application to the Special Circumstances Fund, (ii) all Individual Costs incurred by the Blitz Personal Injury Trust associated with such Covered Claimant's application to or payment from the Special Circumstances Fund, and (iii) such Covered Claimant's proportionate share of General Costs, which are paid from the Cost Reserve described in section 3.1 of the Blitz Personal Injury Trust Agreement. Therefore, an Applicant could recover less than his or her original Offer Amount after such Offer Amount is reduced for the costs and expenses described herein. It is anticipated that Individual Costs incurred in processing Special Circumstances Fund Claims would include, but not be limited to, the fees and expenses of the Blitz Personal Injury Trustee and the Blitz Personal Injury TAC incurred to review that particular Covered Claimant's application along with the costs of any medical or other professionals retained to assist with the review of that Covered Claimant's application. These Individual Costs shall be deducted from the Final Offer Amount awarded by the Blitz Personal Injury Trustee to that particular Covered Claimant. The Blitz Personal Injury Trustee's fees and expenses incurred in connection with a particular

Applicant's application to the Special Circumstances Fund shall not be disproportionate to the amount in dispute and, in no event, shall such fees and expenses exceed 5% of that Applicant's Final Offer Amount unless otherwise approved by the Blitz Personal Injury TAC. As a result, if the Covered Claimant only received his or her original Offer Amount, that claimant's Individual Costs would reduce the amount of that original Offer Amount. The amount of monies in the Special Circumstances Fund shall be completely exhausted by costs and payments to Covered Claimants making application to the Special Circumstances Fund. Notwithstanding that the Blitz Personal Injury Trustee is directed to exhaust the Special Circumstances Fund among the holders of Allowed Covered Claims that qualify for payment from the Special Circumstances Fund, should there be any excess funds remaining in the Special Circumstances Fund after payments to all Covered Claimants receiving an award from the Special Circumstances Fund, the amount remaining shall be allocated and paid on a pro rata basis to holders of Allowed Covered Claims against the Special Circumstances Fund. For purposes of this allocation of excess funds, only the amount awarded from the original $30,000,000 Special Circumstances Fund shall be counted to determine the pro rata share, and the amount awarded to each claimant from the Non-Appealing Fund shall not be included in making this allocation.

J. Mediation, Arbitration or Litigation of Blitz Personal Injury Trust Claims

Covered Claimants may appeal their Final Offer in accordance with the procedures set forth in the Blitz Personal Injury TDP.

K. Allocation of Any Residual Funds In the Non-Appealing Fund

Once there are no longer any unresolved Covered Blitz Personal Injury Claims, any excess funds in the Non-Appealing Fund shall be distributed pro rata among Covered Claimants that accepted their original Offer Amount from the Non-Appealing Fund in proportion to the amount each Covered Claimant was allocated from the Non-Appealing Fund.

**EXHIBIT B**

# Table 1. Claimant Allocations
## Sorted Claimant Name

| Claimants | Allocation percent | Allocation dollars |
|---|---|---|
| Al-Shara, Allaa Glory | 0.096% | $124,261 |
| Arwood, Michael Todd | 3.398% | $4,417,175 |
| Balch, Cade | 0.419% | $544,430 |
| Balch, Eric | 0.902% | $1,172,555 |
| Balch, Mason | 0.099% | $129,041 |
| Ballew, Jasmine | 0.617% | $801,508 |
| Barnett, Jerry ("Bo") | 0.795% | $1,033,085 |
| Bauman, Michael | 2.054% | $2,669,822 |
| Boling, Christopher | 1.144% | $1,487,426 |
| Brogdon, Ronnie | 0.406% | $528,026 |
| Burch, Timothy | 1.195% | $1,553,720 |
| Callihan, Bruce R. | 0.547% | $711,717 |
| Coleman, John Marcus | 0.922% | $1,199,185 |
| Crouch, Brooke Ashley | 0.512% | $665,858 |
| Delia, Cyrus | 0.073% | $94,266 |
| Droney, Christopher | 1.373% | $1,784,505 |
| Feldman, Clarence | 0.309% | $402,312 |
| Fenn, Ja'el Victoria | 1.325% | $1,722,485 |
| Fenn, Jeremiah | 0.320% | $415,350 |
| Ferguson, Jim | 4.648% | $6,042,760 |
| Funchess, Chad | 4.355% | $5,662,019 |
| Guilford, Wade | 1.013% | $1,316,472 |
| Guillory, Kaleb Evan | 4.368% | $5,678,157 |
| Gutierrez, Dale | 1.807% | $2,349,556 |
| Hale, Robert | 1.396% | $1,814,710 |
| Hawkins, Michael | 7.120% | $9,255,850 |
| Hayes, Jacob | 1.412% | $1,835,301 |
| Jacoby, Robert James | 2.772% | $3,604,169 |
| Jones, Dalan | 0.776% | $1,009,113 |
| Jones, Leiya | 0.346% | $449,840 |
| Joyner, Jacob | 1.473% | $1,914,499 |
| Kassim, Kamal | 1.388% | $1,804,982 |
| Kornegay, Matthew Dylan | 1.739% | $2,260,494 |
| Kristensen, Erik | 0.087% | $113,393 |
| Loveridge, Sonja | 0.933% | $1,212,543 |
| McClelland, Dorsey | 0.385% | $501,024 |
| Melvin, William | 0.823% | $1,069,331 |
| Mills, Ronald | 2.115% | $2,750,071 |
| Mims, David | 1.617% | $2,101,806 |
| Mizell, James O. | 0.794% | $1,032,379 |
| Newby, Rayne | 3.878% | $5,040,918 |
| Nix, Jacob | 2.209% | $2,872,315 |
| Perez, Alina | 3.300% | $4,290,144 |

# Table 1. Claimant Allocations
## Sorted Claimant Name



| Claimants | Allocation percent | Allocation dollars |
|---|---|---|
| Perez, Jose | 1.950% | $2,534,352 |
| Pierce, Brandon | 4.194% | $5,452,761 |
| Purvis, James | 1.635% | $2,125,146 |
| Shickel, Jordan William | 1.720% | $2,236,268 |
| Shilich, Robert | 1.417% | $1,841,643 |
| Stahl, Coty | 0.718% | $933,936 |
| Strand, Taylor | 5.852% | $7,607,207 |
| Strickland, Steve | 0.438% | $569,864 |
| Thornton, Dennis | 4.505% | $5,856,356 |
| Torres, Anthony | 1.179% | $1,532,334 |
| Trevino, Dylan | 3.166% | $4,115,290 |
| VanBrunt, Devan | 1.302% | $1,692,681 |
| Ward, Kenneth | 1.583% | $2,058,044 |
| Warren, Celton | 0.729% | $947,930 |
| White, Michael | 0.564% | $733,035 |
| Williams, Jacob | 0.594% | $771,986 |
| Wilson, Marshall | 0.369% | $479,634 |
| Xiong, Moryazong "Joey" | 0.825% | $1,072,980 |
| | **100.0%** | **$130,000,000** |
| Number of Claimants = 61 | | |

# Exhibit 5

(Assigned Blitz Insurance Policies)

## KNOWN POLICIES ISSUED BY NON-PARTICIPATING INSURERS

| Insurer | Policy No. | Policy Period |
|---|---|---|
| Hartford Insurance Company | 38 UUNQS 4661<br><br>38 UENQS 4661 | 2000-2001<br><br>2001-2002 |
| Lumbermens Mutual Casualty Company | 3SX 130772-00 | 2000-2001 |
| Admiral Insurance Company | A02AG14372<br><br>CA000005350-02 | 2002-2003<br><br>2003-2004 |
| American International Group | BE3207024 | 2003-2004 |
| Admiral Insurance Company | CA000005350-02 | 2004-2005 |
| American International Group | BE974595 | 2004-2005 |
| Nautilus Insurance Company | BK0011111-0 | 2005-2006 |
| RSUI Group, Inc. | NHA2169-4<br>AND<br>NHA216981 | 2006-2007 |

# Exhibit 6

(Participating Insurer Policies)

## PARTICIPATING INSURERS

## SUBJECT POLICIES

| Insurer | Policy No. | Policy Period |
|---|---|---|
| Old Republic Insurance Company | MWZY 58888 | 07/31/10-07/31/11 |
| Old Republic Insurance Company | MWZY 59256 | 07/31/11-07/31/12 |
| First Specialty Insurance Corporation | IRE98445 | 07/31/10-07/31/11 |
| First Specialty Insurance Corporation | IRE984451 | 07/31/11-/7/31/12 |
| First Mercury Insurance Company | CEGA000205 | 07/31/10-07/31/11 |
| First Mercury Insurance Company | CEGA000307 | 07/31/11-07/31/12 |
| Continental Casualty Company | L4017503244 | 07/31/09-07/31/10 |
| Continental Casualty Company | | 07/31/10-07/31/11 |
| Westchester Surplus Lines Insurance Company | CUW788371001 | 07/31/05-07/31/06 |
| Westchester Fire Insurance Company | G22053504001 | 07/31/06-07/31/07 |
| Westchester Fire Insurance Company | G22053504002 | 07/31/07-07/31/08 |
| Westchester Fire Insurance Company | G22053504003 | 07/31/08-07/31/09 |
| Westchester Fire Insurance Company | G22053504004 | 07/31/09-07/31/10 |
| Liberty Surplus Insurance Corporation | EGL-BO184170-016 | 07/31/06-07/31/07 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-026 | 07/31/07-07/31/08 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-036 | 07/31/08-07/31/09 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-046 | 07/31/09-07/31/10 |
| Liberty Insurance Underwriters Inc. | LQ1-B71-213221-019 | 07/31/09–07/31/10 |
| Liberty Insurance Underwriters Inc. | EXCAT0687652 | 07/31/10-07/31/11 |
| Liberty Insurance Underwriters Inc. | EXCAT068765-3 | 07/31/11-07/31/12 |
| Interstate Fire and Casualty Insurance Company | HFX1002572 | 07/31/08-07/31/09 |
| Navigators Specialty Insurance Company | CH08EXC499507NC | 07/31/08-07/31/09 |
| Axis Surplus Insurance Company | EAU741333/01/2008 | 07/31/08-07/31/09 |
| Endurance American Specialty Insurance Company | ELD 10000712700 | 07/31/07-07/01/08 |
| Arch Insurance Company | UXP004536700 | 07/31/11-7/31/12 |

# Exhibit 7

(Known Holders of Blitz Personal Injury Claims)

**EXHIBIT 7**
**PARTICIPATING BLITZ PERSONAL INJURY CLAIMANTS**

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 6/20/2002 | Montgomery, Michael | CA | 12CV3057-L-WVG | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 10/3/02 | Delatorre, John | Unknown | Unknown | unknown |
| 9/16/03 | Beadore, Landon Adam | NY | 002122/2006 | The Anderson Law Firm |
| 8/10/2005 | Rush, Mary | Unknown | none | none |
| 12/28/05 | Calder, David | UT | 2:07-cv-387 | The Anderson Law Firm |
| 1/2006 | Fitzgerald, Ronald | Unknown | none | none |
| 2/16/07 | Green, Jonathan | TX | 2:07-CV-372 | Grant & Flanery, P.C. |
| 2/16/07 | Green, Rene | TX | 2:07-CV-372 | Grant & Flanery, P.C. |
| 3/10/07 | Bosse, Christopher | TX | 2009-372-A | Sloan, Bagley, Hatchery & Perry Law Firm |
| 8/15/2007 | Funchess, Chad | SC | 2009-CP-38-1257 | Breneman Dungan, L.L.C. Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/9/2007 | Johnson, Randall | CA | - | Choulos Choulos & Wyle |
| 12/30/2007 | Barnett, Jerry | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/30/2007 | Fulton, Daniel | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |

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|---|---|---|---|---|
| 4/5/2008 | Strand, Taylor | | N/A | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 5/23/2008 | Boling, Christopher | KY | 1:09-cv-00067 | Walker & Morgan, L.L.C Janet, Jenner & Suggs, LLC |
| 5/28/2008 | White, Michael | IL | 2009 L 4436 | Langdon & Emison |
| 6/22/2008 | Strickland, Steve | FL | 8:12-cv-02402 | Bodiford Law Group |
| 7/17/2008 | Ballew, Jasmine Alexis | NC | 10-cvs-691 | The Anderson Law Firm |
| 1/18/2009 | Thornton, Dennis | AL | 09-902481 | The Anderson Law Firm |
| 3/6/2009 | Tillman, Donald | SC | 11-CP-04-01200 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/24/2009 | Fenn, Est. of Ja-el | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C Breneman Dungan, L.L.C. |
| 7/24/2009 | Fenn, Jessica | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C Breneman Dungan, L.L.C. |
| 7/24/2009 | Fenn, Est. of Jerimiah | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C Breneman Dungan, L.L.C. |
| 8/15/2009 | Pierce, Brandon | IN | 1:11-cv-01022 | The Anderson Law Firm Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/11/2009 | Melvin, William | FL | 8:11-cv-2542 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 10/12/2009 | Shickel, Jordan | IL | 3:11-cv-03380 | Breneman |

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|---|---|---|---|---|
| | | | | Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 10/23/2009 | Guillory, Kaleb | MS | Not Filed | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 12/6/2009 | Grooms, Ethan | SC | 4:11-cv-1327 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/18/2009 | Crouch, Brooke | TX | 5:11-cv-00150 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 12/23/2009 | Trevino, Dylan | TN | 1:10-cv-00115 | The Anderson Law Firm |
| 1/23/2010 | Mims, David | AL | 1:12-cv-00244 | Glenda Cochran Associates |
| 2/5/2010 | Jacoby, Robert | OR | 1:10-cv-03075 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 3/5/2010 | Kornegay, Est. of Matthew | MS | 3:10-cv-00429 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 3/16/2010 | Brogdon, Ronnie | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/24/2010 | Kassim, Kamal | CT | Not Filed | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 4/11/2010 | VanBrunt, Devan | MN | 0:11-cv-01771 | The Anderson Law Firm |

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|---|---|---|---|---|
| | | | | Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 4/11/2010 | Tvedt, Dane | MN | | Palmbeck, Dan |
| 6/18/2010 | Madox, Robert | - | Not Filed | unknown |
| 7/17/2010 | Balch, Eric | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Cade | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Est. of Mason | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 9/19/2010 | Al-Shara, Est. of Aliaa | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 9/19/2010 | Al-Shara, Majd | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 9/28/2010 | Burch, Timothy | GA | 5:11-cv-00084 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/5/2010 | Nix, Jacob C. | SC | Not Filed | Ball, Mark |
| 11/13/2010 | Shilich, John | UT | Not Filed | The Anderson Law Firm |
| 11/23/2010 | Ferguson, Est. of Jim | SC | 9:11-cv-02207 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/4/2010 | Stahl, Est. of Coty | SC | 2:11-cv-02193 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/12/2010 | Droney, Christopher | SC | 6:11-cv-1320 | Walker & Morgan, L.L.C Richardson, |

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|---|---|---|---|---|
| | | | | Patrick, Westbrook, & Brickman, L.L.C. |
| 12/30/2010 | Mills, Ronald | SC | 5:11-cv-01313 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/31/2010 | Xiong, Joey | NC | Not Filed | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 1/11/2011 | Ward, Curtis | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/11/2011 | Ward, Kenneth | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, James C. | GA | 7:11-cv-00111 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Dusty | GA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Tony | GA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Joyner, Est. of Jacob | FL | 5:11-cv-00334 5:12-cv-00318 | Walker & Morgan, L.L.C Richardson, |

| | | | | |
|---|---|---|---|---|
| | | | | Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Blount, Betty | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/15/2011 | Blount, Zackery | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/20/2011 | Wilson, Est. of Marshall | FL | 3:11-cv-00496 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/20/2011 | Kristensen, Erik | GA | | Thornton, Steven |
| 1/20/2011 | Amouroux, Christian | GA | | Thornton, Steven |
| 1/22/2011 | Guilford, Wade | FL | 5:11-cv-00336 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Est. of Clarence | FL | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Scott | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Loveridge, Est. of Sonja | FL | Not Filed | Kinsey, Troxel, Walborsky & Bradley, P.A. |
| 2/25/2011 | McClelland, Dorsey | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/1/2011 | Weddle, Susan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 3/1/2011 | Smith, Adam | AL | 3:12-cv-00651 | Morris, Haynes, |

| | | | | |
|---|---|---|---|---|
| | | | | Hornsby, Wheeles and Knowles |
| 3/1/2011 | Smith, Megan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 4/1/2011 | Hale, Robert | PA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/1/2011 | Delia, Cyrus Owen | OR | Not Filed | Law Offices of Danny Lang |
| 5/1/2011 | Doyle, John | OR | Not Filed | West, Craig |
| 8/16/2011 | Jones, Dalan | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 8/16/2011 | Jones, Leiya | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 9/24/2011 | Hayes, Jacob | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/1/2011 | Morgan, Johnny C. | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/24/2011 | Gutierrez, Est of Dale | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/8/2011 | Perez, Aliha | TX | Not Filed | Julian C. Gomez |
| 11/8/2011 | Perez, Irene | TX | Not Filed | Julian C. Gomez |
| 11/8/2011 | Perez, Jose | TX | Not Filed | Julian C. Gomez |
| 11/17/2011 | Hawkins, Est. of Michael | SC | Not Filed | Walker & Morgan, L.L.C Richardson, |

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|---|---|---|---|---|
| | | | | Patrick, Westbrook, & Brickman, L.L.C. |
| 11/17/2011 | Broach, Eddie Cory | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/17/2011 | Broach, Justin A. | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/23/2011 | Newby, Rayne | TX | Not Filed | Mark Sudderth |
| 12/1/2011 | Coleman, John Marcus | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/2011 | Britt, Marie | Unknown | Not Filed | Unknown |
| 12/17/2011 | Mizell, Est. of James O. | GA | 5:12-cv-00104 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/19/11 | Bauman, Jr., Michael | KY | 12-738 | Jones Ward |
| 1/21/2012 | Arwood, Michael Todd | AL | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/28/2012 | Chambers, Bridget | TX | Not Filed | Munoz, Rosalio |
| 5/17/2012 | Torres, Anthony | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/17/2012 | Warren, Colton | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/28/2012 | Williams, Jacob | SC | Not Filed | Walker & Morgan, L.L.C Richardson, |

| | | | | |
|---|---|---|---|---|
| | | | | Patrick, Westbrook, & Brickman, L.L.C. |
| 6/19/2012 | Jones, Rhonda | Ohio | Not filed | None |
| 7/14/2012 | Callihan, Est. of Bruce R. | LA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/14/2012 | Ramos, Helen Louise | LA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| | | | | |

# Exhibit 8

(Insurance Settlement Term Sheet)

# TERM SHEET

The Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants, and Wal-Mart have agreed to a Settlement of any and all past, present, and future issues that could arise between them with respect to the Blitz Personal Injury Claims.

Certain of the most important terms of the Settlement are summarized in the numbered paragraphs set forth below and subject to the Settling Parties' intent that the terms of the Settlement to be incorporated into a Chapter 11 Plan containing customary provisions relating to the implementation and enforcement of the Settlement, they acknowledge by their signatures set forth below their intent to be legally bound and that they are legally bound by the terms set forth in this Term Sheet and that the Term Sheet is legally enforceable by the Parties (subject to approval by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") in a final non-appealable order pursuant to Rule 9019 of the Bankruptcy Rules). A motion will be filed with the Bankruptcy Court seeking an order approving the Term Sheet and the Settlement, which motion shall be on notice in form, substance and effect acceptable to the Settling Parties and approved by the Bankruptcy Court as being adequate to bind all claimants asserting Blitz Personal Injury Claims. Also, the terms and conditions of the Settlement Approval Order shall be in form and substance acceptable to the Settling Parties. The Debtors' obligation to take the actions contemplated by this Term Sheet and the Agreement is subject to the Debtors' having funding necessary to do so and the Debtors are only required to take such actions as are reasonably practical under the circumstances. Moreover, any final Settlement is contingent upon the confirmation of the Chapter 11 Plan. The Committee will support and take actions reasonably necessary to obtain approval of the Settlement and a Chapter 11 Plan incorporating the Settlement.

## DEFINITIONS

The following terms, as used herein, shall be defined as follows:

a. "BAH Settlement" shall mean the consensual settlement of all claims and causes of action by and between the BAH Settling Parties.

b. "BAH Settling Parties" shall mean the Committee, the Debtors, the Participating Blitz Personal Injury Claimants, Michael Montgomery, Kinderhook Industries II, LP Kinderhook Capital Fund II, LP, Crestwood Holdings, Inc., Bergan, LLC and any other party that may be a signatory to the BAH Settlement.

c. "Bar Date Motion" shall mean a motion filed with the Bankruptcy Court to establish a bar date for all Blitz Personal Injury Claims that do not fall within the claims barred by the bar date order that was entered on May 23, 2012 .

d. "Blitz Personal Injury Claims" shall mean and include all claims for damages or other relief for, based upon, arising out of, relating to, or in any way involving bodily injury and / or property damage that occurred on or before 12:01 AM CST on July 31, 2012, and shall

include asserted and unasserted claims, whether known or unknown, based upon, arising out of, or in any way involving the products, premises or operations of the Debtors and, without any limitation of the foregoing shall include any such claims against Wal-Mart directly or indirectly relating to the Debtors' products, premises or operations, and any direct action claims by a claimant against the Participating Insurers.

e. "Channeling Injunction" shall mean an injunction pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code that to the fullest extent permitted by law (i) permanently enjoins and channels to the Plan Trust all Blitz Personal Injury Claims, and (ii) permanently enjoins the prosecution of all Blitz Personal Injury Claims against any Released Party. The Participating Blitz Personal Injury Claimants and the Committee shall be responsible for the development and drafting of the terms and procedures with respect to the valuation, allowance and payment of Blitz Personal Injury Claims including the allocation of the Settlement Amount. For the avoidance of doubt, the Channeling Injunction shall not channel or enjoin any claim for damages on account of a bodily injury and / or property damage that occurred on or after 12:01 AM CST on July 31, 2012.

f. "Committee" shall mean the Official Committee of Unsecured Creditors, its co-chairs and members appointed in the Debtors' chapter 11 cases.

g. "Confirmation Order" shall mean an Order of the Bankruptcy Court confirming the Chapter 11 Plan.

h. "Debtor Representatives" shall mean officers, directors, employees, agents, representatives, and attorneys of the Debtors or the successors of any of them, each in their capacity as such.

i. "Debtors" shall mean the USA Debtors and the Holdings Debtors.

j. "Holdings Debtors" shall mean LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

k. "Interests" shall mean any rights, claims, liens, interest, and/or encumbrances in connection with the described subject matter.

l. "Non-Participating Insurers" shall mean Hartford Insurance Company, Lumbermens Mutual Casualty Company, Admiral Insurance Company, American International Group, Nautilus Insurance Company, Arrowood Indemnity, RSUI Group, Inc., and any other insurer who is not a Participating Insurer. The known policies of insurance issued to Debtors by the Non-Participating Insurers include, without limitation, the policies listed on Exhibit 3 hereto.

m. "Participating Blitz Personal Injury Claimants" shall mean and include the claimants identified on Exhibit 1 attached hereto and their respective counsel.

n. "Participating Insurers" shall mean Old Republic Insurance Company, First Mercury Insurance Company, First Specialty Insurance Corporation, Liberty Surplus Insurance Corporation, Liberty Insurance Underwriters Inc., Arch Insurance Company, Continental Casualty Company, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company (collectively, "Westchester"), Endurance American Specialty Insurance

Company, Interstate Fire and Casualty Insurance Company, Navigators Specialty Insurance Company and Axis Surplus Insurance Company and United States Fire Insurance Company (solely in its capacity as claims handler for the policies issued to the Debtors on behalf of First Mercury Insurance Company that are listed on Exhibit 1 and not on behalf of policies, if any, that might have been issued by United States Fire Insurance Company) and each of their predecessors, and present or past parents, subsidiaries, divisions, affiliates, directors, officers, agents, employees, representatives, members, and attorneys, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as they existed on the execution date of the Term Sheet. Notwithstanding the above, "Participating Insurers" shall not mean or include the "Non-Participating Insurers" or any of them.

o. "Parties" shall mean Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants, and Wal-Mart.

p. "Payment Date" shall mean thirty (30) days after entry of a Confirmation Order (i) which has become non-appealable, or (ii) if any appeals from the Confirmation Order have been filed, either (x) such appeals have been fully and finally concluded consistent with the material terms of this Settlement, or (y) the Participating Insurers and Wal-Mart, each in their sole discretion, agree to waive final resolution of such appeal(s) as a condition to the Payment Date.

q. "Chapter 11 Plan" shall mean one or more liquidating plans, pursuant to chapter 11 of the Bankruptcy Code, applicable to all Debtors that contains customary provisions and includes the terms necessary to implement and enforce the Settlement, and this Term Sheet.

r. "Plan Trust" shall mean the Blitz Personal Injury Plan Trust.

s. "Released Parties" shall mean the Debtors, the Participating Insurers, Wal-Mart and any other person or entity insured under the Subject Policies, including, but not limited to (i) any distributor or retailer of Debtors' products, (ii) the Debtor Representatives, and (iii) the shareholders of Debtors solely in their capacity as shareholders and solely related to Blitz Personal Injury Claims. The release of the shareholders of the Debtors shall include all claims asserted against such shareholders that are or would be covered by the Subject Policies. The Released Parties are not released for Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception that: (a) Wal-Mart shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST, (b) Westchester shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception of *Calder* and *Bosse*, and *Green* shall retain and not release his claim to sanctions which is now pending appeal until such time as the Debtors, pursuant to paragraph 2 below, dismiss their appeal and release the $250,000 that has already been deposited to his counsel in escrow at which time any claim by *Green* shall be released, and (c) the Participating Insurers shall be released from any and all liability under the insurance policies identified on Exhibit 2 for all Blitz Personal Injury Claims, except that Westchester shall not be released from the *Calder* and *Bosse* claims. All outstanding Blitz Personal Injury Claims are retained against the USA Debtors and all Non-Participating Insurers during the period prior to July 31, 2007 at 12:01 a.m. CST and are not released but are channeled into the Plan Trust.

t. "Releasors" shall mean Debtors and their respective (a) parents, (b) past or present subsidiaries and affiliates, (c) any joint ventures in which they have interests, and (d) officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them. The USA Debtors shall not be released by this Settlement for Blitz Personal Injury Claims prior to July 31, 2007 at 12:01 a.m. CST so such cases may proceed solely against the policies or proceeds of Non-Participating Insurers.

u. "Settlement" shall mean the settlement of any and all past, present, and future issues that could arise between the Settling Parties with respect to the Blitz Personal Injury Claims as reflected in this Term Sheet. For the avoidance of doubt, the Settlement shall not include the Settlement of any claim for damages on account of a bodily injury and / or property damage that occurred on or after 12:01 AM CST on July 31, 2012.

v. "Settlement Amount" shall mean the total sum, in cash or its equivalent, of ONE HUNDRED SIXTY ONE MILLION AND THREE HUNDRED TWENTY THOUSAND DOLLARS AND NO CENTS ($161,320,000.00).

w. "Settlement Approval Motion" shall mean a motion filed with the Bankruptcy Court seeking a Settlement Approval Order.

x. "Settlement Approval Order" shall mean the Order of the Bankruptcy Court approving the Term Sheet, and authorizing the Settlement as set forth in this Term Sheet, the terms of which shall be acceptable to each of the Settling Parties, in their sole discretion.

y. "Settling Parties" shall mean the Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Wal-Mart.

z. "Subject Policies" shall mean the policies of insurance listed on Exhibit 2 hereto and all other, known and unknown, insurance policies issued to Debtors or any of them by any of the Participating Insurers except directors and officers policies, if any, that may have been issued by the Participating Insurers.

aa. "Term Sheet" shall mean this Term Sheet.

bb. "USA Debtors" shall mean Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC.

cc. "Wal-Mart" shall mean Wal-Mart Stores, Inc., each of its predecessors, and present or past parents, subsidiaries, divisions, affiliates, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as they existed on the execution date of the Term Sheet, and the directors, officers, agents, employees, representatives, members, and attorneys for any of the foregoing in their capacity as such.

**A. Rule 9019 Motion and Settlement Approval Order**

1. On or before July24, 2013 and after all Parties have executed this Term Sheet, the Settling Parties shall file a Settlement Approval Motion with the Bankruptcy Court seeking a Settlement Approval Order, in form and substance agreeable to the Settling Parties approving pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, the Settlement and binding the Settling Parties to support and vote to accept the Chapter 11 Plan, which (i) shall contain the Channeling Injunction and other customary terms and conditions, including exculpation, some of which are specifically set forth herein, and (ii) pursuant to Section 363 of the Bankruptcy Code, the Debtors' sale back to the Participating Insurers of the Subject Policies free and clear of all Interests of any person or entity in the Subject Policies and including findings of fact and conclusions of law providing for protection of the Participating Insurers under Section 363(f) and (m). The Debtors and the Committee shall use their respective best efforts to obtain approval of the Settlement and entry by the Bankruptcy Court of the Settlement Approval Order and to ensure that the Settlement Approval Order becomes a final non-appealable order. The Settlement Approval Motion shall be on notice in form, substance and effect acceptable to the Settling Parties and approved by the Bankruptcy Court as being adequate to bind all Participating Blitz Personal Injury Claimants. The Settlement Approval Order shall be on terms which shall be acceptable to each of the Settling Parties, in their sole discretion.

**B. Resolution of Claims and Policy Buy Back**

2. The Participating Insurers and Wal-Mart, collectively, will pay the Settlement Amount to the Plan Trust. The Settlement Amount shall be paid on or before the Payment Date. The Participating Blitz Personal Injury Claimants and their undersigned counsel represent and warrant that the Participating Blitz Personal Injury Claimants along with the following claimants: *Beadore*, *Bosse*, *Calder*, *Delatorre*, *Green* and *Tvedt* constitute all Blitz Personal Injury Claims of which the Participating Blitz Personal Injury Claimants and their counsel are aware or have knowledge. Upon the occurrence of the Payment Date, and the vacator of the sanctions order by the Green court (to which the Debtors and the *Green* plaintiffs consent and the Participating Blitz Personal Injury Claimants do not oppose), the $250,000 in escrow paid to counsel for the *Green* plaintiffs shall be released and the parties to the *Green* case agree to mutually dismiss their appeals.

3. Except as otherwise provided herein, the specific amounts contributed by individual contributors to the Settlement Amount shall remain confidential as among the contributors and subject to the terms of a side-agreement among the Participating Insurers and Wal-Mart; provided however, that to the extent any of the Settling Parties that are contributing to the Settlement Amount defaults on its funding obligation, the identity of the defaulting party, and the amount it agreed to contribute and owes, shall be released. The Committee or the Plan Trust, as appropriate, may either: (a) seek to enforce the Settlement with respect to any defaulting Settlement Party; or (b) opt to treat any defaulting Participating Insurer as a Non-Participating Insurer under the terms of the Settlement. The Participating Insurers and Wal-Mart may also reveal the amount of their individual contributions, but not that of other participants, as they deem necessary, in their sole discretion, (i) to obtain Bankruptcy Court approval of the Chapter 11 Plan and the releases and Channeling Injunction in the Chapter 11 Plan, and (ii) to their attorneys, auditors, tax consultants, regulators, reinsurers or retrocessionnaires for the purpose of obtaining reinsurance for any portion of their contribution to the Settlement Amount, or complying with applicable regulations. The Participating Insurers and Wal-Mart shall be

individually liable for the amounts each has agreed to contribute and not jointly and/or severally liable for the Settlement Amount. Under no circumstances shall any of the Participating Insurers or Wal-Mart be required to satisfy the funding obligation of any defaulting party. Funding of eighty percent (80%) of the Settlement Amount is a condition precedent to the effectiveness of the Chapter 11 Plan. If within ten days after the Payment Date less than eighty percent (80%) of the Settlement Amount has been paid, a super-majority of seventy-five percent (75%) of the Participating Blitz Personal Injury Claimants may, at their election, file a Notice of Non-Occurrence of Effective Date, which notice shall give the Participating Insurers and Wal-Mart twenty (20) days to cure any such deficiency by providing funds to achieve eighty percent (80%) of the Payment Amount. If the Participating Insurers and Wal-Mart do not timely cure in accordance with the foregoing, the filing of the Notice of Non-Occurrence of Effective Date shall have the effect of terminating the Settlement and the Settling Parties shall be returned to the position that they were in prior to the Settlement.

4. The insurance policies issued to and related agreements with the Debtors by the Non-Participating Insurers shall *not* be released or subject to the buyback contemplated by this Term Sheet. These policies and related agreements and/or their proceeds shall be assigned to the Plan Trust, upon confirmation of the Chapter 11 Plan, which shall thereafter have all rights that the Debtors and/or claimants had to pursue such coverage subject only to the terms and procedures of the Chapter 11 Plan. For the avoidance of doubt, to the extent that the Debtors have insurance coverage from the Non-Participating Insurers applicable to the claims asserted by Michael Montgomery (incident date: 6/20/02), John Delatorre (incident date 10/3/02) and Landon Beadore (incident date 10/3/03) and such other plaintiffs as who may be named in the complaints in these three aforementioned cases or whose injuries occurred prior to 12:01 a.m. CST on July 31, 2007 (subject to the provisions of paragraph 27, below), such insurance coverage from the Non-Participating Insurers is not released or bought back by the settlement contemplated by this Term Sheet and these claimants do not release their claims as against the USA Debtors or insurers other than the Participating Insurers. Notwithstanding anything to the contrary in the foregoing, all Blitz Personal Injury Claims, including those identified in this paragraph, shall be subject to the Channeling Injunction and all release provisions contained in this Term Sheet.

**C. Policy Release and Buyback Provisions**

5. The Chapter 11 Plan shall fully release the Released Parties from any liability for, based upon, arising out of, directly or indirectly relating to, or in any way involving, the Blitz Personal Injury Claims and shall enjoin anyone from asserting Blitz Personal Injury Claims against the Released Parties, provided further however, that the foregoing releases shall not operate to bar any response, objection, defense or counterclaim to any filed or scheduled claim or motion or request for payment of administrative expense filed by any Debtor Representative as against any Debtor or its estate. Such releases shall be sufficient to provide finality to the Participating Insurers from all claims, rights, demands, and obligations of any kind or nature arising out of or relating to the Subject Policies, or any agreements related to the Subject Policies, brought by or on behalf of any person or entity insured thereunder, including, but not limited to, Debtors, Debtor Representatives or any distributor or retailer of Debtors' products, including without limitation Wal-Mart. The Released Parties are not released for Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception that: (a)

the Released Parties shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST as against Wal-Mart, (b) Westchester shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception of Calder and Bosse, and Green shall retain and not release his claim to sanctions which is now pending appeal until such time as the Debtors, pursuant to paragraph 2 above, dismiss their appeal and release the $250,000 that has been paid to his counsel in escrow, at which time any claim by Green shall be released, and (c) the Participating Insurers shall be released from any and all liability under the insurance policies identified on Exhibit 2 for all Blitz Personal Injury Claims, except that Westchester shall not be released from the Calder and Bosse claims. All outstanding Blitz Personal Injury Claims are retained against the USA Debtors and all Non-Participating Insurers during the period prior to July 31, 2007 at 12:01 a.m. CST and are not released but are channeled into the Plan Trust.

6. The Chapter 11 Plan shall further provide that each Participating Blitz Personal Injury Claimant be deemed to consensually release the Released Parties from any Blitz Personal Injury Claim and that each such claimant, as a condition precedent to receiving funds from the Plan Trust, shall deliver a written release to the Plan Trust sufficient to provide finality, and on terms acceptable, to the Released Parties for any Blitz Personal Injury Claim that was or might have been brought by such claimant. With respect to such finality for claims by Participating Blitz Personal Injury Claimants who are minors, the Chapter 11 Plan shall contain requirements, in terms acceptable to Wal-Mart and the Participating Insurers, that the guardian or other party legally responsible for the interests of any such Participating Blitz Personal Injury Claimants who are minors seek approval from any and all courts having jurisdiction over such minor. The Released Parties shall be provided copies of these releases. However, the Channeling Injunction and release provisions of the Chapter 11 Plan shall not be dependent for their efficacy with respect to any Blitz Personal Injury Claim on whether or not a written release has been provided with respect to such Blitz Personal Injury Claim. To the extent that any Released Party, in its discretion, determines that it is appropriate to petition the bankruptcy court for the appointment of a *guardian ad litem* to represent the interests of all Participating Blitz Personal Injury Claims who are minors, the Settling Parties shall support such a petition.

7. The Chapter 11 Plan shall further provide that any claimant who is not a Participating Blitz Personal Injury Claimant shall be deemed to release the Released Parties for all Blitz Personal Injury Claims.

8. The Debtors shall provide the Participating Insurers with a complete policy buyback of the Debtors' interests in the Subject Policies free and clear of all Interests of any person or entity pursuant to Section 363 of the Bankruptcy Code, and, with respect to any Interests held by any non-affiliated entities in the Subject Policies, if any, such relief as is sufficient to extinguish any such Interests in the Subject Policies and provide finality for claims asserted thereunder. By executing this Term Sheet, all Settling Parties consent to the Debtors' buyback of the Subject Policies free and clear of all Interests of any person or entity pursuant to Section 363 of the Bankruptcy Code.

9. Upon the occurrence of the Payment Date, all interests of any of the Releasors in the Subject Policies and any other insured shall be deemed to have been released and sold back to the Participating Insurers free and clear of all Interests pursuant to Section 363 of the Bankruptcy Code without any further action being required.

10. Upon the occurrence of the Payment Date and subject to the terms of paragraph 12 below, (a) the Participating Insurers shall be irrevocably released from (i) all claims of the Releasors or anyone else, including without limitation Wal-Mart, under, arising from, related to, or in connection with the Subject Policies and / or the Blitz Personal Injury Claims, (ii) any claims for contribution or indemnity under, arising from, related to, or in connection with the Subject Policies (whether from other insurers or not) and / or the Blitz Personal Injury Claims, (iii) all extra-contractual claims arising from, related to, or in connection with the Subject Policies and / or the Blitz Personal Injury Claims, and (b) all rights and obligations between the Releasors and anyone else, including without limitation Wal-Mart, on the one hand, and the Participating Insurers, on the other hand, with respect to the Subject Policies and / or the Blitz Personal Injury Claims shall be fully and finally extinguished. The release of the Participating Insurers shall leave the Participating Insurers completely released as if the Participating Insurers had never issued the Subject Policies and had never had any dealings with, or actual or alleged duties or obligations whatsoever to, any Releasors or any other person, including without limitation persons allegedly harmed or injured by Debtors. This Settlement and the releases to be delivered pursuant thereto are explicitly acknowledged by all concerned to be effective notwithstanding any facts, legal theories, alleged mistakes, misrepresentations, or failures to disclose that are presently known to, or that subsequently become known to, the Releasors or anyone else. Upon the occurrence of the Payment Date and subject to the terms of paragraph 12 below, the Participating Insurers shall release Wal-Mart from all claims under, arising from, related to, or in connection with the Subject Policies, including but not limited to claims that Wal-Mart breached any of its obligations as an additional insured under the Subject Policies or any of its obligations under the covenant of good faith and fair dealing.

11. Notwithstanding anything else to the contrary, the Settlement contemplated by this Term Sheet is not intended to release any claim for damages on account of bodily injury and / or property damage that occurred after 12:01 AM CST on July 31, 2012.

12. If Wal-Mart or a Participating Insurer defaults and does not pay its agreed upon share of the Settlement Amount on the Payment Date, that defaulting party shall, after ten days notice and an opportunity to cure, not receive any of the benefits provided by this Settlement until such time as the defaulting party, makes full payment, including but not limited to the releases, injunction or policy buy back provided for herein. If Wal-Mart and the Participating Insurers collectively deliver less than eighty (80%) percent of the Settlement Amount on the Payment Date and the Participating Blitz Personal Injury Claimants elect to terminate pursuant to the terms of paragraph 3,and there is no cure pursuant to paragraph 3 and the Settlement is terminated, no Settling Party or Released Party shall receive any of the benefits provided by this Settlement, including but not limited to the releases, the Channeling Injunction or policy buy back provided for herein and all amounts paid by Wal-Mart or the Participating Insurers shall be returned to the paying party.

**D. Channeling Injunction Pursuant to Section 105 of the Bankruptcy Code**

13. The Chapter 11 Plan and Confirmation Order shall provide for and include the Channeling Injunction. For the avoidance of doubt, all claims for insurance coverage for bodily injury claims under policies issued to the Debtors and all claims against the Released Parties for contribution or indemnification or other relief with respect to the Blitz Personal Injury Claims shall be channeled to the Plan Trust pursuant to the Channeling Injunction. The Plan Trust shall

not take any action that would undermine the enforcement of the Channeling Injunction or that would serve to deprive any of the Released Parties of the benefits of the injunction, including but not limited to the Debtors, the Participating Insurers and Wal-Mart.

**E. The Chapter 11 Plan**

14. Among other terms and conditions as referred to above, the Chapter 11 Plan will include reasonable terms to ensure that the Plan Trust will be responsible for ensuring compliance with Medicare secondary payer ("MSP") requirements, and that the Plan Trust will retain, at its expense, a qualified vendor (such as the Garretson Group) to provide such services as may be required to ensure such compliance. The Participating Insurers and Wal-Mart shall have the right to approve the vendor retained by the Plan Trust to provide such services (with such approval not to be withheld unreasonably) and to obtain such information from such vendor, the Plan Trust and the Blitz Personal Injury Claimants as they may reasonably request for the purpose of ensuring that the Plan Trust has complied with MSP requirements or for the purpose of internal audits and insurance or reinsurance claims. The Plan Trust shall be prohibited from making a distribution to a Blitz Personal Injury Claimant who refuses to provide the information necessary to meet MSP requirements with regard to that claimant.

15. The conditions precedent to the Participating Insurers' and Wal-Mart's payment obligations will include, without limitation, that both the Settlement Approval Order and the Confirmation Order must first become final, non-appealable orders. Wal-Mart and the Participating Insurers may agree, which agreement must be unanimous among Wal-Mart and the Participating Insurers and with Wal-Mart and each Participating Insurer exercising their sole discretion, to waive the Confirmation Order becoming a final, non-appealable order.

16. The terms of the Plan Trust will be drafted consistent with the terms of this Settlement and, upon its creation, the Plan Trust shall be bound to the terms of this Settlement as if it had been a party thereto as of the execution date of this Term Sheet.

17. If before the effective date of the Chapter 11 Plan any person or entity asserts any claim against the Released Parties under, arising from, related to, or in connection with the persons and entities released by the Settlement, Debtors will, at their expense if they have the funding to do so, use their best reasonable efforts to enforce, if necessary, the automatic stay of Section 362 of the Bankruptcy Code, and, if appropriate, obtain an order from the Bankruptcy Court pursuant to Section 105(a) of the Bankruptcy Code enjoining or otherwise prohibiting the prosecution of any such claim against the Released Parties. The Committee shall support Debtors in such efforts, including, without limitation, (i) by being a co-movant in respect of any such motion to enforce the automatic stay, or objecting to any motion filed for relief from the automatic stay, as the case may be, (ii) by the filing of a joinder to any such motion or objection of the Debtors, as the case may be, and (iii) by arguing in support of the relief requested by such motion or objection at any hearing on such motion or objection by the Debtors.

18. The Plan Trust shall fully and completely defend Released Parties in connection with any proceeding involving, relating to, or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction. In the event any person or entity asserts any claim that is subject to the Channeling Injunction, the Plan Trust shall, at its own expense, defend the validity of the Channeling Injunction and its application and use its best efforts to

establish that such claim is enjoined. The Participating Insurers and Wal-Mart shall have consultation and approval rights with respect to selection of counsel hired by the Plan Trust for such defense obligations. The Participating Insurers and Wal-Mart shall have the right, at their own cost and expense, to associate in the defense in any proceeding concerning the enforcement and application of the Channeling Injunction. If the Plan Trust breaches its duty to fully and completely defend then the Plan Trust is obligated to indemnify the Released Parties, including advancement of defense costs.

19. The Chapter 11 Plan shall further include such other terms and conditions as have generally been included in similar insurance-related settlements in other bankruptcy cases or which a Settling Party reasonably believes is necessary to obtain the full benefits of this Term Sheet.

**F. Bar Date Motion and Notice**

20. No later than July 24, 2013 and after execution of this Term Sheet, the Settling Parties will agree on the terms of and file a Bar Date Motion with the Bankruptcy Court to address all Blitz Personal Injury Claims. The Bar Date Motion shall establish a specific bar date for all Blitz Personal Injury Claims and any such claims that are not asserted prior to the bar date shall be forever barred. The Bar Date Motion will contain minimum requirements for the assertion of a Blitz Personal Injury Claim as shall be agreed upon by Wal-Mart, the Participating Insurers, the Debtors, the Committee, and the Participating Blitz Personal Injury Claimants. The Bar Date Motion shall set forth, and the order approving the Bar Date Motion shall approve, the manner in which notice of the bar date shall be provided, including publication notice, which shall be acceptable to Wal-Mart and the Participating Insurers in their sole discretion. The Participating Insurers and Wal-Mart shall share the first $100,000 of costs for running publication notice of the bar date for Blitz Personal Injury Claims on a basis proportionate to their contributions to the Settlement Amount. Wal-Mart and the Participating Insurers shall each pay fifty percent (50%) of such costs in excess of $100,000 , with the Participating Insurers' portion being allocated equally among the Participating Insurers. The Participating Insurers and Wal-Mart shall not be obligated to pay any costs for notice for any entity or person who is not a Participating Insurer or Wal-Mart. For the avoidance of doubt, publication notice costs shall include notice publication in any type of media, including print and electronic media.

**G. Implementation of the Settlement**

21. Upon the execution of this Term Sheet, (i) the Participating Blitz Personal Injury Claimants shall withdraw without prejudice their motions to modify the automatic stay, (ii) the Debtors and Westchester shall withdraw without prejudice their motion to compel compliance by the Participating Blitz Personal Injury Claimants with Rule 2019, and (iii) the Participating Blitz Personal Injury Claimants shall take such action as is necessary to stay, suspend or adjourn all Blitz Personal Injury Claims against the Released Parties. The Debtors shall withdraw without prejudice their motion to modify the automatic stay in the *Calder* case.

22. Upon the Payment Date and payment of the Settlement Amount, (i) all of the Blitz Personal Injury Claims arising on or after 12:01 PM CST on July 31, 2007 (except for *Calder* and *Bosse*) and for which litigation was commenced as of the date of the execution of this Term Sheet shall be deemed as dismissed and withdrawn with prejudice without any further

action of the Settling Parties, (ii) the automatic stay for non-settling Blitz Personal Injury Claims shall be replaced by the Channeling Injunction and the rights of non-settling Blitz Personal Injury Claimants shall be determined pursuant to the Chapter 11 Plan, the Plan Trust and the Trust Distribution Procedures (the "TDP"), with the Participating Blitz Personal Injury Claimants and the Committee being responsible for the development and drafting of the TDP, which TDP shall be filed as an exhibit to the Chapter 11 Plan, and (iii) the Participating Insurers shall (x) withdraw their proofs of claim in the Debtors' bankruptcy cases; or (y) with the consent of the Committee, gift or assign such claims. In the event that any other action is required by a court or other tribunal to document or reflect the dismissal with prejudice of a Blitz Personal Injury Claim such Blitz Personal Injury Claimant shall be solely responsible for taking such action to dismiss his or her Blitz Personal Injury Claim, subject to the requirements of paragraph 6 above. Upon the Payment Date, Wal-Mart shall waive (or assign or gift, with the consent of the Committee) any and all claims it may have against the Debtors arising on or before July 31, 2012, including, but not limited to its pre-petition contribution and indemnity claims, which are secured, in part, by $1.54 million in payables owed to the Blitz U.S.A. debtor. Upon the Payment Date, Wal-Mart shall release and pay to the liquidating trustee under the Chapter 11 Plan on behalf of the bankruptcy estate of Blitz U.S.A the $1.54 million held as security. To the extent that Wal-Mart has a claim against any of the Debtors arising on or after July 31, 2012, Wal-Mart shall retain such claims but shall waive any rights to distribution from any of the Debtors' estates or the Plan Trust. For the avoidance of doubt, the release of the $1.54 million is separate, apart and in addition to Wal-Mart's contribution to the Settlement Amount, it shall be considered an asset of Blitz U.S.A.'s bankruptcy estate and shall not be contributed to, or otherwise be construed as an asset of, the Plan Trust.

23. The Settling Parties shall cooperate with each other in effectuating the provisions of this Term Sheet. Notwithstanding anything else in this Term Sheet, the Settling Parties agree that any of the Settling Parties may challenge or object to confirmation of the Chapter 11 Plan if the Chapter 11 Plan or any actual or proposed alteration, modification, or revision of the Chapter 11 Plan (a) is inconsistent with the terms of this Term Sheet, (b) materially and adversely affects the interests of any such Participating Insurer and/or Wal-Mart and or the Debtors under this Term Sheet, or (c) does not include the releases and Channeling Injunction. If such objection is sustained, the objecting party, at its discretion and after a 20 day opportunity to cure or remedy the objection, may terminate the Settlement. In the event that the Settlement is so terminated, the Settling Parties shall be returned to the position that they were in prior to the Settlement.

24. The Participating Insurers will be free to pursue reinsurance claims from reinsurers or retrocessionaires regarding any consideration paid by them in connection with this settlement. The Participating Insurers are free to allocate their settlement payment among their Subject Policies at their sole discretion as long as doing so does not reduce the overall Settlement Amount.

25. The Debtors or the Plan Trust, as the case may be, shall cooperate with the Participating Insurers in any litigation against the Participating Insurers seeking contribution, indemnification, or other similar payments with respect to any liability under, arising from, related to, or in connection with any of the Subject Policies that is released under this Settlement, and shall support arguments made by the Participating Insurers that their obligations with respect to such claims have been fully released, satisfied, and extinguished by the Settlement.

26. If (i) less than seventy percent (70%) of the Participating Blitz Personal Injury Claimants (individually or through their counsel) fail to execute this Term Sheet by July 19, 2013 or (ii) less than an overwhelming majority of all holders of Blitz Personal Injury Claims entitled to vote on the Chapter 11 Plan fail to vote to accept the Chapter 11 Plan following the deadline to cast ballots on the Chapter 11 Plan, then Wal-Mart may, within 10 days of the expiration of either deadline, elect to terminate the Settlement upon written notice to the Participating Blitz Personal Injury Claimants and the Participating Insurers, effective 20 days from such notice. The Participating Blitz Personal Injury Claimants may use such 20 day period to cure. In the event that the Settlement is so terminated, the Settling Parties shall be returned to the position that they were in prior to the Settlement.

27. The Chapter 11 Plan will include provisions indicating that the participation of the Debtors, Participating Insurers and Wal-Mart in this Term Sheet, the Settlement and/or the Chapter 11 Plan does not constitute an admission or concession on any issue, including liability for any Blitz Personal Injury Claim or that there is coverage under any of the Subject Policies. The Plan Trust and any recipient of a distribution from the Plan Trust on account of a Blitz Personal Injury Claim shall be solely responsible for the payment of any taxes, if any, associated with the money received by such recipient.

**H. Treatment of *Calder* and *Bosse* Claims**

28. Notwithstanding anything contained herein to the contrary, Westchester Policy CUW788371001 (7/31/05-7/31/06) and Westchester Policy G22053504001 (7/31/06-7/31/07) shall not be released or subject to the buyback contemplated by the Settlement and this Term Sheet with respect to the claims asserted by *Calder* and *Bosse* respectively, but shall be released and bought back with respect to all other claims upon the occurrence of the Payment Date. If the *Calder* and *Bosse* claims are not settled (and it is contemplated, pursuant to paragraph 28 below, that *Calder* will be settled), all rights that the Debtors and/or that the plaintiffs in the *Calder* or *Bosse* cases have or may have to pursue coverage for the *Calder* and *Bosse* claims shall be fully preserved and assigned to the Plan Trust and all defenses, if any, that Westchester Fire Insurance Company or Westchester Surplus Lines Insurance Company, as the case may be, may have with respect to these claims shall also be fully preserved. Upon the resolution of the *Calder* and *Bosse* claims with finality either by compromise or adjudication, Westchester Fire Insurance Company or Westchester Surplus Lines Insurance Company, as the case may be, shall receive the remainder of the release and protections for Policies bearing Nos. CUW788371001 and G22053504001 that are afforded to the other Subject Policies and Policies Nos. CUW788371001 and G22053504001 shall be deemed exhausted. With respect to the *Calder* claim, the Chapter 11 Plan shall further provide that the individual appellees in the *Calder* appeal shall be entitled to payment in full of the amounts bonded for the *Calder* appeal if their appeals goes forward and they prevail on their appeal so that their claim may be satisfied by payment of the bonded amount to them in the full amount of the award by the trial court. Alternatively, should the *Calder* claim be resolved by compromise prior to the final adjudication of the appeal pursuant to the terms of paragraph 28 below or otherwise, Westchester may call upon, and require be paid to *Calder*, the full amount of the Debtors' bond for *Calder* that is returnable to the estate as part of any compromise of the *Calder* claim and the Chapter 11 Plan shall provide that in the event such a compromise is reached, the appellees in the *Calder* case shall have first

priority to the amounts agreed upon by compromise. Should the appellants prevail in the appeal and the case be remanded for another trial which again results in a plaintiffs' verdict, then Westchester Surplus Lines Insurance Company would be entitled to a full and complete release upon payment of such verdict to the appellees/plaintiffs.

29. The Debtors, Westchester Fire Insurance Company ("Westchester Fire") and the Calder claimants hereby agree to settle and compromise in full the claims of the Calder claimants by (a) Westchester Fire paying $2,942,014, and (b) the Debtors causing to be paid, or directing RLI Insurance Company ("RLI") to pay, to the Calder claimants from the proceeds of the Debtors' bond that is returnable to the estate (Bond Number RSB4174412) the full amount of that bond that they posted for the Calder appeal ($1,057,986.31). The forgoing payments shall be made within thirty days of the Payment Date but shall be further subject to the exchange of full and mutual releases, compliance with Medicare secondary payer requirements and the dismissal with prejudice of the Calder appeal. The automatic stay will remain in place through the Payment Date. If the Debtors are unable to deliver to the Calder claimants the full amount of their bond ($1,057,986.31) from the proceeds of the Debtors' bond, for reasons beyond their control, the Debtors and/or the Calder claimants shall be free to go forward with their appeal(s) and otherwise prosecute their claims and, if they opt to do so, the other parties to this settlement of the Calder claims shall be relieved of their obligations under this paragraph.

## I. Old Republic Specific Terms

30. To settle all matters between Old Republic Insurance Company ("ORIC") and the Debtors, ORIC will waive any distribution from the Debtors on account of its reimbursement claim against the Debtors, and will withdraw its Proofs of Claim. ORIC, however, retains all of its rights to proceed against and realize the proceeds of a letter of credit in the amount of $3,000,000, which it may do so upon the Payment Date and without further order of the court.

## J. Dispute Resolution

31. After this Term Sheet is fully executed, any disputes concerning the memorialization of the terms of this Term Sheet into the Chapter 11 Plan shall be subject to non-binding mediation by Hon. Richard Cohen (Ret.), or if he is not available, another neutral mediator experienced with bankruptcy insurance coverage settlements. If Hon. Richard Cohen (Ret.) is not available and the parties cannot agree upon an alternative candidate, then the administrator of JAMS' New York office shall appoint a substitute neutral mediator, subject to the consent of all Settling Parties, to perform that function. The Settling Parties further agree that any disputes not resolved through mediation shall be submitted to the Bankruptcy Court and all Settling Parties agree to the jurisdiction of the Bankruptcy Court to hear such disputes and consent to the authority of the Bankruptcy Court to enter any final orders regarding such disputes.

## K. Confidentiality

32. Subject to disclosure obligations imposed by law, the fact and terms of this Settlement shall be maintained as confidential until the filing of the Settlement Approval Motion. The Settling Parties can waive this confidentiality requirement at any time upon mutual written consent.

**L. Media**

33. If any Settling Party requests from the other Settling Parties to issue any public statement regarding the Settlement, the Settling Parties shall agree on the terms and language of one joint press statement with respect to this Settlement to be released to the public at a mutually agreed upon time, but in no instance until after the filing of the Settlement Approval Motion. No Settling Party shall make any other statements to the media concerning the Settlement, except that the Settling Parties may refer the media to the press statement and any court filings not under seal. This Paragraph shall not preclude plaintiffs' counsel from identifying on their respective web sites and in any other materials describing their respective law firms, the fact that they were one of the counsel involved in the Settlement.

**M. No Admission of Liability**

34. The Chapter 11 Plan shall recite that: (1) the Debtors, Wal-Mart and the Participating Insurers deny liability for the Blitz Personal Injury Claims asserted; (2) neither the Chapter 11 Plan nor this Term Sheet, nor any other item pertaining to the Settlement contemplated herein, shall be offered in any other case or proceeding, including as evidence of any admission by the Debtors, Wal-Mart or a Participating Insurer of any liability with respect to any claim for damages or other relief; and (3) any stipulation or admission by the Debtors, Wal-Mart or a Participating Insurer contained in this Term Sheet, the Chapter 11 Plan or in any other document pertaining to the Settlement, is made for settlement purposes only.

**N. Other Provisions**

35. The Settling Parties will agree on language to be included in the Chapter 11 Plan or related documents on the following provisions, which language shall be consistent with customary and usual provisions in similar Wal-Mart settlement agreements (and not inconsistent with the Terms of this Term Sheet): (1) providing for the return or destruction of discovery materials provided by Wal-Mart in any of the personal injury actions; and (2) establishment of the Plan Trust as a Qualified Settlement Fund pursuant to the Internal Revenue Code and related regulations, which language shall be acceptable to Wal-Mart and the Participating Insurers.

**O. Authority**

36. The signatories hereto declare, warrant, and represent that they have agreed to the terms of this Term Sheet and that they have all requisite authority to enter into this Term Sheet. This Term Sheet may be signed in counterparts. Any revisions, amendments or modifications to the express terms of this Term Sheet shall only be effective if in writing, and if executed by each of the Settling Parties.

**P. Condition Precedent**

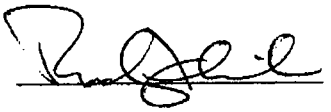
37. It shall be a condition precedent to the effectiveness of this Settlement that there be a BAH Settlement and that such BAH Settlement be approved by the Bankruptcy Court as part of the Confirmation Order, which order shall be a final order.

**WHEREFORE, intending to be legally bound to the foregoing, the Settling Parties hereby acknowledge their agreement to the Term Sheet by execution below.**

**DEBTORS**

Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC, LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

Blitz USA, Inc.

By: 

Its: CEO

Dated: _____

LAM 2011 Holdings, LLC

By: _____

Its: _____

Dated: _____

Blitz Acquisition Holdings, Inc.

By: _____

Its: _____

Dated: _____

**WHEREFORE, intending to be legally bound to the foregoing, the Settling Parties hereby acknowledge their agreement to the Term Sheet by execution below.**

**DEBTORS**

Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC, LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

Blitz USA, Inc.

By: _____

Its: _____

Dated: _____

LAM 2011 Holdings, LLC

By: _____

Its: Director

Dated: 7/24/2013

Blitz Acquisition Holdings, Inc.

By: _____

Its: Director

Dated: 7/24/2013

Blitz Acquisition, LLC

By: _____

Its: CEO

Dated: _____

Blitz RE Holdings, LLC

By: _____

Its: CEO

Dated: _____

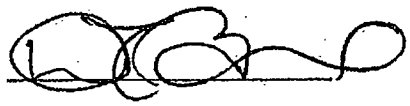
Miami OK, LLC f/k/a/ F3Brands LLC

By: _____

Its: CEO

Dated: _____

**COMMITTEE**

By: 

Dated: 07-10-13

**COMMITTEE, CO-CHAIR**

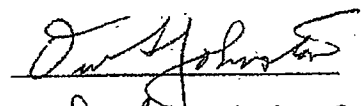
I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By:

Dated: 07-10-13

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: 

Dated: July 24, 2013

**JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**COMMITTEE**

By: _____

Dated: _____

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: _____

Dated: _____

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: _____

Dated: _____

**JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: 7/18/13

BEKUM
~~BECKUM~~ AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: 7/12/13

RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: 7/2/13

ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: _____

DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: _____

KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: _____

**BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: Eric Balch w/ permission

Dated: 7/15/13

**DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: Dave Calder

Dated: 7/21/2013

**KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE**

By:

Dated: 07-10-13

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: Dan Hatting

Dated: 7/11/2013

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: 7/15/13

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: Hank Anderson

Dated: July 1, 2013

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By:

Dated: 07-10-13

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: 7/13/13

**FIRST MERCURY INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: _____

Dated: _____

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST MERCURY INSURANCE COMPANY**

By: Margaret L. Sutton

Dated: 07/16/13

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: _____

Dated: _____

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST MERCURY INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: 7/15/13

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: _____

Dated: _____

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST MERCURY INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: Stacey Roberts

Dated: July 15, 2013

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: Stacey Roberts

Dated: July 15, 2013

**ARCH INSURANCE COMPANY**

By: _____

Dated: 7/16/13

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: _____

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: _____

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: _____

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**ARCH INSURANCE COMPANY**

By: _____

Dated: _____

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: 5/28/13

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: _____

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: _____

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**ARCH INSURANCE COMPANY**

By: _____

Dated: _____

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: _____

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: 7/16/2013

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: 7/16/2013

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**ARCH INSURANCE COMPANY**

By: _____

Dated: _____

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: _____

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: _____

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: _____

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: Brenda Horan

Dated: 7/16/13

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: 7/15/13

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

Dated: 7/15/13

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: John M. Intondi

Dated: 7/10/13

**WAL-MART STORES, INC.**

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

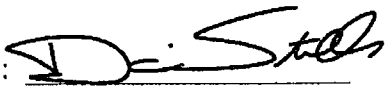
Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

By: 

Dated: _____

**EXHIBIT 1**
**PARTICIPATING BLITZ PERSONAL INJURY CLAIMANTS**

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 6/20/2002 | Montgomery, Michael | CA | 12CV3057-L-WVG | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 8/15/2007 | Funchess, Chad | SC | 2009-CP-38-1257 | Breneman Dungan, L.L.C. Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/9/2007 | Johnson, Randall | CA | - | Choulos Choulos & Wyle |
| 12/30/2007 | Barnett, Jerry | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/30/2007 | Fulton, Daniel | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/23/2008 | Boling, Christopher | KY | 1:09-cv-00067 | Walker & Morgan, L.L.C Janet, Jenner & Suggs, LLC |
| 6/22/2008 | Strickland, Steve | FL | 8:12-cv-02402 | Bodiford Law Group |
| 7/17/2008 | Ballew, Jasmine Alexis | NC | 10-cvs-691 | The Anderson Law Firm |
| 1/18/2009 | Thornton, Dennis | AL | 09-902481 | The Anderson Law Firm |
| 3/6/2009 | Tillman, Donald | SC | 11-CP-04-01200 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/24/2009 | Fenn, Est. of Ja-el | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C Breneman Dungan, L.L.C. |

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|---|---|---|---|---|
| 7/24/2009 | Fenn, Jessica | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C<br>Breneman Dungan, L.L.C. |
| 7/24/2009 | Fenn, Est. of Jerimiah | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C<br>Breneman Dungan, L.L.C. |
| 8/15/2009 | Pierce, Brandon | IN | 1:11-cv-01022 | The Anderson Law Firm<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/11/2009 | Melvin, William | FL | 8:11-cv-2542 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 10/12/2009 | Shickel, Jordan | IL | 3:11-cv-03380 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 10/23/2009 | Guillory, Kaleb | MS | Not Filed | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 12/6/2009 | Grooms, Ethan | SC | 4:11-cv-1327 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/18/2009 | Crouch, Brooke | TX | 5:11-cv-00150 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 12/23/2009 | Trevino, Dylan | TN | 1:10-cv-00115 | The Anderson Law Firm |
| 1/23/2010 | Mims, David | AL | 1:12-cv-00244 | Glenda Cochran Associates |
| 2/5/2010 | Jacoby, Robert | OR | 1:10-cv-03075 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |

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| 3/5/2010 | Kornegay, Est. of Matthew | MS | 3:10-cv-00429 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 3/16/2010 | Brogdon, Ronnie | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/24/2010 | Kassim, Kamal | CT | Not Filed | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 4/11/2010 | VanBrunt, Devan | MN | 0:11-cv-01771 | The Anderson Law Firm Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 6/18/2010 | Madox, Robert | - | Not Filed | unknown |
| 7/17/2010 | Balch, Eric | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Cade | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Est. of Mason | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 9/19/2010 | Al-Shara, Est. of Aliaa | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 9/19/2010 | Al-Shara, Majd | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 9/28/2010 | Burch, Timothy | GA | 5:11-cv-00084 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/5/2010 | Nix, Jacob C. | - | Not Filed | unknown |
| 11/13/2010 | Shilich, John | UT | Not Filed | The Anderson Law Firm |
| 11/23/2010 | Ferguson, Est. of Jim | SC | 9:11-cv-02207 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & |

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|---|---|---|---|---|
| | | | | Brickman, L.L.C. |
| 12/4/2010 | Stahl, Est. of Coty | SC | 2:11-cv-02193 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/12/2010 | Droney, Christopher | SC | 6:11-cv-1320 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/30/2010 | Mills, Ronald | SC | 5:11-cv-01313 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/31/2010 | Xiong, Joey | NC | Not Filed | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 1/11/2011 | Ward, Curtis | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/11/2011 | Ward, Kenneth | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, James C. | GA | 7:11-cv-00111 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Dusty | GA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Tony | GA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Joyner, Est. of Jacob | FL | 5:11-cv-00334 5:12-cv-00318 | Walker & Morgan, |

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|---|---|---|---|---|
| | | | | L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Blount, Betty | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/15/2011 | Blount, Zackery | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/20/2011 | Wilson, Est. of Marshall | FL | 3:11-cv-00496 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/22/2011 | Guilford, Wade | FL | 5:11-cv-00336 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Est. of Clarence | FL | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Scott | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Loveridge, Est. of Sonja | FL | Not Filed | Kinsey, Troxel, Walborsky & Bradley, P.A. |
| 2/25/2011 | McClelland, Dorsey | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/1/2011 | Weddle, Susan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 3/1/2011 | Smith, Adam | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 3/1/2011 | Smith, Megan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 4/1/2011 | Hale, Kevin | PA | Not Filed | Walker & Morgan, L.L.C |

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|---|---|---|---|---|
| | | | | Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/1/2011 | Delia, Cyrus Owen | OR | Not Filed | Law Offices of Danny Lang |
| 8/16/2011 | Jones, Dalan | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 8/16/2011 | Jones, Leiya | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 9/24/2011 | Hayes, Jacob | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/1/2011 | Morgan, Johnny C. | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/24/2011 | Gutierrez, Est of Dale | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/2011 | Perez, Aliha | TX | Not Filed | Julian C. Gomez |
| 11/2011 | Perez, Irene | TX | Not Filed | Julian C. Gomez |
| 11/2011 | Perez, Jose | TX | Not Filed | Julian C. Gomez |
| 11/17/2011 | Hawkins, Est. of Michael | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/17/2011 | Broach, Eddie Cory | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/17/2011 | Broach, Justin A. | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/23/2011 | Newby, Wayne | CA | Not Filed | Mark Sudderth |
| 12/1/2011 | Coleman, John Marcus | SC | Not Filed | Walker & Morgan, |

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|---|---|---|---|---|
| | | | | L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/17/2011 | Mizell, Est. of James O. | GA | 5:12-cv-00104 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/19/11 | Bauman, Jr., Michael | KY | 12-738 | Jones Ward |
| 1/21/2012 | Arwood, Michael Todd | AL | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/17/2012 | Torres, Anthony | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/17/2012 | Warren, Colton | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/28/2012 | Williams, Jacob | SC | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/14/2012 | Callihan, Est. of Bruce R. | LA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/14/2012 | Ramos, Helen Louise | LA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
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**EXHIBIT 2**

**PARTICIPATING INSURERS**

**SUBJECT POLICIES**

| Insurer | Policy No. | Policy Period |
|---|---|---|
| Old Republic Insurance Company | MWZY 58888 | 07/31/10-07/31/11 |
| Old Republic Insurance Company | MWZY 59256 | 07/31/11-07/31/12 |
| First Specialty Insurance Corporation | IRE98445 | 07/31/10-07/31/11 |
| First Specialty Insurance Corporation | IRE984451 | 07/31/11-/7/31/12 |
| First Mercury Insurance Company | CEGA000205 | 07/31/10-07/31/11 |
| First Mercury Insurance Company | CEGA000307 | 07/31/11-07/31/12 |
| Continental Casualty Company | L4017503244 | 07/31/09-07/31/10 |
| Continental Casualty Company | | 07/31/10-07/31/11 |
| Westchester Surplus Lines Insurance Company | CUW788371001 | 07/31/05-07/31/06 |
| Westchester Fire Insurance Company | G22053504001 | 07/31/06-07/31/07 |
| Westchester Fire Insurance Company | G22053504002 | 07/31/07-07/31/08 |
| Westchester Fire Insurance Company | G22053504003 | 07/31/08-07/31/09 |
| Westchester Fire Insurance Company | G22053504004 | 07/31/09-07/31/10 |
| Liberty Surplus Insurance Corporation | EGL-BO184170-016 | 07/31/06-07/31/07 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-026 | 07/31/07-07/31/08 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-036 | 07/31/08-07/31/09 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-046 | 07/31/09-07/31/10 |
| Liberty Insurance Underwriters Inc. | LQ1-B71-213221-019 | 07/31/09–07/31/10 |
| Liberty Insurance Underwriters Inc. | EXCAT0687652 | 07/31/10-07/31/11 |
| Liberty Insurance Underwriters Inc. | EXCAT068765-3 | 07/31/11-07/31/12 |
| Interstate Fire and Casualty Insurance Company | HFXI002572 | 07/31/08-07/31/09 |
| Navigators Specialty Insurance Company | CH08EXC499507NC | 07/31/08-07/31/09 |
| Axis Surplus Insurance Company | EAU741333/01/2008 | 07/31/08-07/31/09 |
| Endurance American Specialty Insurance Company | ELD 10000712700 | 07/31/07-07/01/08 |
| Arch Insurance Company | UXP004536700 | 07/31/11-7/31/12 |

**EXHIBIT 3**

**KNOWN POLICIES ISSUED BY NON-PARTICIPATING INSURERS**

| Insurer | Policy No. | Policy Period |
|---|---|---|
| Hartford Insurance Company | 38 UUNQS 4661<br><br>38 UENQS 4661 | 2000-2001<br><br>2001-2002 |
| Lumbermens Mutual Casualty Company | 3SX 130772-00 | 2000-2001 |
| Admiral Insurance Company | A02AG14372<br><br>CA000005350-02 | 2002-2003<br><br>2003-2004 |
| American International Group | BE3207024 | 2003-2004 |
| Admiral Insurance Company | CA000005350-02 | 2004-2005 |
| American International Group | BE974595 | 2004-2005 |
| Nautilus Insurance Company | BK0011111-0 | 2005-2006 |
| RSUI Group, Inc. | NHA2169-4<br>AND<br>NHA216981 | 2006-2007 |

# Exhibit 9

(BAH Settlement Term Sheet)

# BAH SETTLEMENT TERM SHEET

This term sheet (the "BAH Settlement Terms") sets forth the agreement of the undersigned parties to settle all claims or causes of action held by the Blitz USA, Inc. ("USA"), Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC (the foregoing, together with USA, the "USA Debtors"), The Official Committee of Unsecured Creditors for the Debtors (the "Committee"), the Participating Blitz Personal Injury Claimants and Michael Montgomery against Kinderhook Industries II, LP and Kinderhook Capital Fund II, LP ("Kinderhook"); Christian P. Michalik and Louis Aurelio (the "Kinderhook Directors"); Rocky Flick, James Pearson, and Charles Neal (the "Non-Kinderhook Directors"); LAM 2011 Holdings ("LAM"); Blitz Acquisition Holdings, Inc. ("BAH" and together with LAM, the "Holdings Debtors") and all of the Holdings Debtors non-USA Debtor affiliates and subsidiaries, including, without limitation, Reliance Products Holdings, Inc., Reliance Products, Inc., MollPlasticrafters, Inc., Renaissance Plastics, Inc. (the "Reliance Entities"); and John R. Elmburg, Eric Elmburg, Robert Elmburg, Discovery Plastics, LLC, Crestwood Holdings, Inc., and Bergan, LLC ("Crestwood", and together with Kinderhook, the Kinderhook Directors, the Non-Kinderhook Directors, and the Holdings Debtors, the "BAH Settling Parties")) including, without limitation, those claims asserted in the draft complaint attached to the Committee's Standing Motion.

The BAH Settlement Terms represent the most important terms of the settlement, which will be included in the Chapter 11 Plan. Each of the undersigned parties acknowledges and agrees that their signatures set forth below evidence their intent to be legally bound by the BAH Settlement Terms and that the BAH Settlement Terms are legally enforceable by the Parties (subject to approval by the Bankruptcy Court in a final non-appealable order pursuant to Rule 9019 of the Bankruptcy Rules).

Capitalized terms used but not otherwise defined herein have the meanings set forth in the Term Sheet dated on or about July 5, 2013 among the Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Wal-Mart (the "Insurance Settlement Term Sheet"), a copy of which is attached hereto as Exhibit A.

1. Settlement Payment: BAH, on behalf of the BAH Settling Parties, will pay to USA or its designee(s), for the benefit of the USA Debtors and their creditors (a) on the Effective Date, $6.25 million (the "BAH Settlement Payment") plus (b) on the date on which Rocky Flick's employee bonus claim (claim number 274) (the "Flick Claim") becomes an allowed claim no longer subject to objection, the allowed amount of the Flick Claim, up to a maximum amount of $250,000 (the "Additional Payment"). The Effective Date shall mean the date on which all conditions precedent to the effectiveness of the Chapter 11 Plan have occurred. For the avoidance of doubt, and without limitation of other conditions precedent, it shall be a condition to the effectiveness of the Chapter 11 Plan that the Channeling Injunction is in full force and effect, the BAH Released Parties are "Released Parties" under the Chapter 11 Plan, the right of the Participating Blitz Personal Injury Claimants to elect to file a Notice of Non-Occurrence of Effective Date (as such term is used in paragraph 3 of the Insurance Settlement Term Sheet) has expired or been waived or the Notice of Non-Occurrence of Effective Date has been withdrawn and the

Confirmation Order shall be a final order for which no appeal shall be pending and the time within which to file an appeal has expired.

2. Releases: In exchange for the payment of the BAH Settlement Payment and the Additional Payment, on the Effective Date, the USA Debtors, the Committee, the members of the Committee, any trustees appointed under the Plan of Reorganization, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Michael Montgomery shall each release and forever disclaim any claims and causes of action against the Holdings Debtors, Kinderhook, the Kinderhook Directors, the Non-Kinderhook Directors, Crestwood and each of the aforementioned's officers, directors, affiliates, subsidiaries (other than the USA Debtors), including the Reliance Entities, current and former shareholders, members, employees, professionals, advisors, consultants, representatives, attorneys, other agents or the successors of any of them, in each case in their capacity as such, and present and former directors and officers of each of the USA Debtors (the foregoing entities and their Related Parties collectively being referred to herein as the "BAH Released Parties"); provided however, that (i) no release shall be provided to Discovery Plastics, LLC with respect to the Fenn or Kornegay cases; (ii) no release shall be provided to professionals, advisors, consultants or attorneys that have filed a proof of claim in the USA Debtors' chapter 11 cases; and (iii) no officers, directors or employees of any of the Debtors that have filed proofs of claim in any of USA Debtors' chapter 11 cases shall receive a release of any defenses, claims, counter-claims or objections in any way related to the claims asserted in such proofs of claim. Upon information and belief, the parties involved in the Kornegay and Fenn matters, including Discovery Plastics, have reached settlements under which Discovery Plastics will receive a release from Kornegay and Fenn, respectively, upon receipt of a settlement payment. For the avoidance of doubt, Michael Montgomery shall not release the USA Debtors pursuant to the BAH Settlement Terms.

3. Reciprocal Releases: On the Effective Date, the BAH Settling Parties shall release and forever disclaim any claims and causes of action against the USA Debtors, the Committee, the members of the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Michael Montgomery and each of the aforementioned's officers, directors, affiliates, subsidiaries, current and former shareholders, members, employees, professionals, advisors, consultants, representatives, attorneys, other agents or the successors of any of them; provided however, that this reciprocal release shall not be a release by Rocky Flick of the Flick Claim and parties in interest, including, but not limited to the Committee, shall continue to have the right to assert any and all valid defenses or objections to such claim notwithstanding the release provided in paragraph 2 hereof or the provisions of paragraph 10 hereof. On or before the Effective Date, the Holdings Debtors shall secure releases as of the Effective Date in favor of the aforementioned parties from the Reliance Entities.

4. Approval: The parties hereto shall seek approval of these BAH Settlement Terms from the Bankruptcy Court by filing a motion pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "BAH Settlement Approval Motion") by no later than 5 business days after execution of the BAH Settlement Terms. The BAH Settlement Approval Motion shall be drafted by the BAH Settlement Parties and shall be subject to

review and reasonable consent of the Committee prior to filing. The BAH Settlement Terms shall also be incorporated in the Chapter 11 Plan and shall be consummated only upon consummation of the Chapter 11 Plan. The order approving the BAH Settlement Terms shall be in form and substance acceptable to each of the undersigned parties, in each's sole discretion.

5. Crestwood and Kinderhook Claims: Any value remaining in the BAH estate after payment of the BAH Settlement Payment and the Additional Payment shall be for the benefit of Crestwood, Kinderhook, the Kinderhook Directors, and any other holders of allowed claims against the Holdings Debtors' estates, other than the Excluded Creditors (as defined below). The Holdings Debtors shall have the sole and complete authority to negotiate and settle with each of its creditors regarding the allowed amounts of their claims against the BAH and LAM estates, respectively, and to make distributions on account of any allowed claims. Any distributions that BAH and LAM creditors receive on account of such allowed claims shall be in full and final satisfaction of their claims against BAH and LAM, respectively. Kinderhook, Crestwood, the Kinderhook Directors and the Non-Kinderhook Directors shall waive any distributions to which they would be entitled from the USA Debtors in their capacity as such and shall agree that any proofs of claim filed by each of them against the USA Debtors shall be deemed disallowed on the Effective Date of the Chapter 11 Plan. For the avoidance of doubt, the Flick Claim shall not be disallowed by virtue of the foregoing sentence and his distribution on account of such claim, to the extent it is allowed, and subject to Paragraph 10 hereof, shall not be waived by virtue of the foregoing sentence.

6. Excluded Creditors: Any proofs of claim filed by any of the members of the Creditors' Committee and the Blitz Personal Injury Claimants against the Holdings Debtors shall be withdrawn with prejudice on the Effective Date. Furthermore, the Committee shall support any objection by the Holdings Debtors to claims filed by insurers. The holders of claims described in this paragraph shall be referred to herein as the "Excluded Creditors."

7. Standing Motion: The Committee agrees to withdraw the Standing Motion with prejudice on the Effective Date and shall make no further prosecution of the Standing Motion prior to the earlier of (i) the date on which confirmation of the Chapter 11 Plan is denied by a final, non-appealable order of the Court and (ii) the date on which the proponents of the Chapter 11 Plan withdraw it from consideration by the Court. For the avoidance of doubt, the releases described above for the BAH Released Parties shall include a release of the BAH Released Parties by the USA Debtors from all causes of action alleged in the Standing Motion and any and all other causes of action that the USA Debtors may have against the BAH Released Parties.

8. Most Favored Nation Status: Notwithstanding the release language provided above, releases under the Chapter 11 Plan for the BAH Released Parties by the Participating Blitz Personal Injury Claimants and Michael Montgomery shall be no less favorable than those being provided to the Participating Insurers, Wal-Mart or any other party. Furthermore, the Channeling Injunction shall include the BAH Released Parties and Paragraphs 16 and 17 of the Insurance Settlement Term Sheet shall be made applicable to these BAH Settlement Terms.

9. Plan Documents: The Chapter 11 Plan, Disclosure Statement, Disclosure Statement Approval Order and Confirmation Order shall all be in form and substance reasonably acceptable to the Committee, the Holdings Debtors, Crestwood and Kinderhook. The parties hereto shall cooperate with each other in effectuating the provisions of these BAH Settlement Terms. The parties hereto agree to vote in favor of the Chapter 11 Plan to the extent that they have claims that are entitled to vote on the Plan; provided however, that any parties hereto may abstain from voting, vote against the Chapter 11 Plan and/or challenge or object to confirmation of the Chapter 11 Plan if the Chapter 11 Plan or any actual or proposed alteration, modification, or revision of the Chapter 11 Plan (a) is inconsistent with the terms of these BAH Settlement Terms, (b) materially and adversely affects the interests of any party hereto, or (c) does not include the releases and Channeling Injunction. If such objection is sustained, the objecting party, at its discretion and after a 20 day opportunity to cure or remedy the objection, may terminate this settlement. In the event that the settlement is so terminated, the parties hereto shall be returned to the position that they were in prior to entering into these BAH Settlement Terms.

10. Employee Bonus Claims:

- Rocky Flick agrees to reduce the Flick Claim to $244,272.65.
- Rocky Flick, in his capacity as CEO of USA, represents that the USA Debtors' books and records show that the amount of accrued and unpaid employee bonuses do not exceed, in the aggregate, $589,317.41, exclusive of the Flick Claim.
- The Committee, on behalf of the USA Debtors' bankruptcy estates reserves the right, and any trustee appointed under the Chapter 11 Plan shall be empowered, to object to or seek further reduction of the Flick Claim and all other employee bonus claims.

11. No Substantive Consolidation: The Chapter 11 Plan shall not provide for the substantive consolidation of the Holdings Debtors with one or more of the USA Debtors.

12. Professional Fees: All accrued and unpaid professional fees and expenses, other than those incurred by Young Conaway, shall be satisfied by the USA Debtors. The Committee and the USA Debtors agree to the budgets set forth on Exhibit B attached hereto.

13. Allocation of BAH Settlement Payment: Subject to the priorities of distribution set forth in the Bankruptcy Code, the Committee may determine the allocation of the BAH Settlement Payment among the creditors of the USA Debtors in their discretion without consultation with the BAH Settling Parties; provided, however, that the BAH Settling Parties bear no responsibility for any shortfall in satisfying any claims against the USA Debtors, whether administrative, unsecured or otherwise. The BAH Settling Parties understand that the BAH Settlement Payment will be allocated to satisfying administrative claims and general unsecured claims other than tort claimants.

14. Committee Support: The Committee will support and take actions reasonably necessary to obtain approval of the BAH Settlement Approval Motion and to obtain votes in favor

of confirmation of the Chapter 11 Plan incorporating the BAH Settlement Terms by the unsecured creditors of the USA Debtors.

15. Publicity: If any party hereto requests from the other parties hereto to issue any public statement regarding the BAH Settlement Terms, the parties shall agree on the terms and language of one joint press statement with respect to the BAH Settlement Terms to be released to the public at a mutually agreed upon time, but in no instance until after the filing of the BAH Settlement Approval Motion. No party shall make any other statements to the media concerning the BAH Settlement Terms, except that the parties may refer the media to the press statement and any court filings not under seal. This Paragraph shall not preclude the undersigned plaintiffs' counsel from identifying on their respective web sites and in any other materials describing their respective law firms, the fact that they were one of the counsel involved in the settlement.

16. No Admission of Liability: The Chapter 11 Plan shall recite that: (1) the BAH Settling Parties deny liability for the Blitz Personal Injury Claims asserted; (2) neither the Chapter 11 Plan nor these BAH Settlement Terms, nor any other item pertaining to the settlement contemplated herein, shall be offered in any other case or proceeding, including as evidence of any admission by the BAH Settling Parties of any liability with respect to any claim for damages or other relief; and (3) any stipulation or admission by the BAH Settling Parties contained in these BAH Settlement Terms, the Chapter 11 Plan or in any other document pertaining to the Settlement, is made for settlement purposes only.

17. Mediation: To the extent of any conflict between these BAH Settlement Terms and the Insurance Settlement Term Sheet and the memorialization of both term sheets into the Chapter 11 Plan, the Holdings Debtors and the Committee shall cause the BAH Settling Parties to meet and confer with the parties to the Insurance Settlement Term Sheet to resolve any such conflicts. Thereafter, such resolution of such conflicts shall be subject to non-binding mediation by Hon. Richard Cohen (Ret.), or if he is not available, another neutral mediator experienced with bankruptcy insurance coverage settlements. If Hon. Richard Cohen (Ret.) is not available and the parties cannot agree upon an alternative candidate, then the administrator of JAMS' New York office shall appoint a substitute neutral mediator, subject to the consent of all Settling Parties, to perform that function

18. Due Authority: The signatories hereto declare, warrant and represent that they have agreed to the BAH Settlement Terms and that they have all requisite authority to enter into these BAH Settlement Terms. This term sheet may be signed in counterparts.

**Wherefore,** intending to be legally bound to the foregoing, the parties hereby acknowledge their agreement to the BAH Settlement Terms by execution below.

**Holdings Debtors**

LAM 2011 HOLDINGS, LLC

By: _____

Title: Director

Date: 7/24/2013

BLITZ ACQUISITION HOLDINGS, INC.

By: _____

Title: Director

Date: 7/24/2013

**Kinderhook**

KINDERHOOK INDUSTRIES II, LP

By: _____

Title: _____

Date: _____

KINDERHOOK CAPITAL FUND II, LP

By: _____

Title: _____

Date: _____

**Wherefore**, intending to be legally bound to the foregoing, the parties hereby acknowledge their agreement to the BAH Settlement Terms by execution below.

**Holdings Debtors**

LAM 2011 HOLDINGS, LLC

By:_____

Title:_____

Date:_____

BLITZ ACQUISITION HOLDINGS, INC.

By:_____

Title:_____

Date:_____

**Kinderhook**

KINDERHOOK INDUSTRIES II, LP

By:_____

Title: Managing Director

Date: July 11, 2013

KINDERHOOK CAPITAL FUND II, LP

By:_____

Title: Managing Director

Date: July 11, 2013

Crestwood

JOHN R. ELMBURG

By: _____

Date: 7/10/13

ERIC ELMBURG

By: _____

Date: 7/10/13

ROBERT ELMBURG

By: _____

Date: 7/10/2013

DISCOVERY PLASTICS, LLC

By: _____

Title: Member

Date: 7/10/13

CRESTWOOD HOLDINGS, INC.

By: _____

Title: President

Date: 7/10/2013

BERGAN, LLC

By: _____

Title: Manager

Date: 7/10/13

**Kinderhook Directors**

CHRISTIAN P. MICHALIK

By: _____

Date: July 11, 2013

LOUIS AURELIO

By: _____

Date: July 11, 2013

**Non-Kinderhook Directors**

ROCKY FLICK

By: _____

Date: _____

JAMES PEARSON

By: _____

Date: _____

**USA Debtors**

BLITZ USA, INC.

By: _____

Title: _____

Date: _____

**Kinderhook Directors**

CHRISTIAN P. MICHALIK

By:_____

Date:_____

LOUIS AURELIO

By:_____

Date:_____

**Non-Kinderhook Directors**

ROCKY FLICK

By:_____

Date:_____

JAMES PEARSON

By:_____

Date:_____

**USA Debtors**

BLITZ USA, INC.

By:_____

Title: CEO

Date:_____

**Kinderhook Directors**

CHRISTIAN P. MICHALIK

By:_____

Date:_____

LOUIS AURELIO

By:_____

Date:_____

**Non-Kinderhook Directors**

ROCKY FLICK

By:_____

Date:_____

JAMES PEARSON

By:_____

Date: 7/24/2013

**USA Debtors**

BLITZ USA, INC.

By:_____

Title:_____

Date:_____

BLITZ ACQUISITION, LLC

By:_____

Title: CEO

Date:_____

BLITZ RE HOLDINGS, LLC

By:_____

Title: CEO

Date:_____

MIAMI OK, LLC f/k/a F3BRANDS LLC

By:_____

Title: CEO

Date:_____

**Committee**

COMMITTEE CO-CHAIR

By:_____

Title:_____

Date:_____

COMMITTEE, CO-CHAIR

By:_____

Title:_____

Date:_____

JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title:_____

Date:_____

BLITZ ACQUISITION, LLC

By:_____

Title:_____

Date:_____

BLITZ RE HOLDINGS, LLC

By:_____

Title:_____

Date:_____

MIAMI OK, LLC f/k/a F3BRANDS LLC

By:_____

Title:_____

Date:_____

**Committee**

COMMITTEE CO-CHAIR

By:_____

Title: GREENHAN DUNCAN FOR KAREN KORNEGAY

Date: 07-10-13

COMMITTEE, CO-CHAIR

By:_____

Title: CFO - Bekum America corporation

Date: July 24, 2013

JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title:_____

Date:_____

01:13855742.2

BLITZ ACQUISITION, LLC

By:_____

Title:_____

Date:_____

BLITZ RE HOLDINGS, LLC

By:_____

Title:_____

Date:_____

MIAMI OK, LLC f/k/a F3BRANDS LLC

By:_____

Title:_____

Date:_____

**Committee**

COMMITTEE CO-CHAIR

By:_____

Title:_____

Date:_____

COMMITTEE, CO-CHAIR

By:_____

Title:_____

Date:_____

JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title: VP Finance

Date: 7/11/13

01:13855742.2

BEKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Title: CFO - VP Treasurer

Date: 7/12/13

RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Date: _____

ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Date: _____

DAVID CALDER, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Date: _____

KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Date: _____

RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By: _____

Title: _____

Date: _____

JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title:_____

Date:_____

BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title:_____

Date:_____

RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Date: 6/28/13

ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

DAVID CALDER, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title:_____

Date:_____

RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: Eric Balch w/ permission

Date: 1/15/13

DAVID CALDER, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title:_____

Date:_____

RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

DAVID CALDER, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: Dave Calder

Date: 7·21·2013

KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Title:_____

Date:_____

RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

DAVID CALDER, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date:_____

KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE

By:_____

Date: 07-10-13

RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By: David Haltiwanger

Title: attorney

Date: 7/1/2013

WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID CALDER, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

MICHAEL MONTGOMERY

By:_____

Date:_____

WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By: _____

Title: Capital Partner

Date: 7/14/13

THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID CALDER, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By: _____

Title: _____

Date: _____

BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

MICHAEL MONTGOMERY

By: _____

Date: _____

WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID CALDER, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By: Hank Anderson

Title: Attorney

Date: July 8, 2013

BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

MICHAEL MONTGOMERY

By:_____

Date:_____

WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID CALDER, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

By:_____

Title:_____

Date:_____

BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT C

MICHAEL MONTGOMERY

By:_____

Date: 07-10-13

# Exhibit A

## Insurance Settlement Term Sheet

# TERM SHEET

The Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants, and Wal-Mart have agreed to a Settlement of any and all past, present, and future issues that could arise between them with respect to the Blitz Personal Injury Claims.

Certain of the most important terms of the Settlement are summarized in the numbered paragraphs set forth below and subject to the Settling Parties' intent that the terms of the Settlement to be incorporated into a Chapter 11 Plan containing customary provisions relating to the implementation and enforcement of the Settlement, they acknowledge by their signatures set forth below their intent to be legally bound and that they are legally bound by the terms set forth in this Term Sheet and that the Term Sheet is legally enforceable by the Parties (subject to approval by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") in a final non-appealable order pursuant to Rule 9019 of the Bankruptcy Rules). A motion will be filed with the Bankruptcy Court seeking an order approving the Term Sheet and the Settlement, which motion shall be on notice in form, substance and effect acceptable to the Settling Parties and approved by the Bankruptcy Court as being adequate to bind all claimants asserting Blitz Personal Injury Claims. Also, the terms and conditions of the Settlement Approval Order shall be in form and substance acceptable to the Settling Parties. The Debtors' obligation to take the actions contemplated by this Term Sheet and the Agreement is subject to the Debtors' having funding necessary to do so and the Debtors are only required to take such actions as are reasonably practical under the circumstances. Moreover, any final Settlement is contingent upon the confirmation of the Chapter 11 Plan. The Committee will support and take actions reasonably necessary to obtain approval of the Settlement and a Chapter 11 Plan incorporating the Settlement.

## DEFINITIONS

The following terms, as used herein, shall be defined as follows:

a. "BAH Settlement" shall mean the consensual settlement of all claims and causes of action by and between the BAH Settling Parties.

b. "BAH Settling Parties" shall mean the Committee, the Debtors, the Participating Blitz Personal Injury Claimants, Michael Montgomery, Kinderhook Industries II, LP Kinderhook Capital Fund II, LP, Crestwood Holdings, Inc., Bergan, LLC and any other party that may be a signatory to the BAH Settlement.

c. "Bar Date Motion" shall mean a motion filed with the Bankruptcy Court to establish a bar date for all Blitz Personal Injury Claims that do not fall within the claims barred by the bar date order that was entered on May 23, 2012 .

d. "Blitz Personal Injury Claims" shall mean and include all claims for damages or other relief for, based upon, arising out of, relating to, or in any way involving bodily injury and / or property damage that occurred on or before 12:01 AM CST on July 31, 2012, and shall

include asserted and unasserted claims, whether known or unknown, based upon, arising out of, or in any way involving the products, premises or operations of the Debtors and, without any limitation of the foregoing shall include any such claims against Wal-Mart directly or indirectly relating to the Debtors' products, premises or operations, and any direct action claims by a claimant against the Participating Insurers.

e. "Channeling Injunction" shall mean an injunction pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code that to the fullest extent permitted by law (i) permanently enjoins and channels to the Plan Trust all Blitz Personal Injury Claims, and (ii) permanently enjoins the prosecution of all Blitz Personal Injury Claims against any Released Party. The Participating Blitz Personal Injury Claimants and the Committee shall be responsible for the development and drafting of the terms and procedures with respect to the valuation, allowance and payment of Blitz Personal Injury Claims including the allocation of the Settlement Amount. For the avoidance of doubt, the Channeling Injunction shall not channel or enjoin any claim for damages on account of a bodily injury and / or property damage that occurred on or after 12:01 AM CST on July 31, 2012.

f. "Committee" shall mean the Official Committee of Unsecured Creditors, its co-chairs and members appointed in the Debtors' chapter 11 cases.

g. "Confirmation Order" shall mean an Order of the Bankruptcy Court confirming the Chapter 11 Plan.

h. "Debtor Representatives" shall mean officers, directors, employees, agents, representatives, and attorneys of the Debtors or the successors of any of them, each in their capacity as such.

i. "Debtors" shall mean the USA Debtors and the Holdings Debtors.

j. "Holdings Debtors" shall mean LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

k. "Interests" shall mean any rights, claims, liens, interest, and/or encumbrances in connection with the described subject matter.

l. "Non-Participating Insurers" shall mean Hartford Insurance Company, Lumbermens Mutual Casualty Company, Admiral Insurance Company, American International Group, Nautilus Insurance Company, Arrowood Indemnity, RSUI Group, Inc., and any other insurer who is not a Participating Insurer. The known policies of insurance issued to Debtors by the Non-Participating Insurers include, without limitation, the policies listed on Exhibit 3 hereto.

m. "Participating Blitz Personal Injury Claimants" shall mean and include the claimants identified on Exhibit 1 attached hereto and their respective counsel.

n. "Participating Insurers" shall mean Old Republic Insurance Company, First Mercury Insurance Company, First Specialty Insurance Corporation, Liberty Surplus Insurance Corporation, Liberty Insurance Underwriters Inc., Arch Insurance Company, Continental Casualty Company, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company (collectively, "Westchester"), Endurance American Specialty Insurance

Company, Interstate Fire and Casualty Insurance Company, Navigators Specialty Insurance Company and Axis Surplus Insurance Company and United States Fire Insurance Company (solely in its capacity as claims handler for the policies issued to the Debtors on behalf of First Mercury Insurance Company that are listed on Exhibit 1 and not on behalf of policies, if any, that might have been issued by United States Fire Insurance Company) and each of their predecessors, and present or past parents, subsidiaries, divisions, affiliates, directors, officers, agents, employees, representatives, members, and attorneys, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as they existed on the execution date of the Term Sheet. Notwithstanding the above, "Participating Insurers" shall not mean or include the "Non-Participating Insurers" or any of them.

o. "Parties" shall mean Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants, and Wal-Mart.

p. "Payment Date" shall mean thirty (30) days after entry of a Confirmation Order (i) which has become non-appealable, or (ii) if any appeals from the Confirmation Order have been filed, either (x) such appeals have been fully and finally concluded consistent with the material terms of this Settlement, or (y) the Participating Insurers and Wal-Mart, each in their sole discretion, agree to waive final resolution of such appeal(s) as a condition to the Payment Date.

q. "Chapter 11 Plan" shall mean one or more liquidating plans, pursuant to chapter 11 of the Bankruptcy Code, applicable to all Debtors that contains customary provisions and includes the terms necessary to implement and enforce the Settlement, and this Term Sheet.

r. "Plan Trust" shall mean the Blitz Personal Injury Plan Trust.

s. "Released Parties" shall mean the Debtors, the Participating Insurers, Wal-Mart and any other person or entity insured under the Subject Policies, including, but not limited to (i) any distributor or retailer of Debtors' products, (ii) the Debtor Representatives, and (iii) the shareholders of Debtors solely in their capacity as shareholders and solely related to Blitz Personal Injury Claims. The release of the shareholders of the Debtors shall include all claims asserted against such shareholders that are or would be covered by the Subject Policies. The Released Parties are not released for Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception that: (a) Wal-Mart shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST, (b) Westchester shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception of *Calder* and *Bosse*, and *Green* shall retain and not release his claim to sanctions which is now pending appeal until such time as the Debtors, pursuant to paragraph 2 below, dismiss their appeal and release the $250,000 that has already been deposited to his counsel in escrow at which time any claim by *Green* shall be released, and (c) the Participating Insurers shall be released from any and all liability under the insurance policies identified on Exhibit 2 for all Blitz Personal Injury Claims, except that Westchester shall not be released from the *Calder* and *Bosse* claims. All outstanding Blitz Personal Injury Claims are retained against the USA Debtors and all Non-Participating Insurers during the period prior to July 31, 2007 at 12:01 a.m. CST and are not released but are channeled into the Plan Trust.

t. "Releasors" shall mean Debtors and their respective (a) parents, (b) past or present subsidiaries and affiliates, (c) any joint ventures in which they have interests, and (d) officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them. The USA Debtors shall not be released by this Settlement for Blitz Personal Injury Claims prior to July 31, 2007 at 12:01 a.m. CST so such cases may proceed solely against the policies or proceeds of Non-Participating Insurers.

u. "Settlement" shall mean the settlement of any and all past, present, and future issues that could arise between the Settling Parties with respect to the Blitz Personal Injury Claims as reflected in this Term Sheet. For the avoidance of doubt, the Settlement shall not include the Settlement of any claim for damages on account of a bodily injury and / or property damage that occurred on or after 12:01 AM CST on July 31, 2012.

v. "Settlement Amount" shall mean the total sum, in cash or its equivalent, of ONE HUNDRED SIXTY ONE MILLION AND THREE HUNDRED TWENTY THOUSAND DOLLARS AND NO CENTS ($161,320,000.00).

w. "Settlement Approval Motion" shall mean a motion filed with the Bankruptcy Court seeking a Settlement Approval Order.

x. "Settlement Approval Order" shall mean the Order of the Bankruptcy Court approving the Term Sheet, and authorizing the Settlement as set forth in this Term Sheet, the terms of which shall be acceptable to each of the Settling Parties, in their sole discretion.

y. "Settling Parties" shall mean the Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Wal-Mart.

z. "Subject Policies" shall mean the policies of insurance listed on Exhibit 2 hereto and all other, known and unknown, insurance policies issued to Debtors or any of them by any of the Participating Insurers except directors and officers policies, if any, that may have been issued by the Participating Insurers.

aa. "Term Sheet" shall mean this Term Sheet.

bb. "USA Debtors" shall mean Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC.

cc. "Wal-Mart" shall mean Wal-Mart Stores, Inc., each of its predecessors, and present or past parents, subsidiaries, divisions, affiliates, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as they existed on the execution date of the Term Sheet, and the directors, officers, agents, employees, representatives, members, and attorneys for any of the foregoing in their capacity as such.

**A. Rule 9019 Motion and Settlement Approval Order**

1. On or before July24, 2013 and after all Parties have executed this Term Sheet, the Settling Parties shall file a Settlement Approval Motion with the Bankruptcy Court seeking a Settlement Approval Order, in form and substance agreeable to the Settling Parties approving pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, the Settlement and binding the Settling Parties to support and vote to accept the Chapter 11 Plan, which (i) shall contain the Channeling Injunction and other customary terms and conditions, including exculpation, some of which are specifically set forth herein, and (ii) pursuant to Section 363 of the Bankruptcy Code, the Debtors' sale back to the Participating Insurers of the Subject Policies free and clear of all Interests of any person or entity in the Subject Policies and including findings of fact and conclusions of law providing for protection of the Participating Insurers under Section 363(f) and (m). The Debtors and the Committee shall use their respective best efforts to obtain approval of the Settlement and entry by the Bankruptcy Court of the Settlement Approval Order and to ensure that the Settlement Approval Order becomes a final non-appealable order. The Settlement Approval Motion shall be on notice in form, substance and effect acceptable to the Settling Parties and approved by the Bankruptcy Court as being adequate to bind all Participating Blitz Personal Injury Claimants. The Settlement Approval Order shall be on terms which shall be acceptable to each of the Settling Parties, in their sole discretion.

**B. Resolution of Claims and Policy Buy Back**

2. The Participating Insurers and Wal-Mart, collectively, will pay the Settlement Amount to the Plan Trust. The Settlement Amount shall be paid on or before the Payment Date. The Participating Blitz Personal Injury Claimants and their undersigned counsel represent and warrant that the Participating Blitz Personal Injury Claimants along with the following claimants: *Beadore*, *Bosse*, *Calder*, *Delatorre*, *Green* and *Tvedt* constitute all Blitz Personal Injury Claims of which the Participating Blitz Personal Injury Claimants and their counsel are aware or have knowledge. Upon the occurrence of the Payment Date, and the vacator of the sanctions order by the Green court (to which the Debtors and the *Green* plaintiffs consent and the Participating Blitz Personal Injury Claimants do not oppose), the $250,000 in escrow paid to counsel for the *Green* plaintiffs shall be released and the parties to the *Green* case agree to mutually dismiss their appeals.

3. Except as otherwise provided herein, the specific amounts contributed by individual contributors to the Settlement Amount shall remain confidential as among the contributors and subject to the terms of a side-agreement among the Participating Insurers and Wal-Mart; provided however, that to the extent any of the Settling Parties that are contributing to the Settlement Amount defaults on its funding obligation, the identity of the defaulting party, and the amount it agreed to contribute and owes, shall be released. The Committee or the Plan Trust, as appropriate, may either: (a) seek to enforce the Settlement with respect to any defaulting Settlement Party; or (b) opt to treat any defaulting Participating Insurer as a Non-Participating Insurer under the terms of the Settlement. The Participating Insurers and Wal-Mart may also reveal the amount of their individual contributions, but not that of other participants, as they deem necessary, in their sole discretion, (i) to obtain Bankruptcy Court approval of the Chapter 11 Plan and the releases and Channeling Injunction in the Chapter 11 Plan, and (ii) to their attorneys, auditors, tax consultants, regulators, reinsurers or retrocessionnaires for the purpose of obtaining reinsurance for any portion of their contribution to the Settlement Amount, or complying with applicable regulations. The Participating Insurers and Wal-Mart shall be

individually liable for the amounts each has agreed to contribute and not jointly and/or severally liable for the Settlement Amount. Under no circumstances shall any of the Participating Insurers or Wal-Mart be required to satisfy the funding obligation of any defaulting party. Funding of eighty percent (80%) of the Settlement Amount is a condition precedent to the effectiveness of the Chapter 11 Plan. If within ten days after the Payment Date less than eighty percent (80%) of the Settlement Amount has been paid, a super-majority of seventy-five percent (75%) of the Participating Blitz Personal Injury Claimants may, at their election, file a Notice of Non-Occurrence of Effective Date, which notice shall give the Participating Insurers and Wal-Mart twenty (20) days to cure any such deficiency by providing funds to achieve eighty percent (80%) of the Payment Amount. If the Participating Insurers and Wal-Mart do not timely cure in accordance with the foregoing, the filing of the Notice of Non-Occurrence of Effective Date shall have the effect of terminating the Settlement and the Settling Parties shall be returned to the position that they were in prior to the Settlement.

4. The insurance policies issued to and related agreements with the Debtors by the Non-Participating Insurers shall *not* be released or subject to the buyback contemplated by this Term Sheet. These policies and related agreements and/or their proceeds shall be assigned to the Plan Trust, upon confirmation of the Chapter 11 Plan, which shall thereafter have all rights that the Debtors and/or claimants had to pursue such coverage subject only to the terms and procedures of the Chapter 11 Plan. For the avoidance of doubt, to the extent that the Debtors have insurance coverage from the Non-Participating Insurers applicable to the claims asserted by Michael Montgomery (incident date: 6/20/02), John Delatorre (incident date 10/3/02) and Landon Beadore (incident date 10/3/03) and such other plaintiffs as who may be named in the complaints in these three aforementioned cases or whose injuries occurred prior to 12:01 a.m. CST on July 31, 2007 (subject to the provisions of paragraph 27, below), such insurance coverage from the Non-Participating Insurers is not released or bought back by the settlement contemplated by this Term Sheet and these claimants do not release their claims as against the USA Debtors or insurers other than the Participating Insurers. Notwithstanding anything to the contrary in the foregoing, all Blitz Personal Injury Claims, including those identified in this paragraph, shall be subject to the Channeling Injunction and all release provisions contained in this Term Sheet.

**C. Policy Release and Buyback Provisions**

5. The Chapter 11 Plan shall fully release the Released Parties from any liability for, based upon, arising out of, directly or indirectly relating to, or in any way involving, the Blitz Personal Injury Claims and shall enjoin anyone from asserting Blitz Personal Injury Claims against the Released Parties, provided further however, that the foregoing releases shall not operate to bar any response, objection, defense or counterclaim to any filed or scheduled claim or motion or request for payment of administrative expense filed by any Debtor Representative as against any Debtor or its estate. Such releases shall be sufficient to provide finality to the Participating Insurers from all claims, rights, demands, and obligations of any kind or nature arising out of or relating to the Subject Policies, or any agreements related to the Subject Policies, brought by or on behalf of any person or entity insured thereunder, including, but not limited to, Debtors, Debtor Representatives or any distributor or retailer of Debtors' products, including without limitation Wal-Mart. The Released Parties are not released for Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception that: (a)

the Released Parties shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST as against Wal-Mart, (b) Westchester shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception of Calder and Bosse, and Green shall retain and not release his claim to sanctions which is now pending appeal until such time as the Debtors, pursuant to paragraph 2 above, dismiss their appeal and release the $250,000 that has been paid to his counsel in escrow, at which time any claim by Green shall be released, and (c) the Participating Insurers shall be released from any and all liability under the insurance policies identified on Exhibit 2 for all Blitz Personal Injury Claims, except that Westchester shall not be released from the Calder and Bosse claims. All outstanding Blitz Personal Injury Claims are retained against the USA Debtors and all Non-Participating Insurers during the period prior to July 31, 2007 at 12:01 a.m. CST and are not released but are channeled into the Plan Trust.

6. The Chapter 11 Plan shall further provide that each Participating Blitz Personal Injury Claimant be deemed to consensually release the Released Parties from any Blitz Personal Injury Claim and that each such claimant, as a condition precedent to receiving funds from the Plan Trust, shall deliver a written release to the Plan Trust sufficient to provide finality, and on terms acceptable, to the Released Parties for any Blitz Personal Injury Claim that was or might have been brought by such claimant. With respect to such finality for claims by Participating Blitz Personal Injury Claimants who are minors, the Chapter 11 Plan shall contain requirements, in terms acceptable to Wal-Mart and the Participating Insurers, that the guardian or other party legally responsible for the interests of any such Participating Blitz Personal Injury Claimants who are minors seek approval from any and all courts having jurisdiction over such minor. The Released Parties shall be provided copies of these releases. However, the Channeling Injunction and release provisions of the Chapter 11 Plan shall not be dependent for their efficacy with respect to any Blitz Personal Injury Claim on whether or not a written release has been provided with respect to such Blitz Personal Injury Claim. To the extent that any Released Party, in its discretion, determines that it is appropriate to petition the bankruptcy court for the appointment of a *guardian ad litem* to represent the interests of all Participating Blitz Personal Injury Claims who are minors, the Settling Parties shall support such a petition.

7. The Chapter 11 Plan shall further provide that any claimant who is not a Participating Blitz Personal Injury Claimant shall be deemed to release the Released Parties for all Blitz Personal Injury Claims.

8. The Debtors shall provide the Participating Insurers with a complete policy buyback of the Debtors' interests in the Subject Policies free and clear of all Interests of any person or entity pursuant to Section 363 of the Bankruptcy Code, and, with respect to any Interests held by any non-affiliated entities in the Subject Policies, if any, such relief as is sufficient to extinguish any such Interests in the Subject Policies and provide finality for claims asserted thereunder. By executing this Term Sheet, all Settling Parties consent to the Debtors' buyback of the Subject Policies free and clear of all Interests of any person or entity pursuant to Section 363 of the Bankruptcy Code.

9. Upon the occurrence of the Payment Date, all interests of any of the Releasors in the Subject Policies and any other insured shall be deemed to have been released and sold back to the Participating Insurers free and clear of all Interests pursuant to Section 363 of the Bankruptcy Code without any further action being required.

10. Upon the occurrence of the Payment Date and subject to the terms of paragraph 12 below, (a) the Participating Insurers shall be irrevocably released from (i) all claims of the Releasors or anyone else, including without limitation Wal-Mart, under, arising from, related to, or in connection with the Subject Policies and / or the Blitz Personal Injury Claims, (ii) any claims for contribution or indemnity under, arising from, related to, or in connection with the Subject Policies (whether from other insurers or not) and / or the Blitz Personal Injury Claims, (iii) all extra-contractual claims arising from, related to, or in connection with the Subject Policies and / or the Blitz Personal Injury Claims, and (b) all rights and obligations between the Releasors and anyone else, including without limitation Wal-Mart, on the one hand, and the Participating Insurers, on the other hand, with respect to the Subject Policies and / or the Blitz Personal Injury Claims shall be fully and finally extinguished. The release of the Participating Insurers shall leave the Participating Insurers completely released as if the Participating Insurers had never issued the Subject Policies and had never had any dealings with, or actual or alleged duties or obligations whatsoever to, any Releasors or any other person, including without limitation persons allegedly harmed or injured by Debtors. This Settlement and the releases to be delivered pursuant thereto are explicitly acknowledged by all concerned to be effective notwithstanding any facts, legal theories, alleged mistakes, misrepresentations, or failures to disclose that are presently known to, or that subsequently become known to, the Releasors or anyone else. Upon the occurrence of the Payment Date and subject to the terms of paragraph 12 below, the Participating Insurers shall release Wal-Mart from all claims under, arising from, related to, or in connection with the Subject Policies, including but not limited to claims that Wal-Mart breached any of its obligations as an additional insured under the Subject Policies or any of its obligations under the covenant of good faith and fair dealing.

11. Notwithstanding anything else to the contrary, the Settlement contemplated by this Term Sheet is not intended to release any claim for damages on account of bodily injury and / or property damage that occurred after 12:01 AM CST on July 31, 2012.

12. If Wal-Mart or a Participating Insurer defaults and does not pay its agreed upon share of the Settlement Amount on the Payment Date, that defaulting party shall, after ten days notice and an opportunity to cure, not receive any of the benefits provided by this Settlement until such time as the defaulting party, makes full payment, including but not limited to the releases, injunction or policy buy back provided for herein. If Wal-Mart and the Participating Insurers collectively deliver less than eighty (80%) percent of the Settlement Amount on the Payment Date and the Participating Blitz Personal Injury Claimants elect to terminate pursuant to the terms of paragraph 3,and there is no cure pursuant to paragraph 3 and the Settlement is terminated, no Settling Party or Released Party shall receive any of the benefits provided by this Settlement, including but not limited to the releases, the Channeling Injunction or policy buy back provided for herein and all amounts paid by Wal-Mart or the Participating Insurers shall be returned to the paying party.

**D. Channeling Injunction Pursuant to Section 105 of the Bankruptcy Code**

13. The Chapter 11 Plan and Confirmation Order shall provide for and include the Channeling Injunction. For the avoidance of doubt, all claims for insurance coverage for bodily injury claims under policies issued to the Debtors and all claims against the Released Parties for contribution or indemnification or other relief with respect to the Blitz Personal Injury Claims shall be channeled to the Plan Trust pursuant to the Channeling Injunction. The Plan Trust shall

not take any action that would undermine the enforcement of the Channeling Injunction or that would serve to deprive any of the Released Parties of the benefits of the injunction, including but not limited to the Debtors, the Participating Insurers and Wal-Mart.

**E. The Chapter 11 Plan**

14. Among other terms and conditions as referred to above, the Chapter 11 Plan will include reasonable terms to ensure that the Plan Trust will be responsible for ensuring compliance with Medicare secondary payer ("MSP") requirements, and that the Plan Trust will retain, at its expense, a qualified vendor (such as the Garretson Group) to provide such services as may be required to ensure such compliance. The Participating Insurers and Wal-Mart shall have the right to approve the vendor retained by the Plan Trust to provide such services (with such approval not to be withheld unreasonably) and to obtain such information from such vendor, the Plan Trust and the Blitz Personal Injury Claimants as they may reasonably request for the purpose of ensuring that the Plan Trust has complied with MSP requirements or for the purpose of internal audits and insurance or reinsurance claims. The Plan Trust shall be prohibited from making a distribution to a Blitz Personal Injury Claimant who refuses to provide the information necessary to meet MSP requirements with regard to that claimant.

15. The conditions precedent to the Participating Insurers' and Wal-Mart's payment obligations will include, without limitation, that both the Settlement Approval Order and the Confirmation Order must first become final, non-appealable orders. Wal-Mart and the Participating Insurers may agree, which agreement must be unanimous among Wal-Mart and the Participating Insurers and with Wal-Mart and each Participating Insurer exercising their sole discretion, to waive the Confirmation Order becoming a final, non-appealable order.

16. The terms of the Plan Trust will be drafted consistent with the terms of this Settlement and, upon its creation, the Plan Trust shall be bound to the terms of this Settlement as if it had been a party thereto as of the execution date of this Term Sheet.

17. If before the effective date of the Chapter 11 Plan any person or entity asserts any claim against the Released Parties under, arising from, related to, or in connection with the persons and entities released by the Settlement, Debtors will, at their expense if they have the funding to do so, use their best reasonable efforts to enforce, if necessary, the automatic stay of Section 362 of the Bankruptcy Code, and, if appropriate, obtain an order from the Bankruptcy Court pursuant to Section 105(a) of the Bankruptcy Code enjoining or otherwise prohibiting the prosecution of any such claim against the Released Parties. The Committee shall support Debtors in such efforts, including, without limitation, (i) by being a co-movant in respect of any such motion to enforce the automatic stay, or objecting to any motion filed for relief from the automatic stay, as the case may be, (ii) by the filing of a joinder to any such motion or objection of the Debtors, as the case may be, and (iii) by arguing in support of the relief requested by such motion or objection at any hearing on such motion or objection by the Debtors.

18. The Plan Trust shall fully and completely defend Released Parties in connection with any proceeding involving, relating to, or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction. In the event any person or entity asserts any claim that is subject to the Channeling Injunction, the Plan Trust shall, at its own expense, defend the validity of the Channeling Injunction and its application and use its best efforts to

establish that such claim is enjoined. The Participating Insurers and Wal-Mart shall have consultation and approval rights with respect to selection of counsel hired by the Plan Trust for such defense obligations. The Participating Insurers and Wal-Mart shall have the right, at their own cost and expense, to associate in the defense in any proceeding concerning the enforcement and application of the Channeling Injunction. If the Plan Trust breaches its duty to fully and completely defend then the Plan Trust is obligated to indemnify the Released Parties, including advancement of defense costs.

19. The Chapter 11 Plan shall further include such other terms and conditions as have generally been included in similar insurance-related settlements in other bankruptcy cases or which a Settling Party reasonably believes is necessary to obtain the full benefits of this Term Sheet.

**F. Bar Date Motion and Notice**

20. No later than July 24, 2013 and after execution of this Term Sheet, the Settling Parties will agree on the terms of and file a Bar Date Motion with the Bankruptcy Court to address all Blitz Personal Injury Claims. The Bar Date Motion shall establish a specific bar date for all Blitz Personal Injury Claims and any such claims that are not asserted prior to the bar date shall be forever barred. The Bar Date Motion will contain minimum requirements for the assertion of a Blitz Personal Injury Claim as shall be agreed upon by Wal-Mart, the Participating Insurers, the Debtors, the Committee, and the Participating Blitz Personal Injury Claimants. The Bar Date Motion shall set forth, and the order approving the Bar Date Motion shall approve, the manner in which notice of the bar date shall be provided, including publication notice, which shall be acceptable to Wal-Mart and the Participating Insurers in their sole discretion. The Participating Insurers and Wal-Mart shall share the first $100,000 of costs for running publication notice of the bar date for Blitz Personal Injury Claims on a basis proportionate to their contributions to the Settlement Amount. Wal-Mart and the Participating Insurers shall each pay fifty percent (50%) of such costs in excess of $100,000 , with the Participating Insurers' portion being allocated equally among the Participating Insurers. The Participating Insurers and Wal-Mart shall not be obligated to pay any costs for notice for any entity or person who is not a Participating Insurer or Wal-Mart. For the avoidance of doubt, publication notice costs shall include notice publication in any type of media, including print and electronic media.

**G. Implementation of the Settlement**

21. Upon the execution of this Term Sheet, (i) the Participating Blitz Personal Injury Claimants shall withdraw without prejudice their motions to modify the automatic stay, (ii) the Debtors and Westchester shall withdraw without prejudice their motion to compel compliance by the Participating Blitz Personal Injury Claimants with Rule 2019, and (iii) the Participating Blitz Personal Injury Claimants shall take such action as is necessary to stay, suspend or adjourn all Blitz Personal Injury Claims against the Released Parties. The Debtors shall withdraw without prejudice their motion to modify the automatic stay in the *Calder* case.

22. Upon the Payment Date and payment of the Settlement Amount, (i) all of the Blitz Personal Injury Claims arising on or after 12:01 PM CST on July 31, 2007 (except for *Calder* and *Bosse*) and for which litigation was commenced as of the date of the execution of this Term Sheet shall be deemed as dismissed and withdrawn with prejudice without any further

action of the Settling Parties, (ii) the automatic stay for non-settling Blitz Personal Injury Claims shall be replaced by the Channeling Injunction and the rights of non-settling Blitz Personal Injury Claimants shall be determined pursuant to the Chapter 11 Plan, the Plan Trust and the Trust Distribution Procedures (the "TDP"), with the Participating Blitz Personal Injury Claimants and the Committee being responsible for the development and drafting of the TDP, which TDP shall be filed as an exhibit to the Chapter 11 Plan, and (iii) the Participating Insurers shall (x) withdraw their proofs of claim in the Debtors' bankruptcy cases; or (y) with the consent of the Committee, gift or assign such claims. In the event that any other action is required by a court or other tribunal to document or reflect the dismissal with prejudice of a Blitz Personal Injury Claim such Blitz Personal Injury Claimant shall be solely responsible for taking such action to dismiss his or her Blitz Personal Injury Claim, subject to the requirements of paragraph 6 above. Upon the Payment Date, Wal-Mart shall waive (or assign or gift, with the consent of the Committee) any and all claims it may have against the Debtors arising on or before July 31, 2012, including, but not limited to its pre-petition contribution and indemnity claims, which are secured, in part, by $1.54 million in payables owed to the Blitz U.S.A. debtor. Upon the Payment Date, Wal-Mart shall release and pay to the liquidating trustee under the Chapter 11 Plan on behalf of the bankruptcy estate of Blitz U.S.A the $1.54 million held as security. To the extent that Wal-Mart has a claim against any of the Debtors arising on or after July 31, 2012, Wal-Mart shall retain such claims but shall waive any rights to distribution from any of the Debtors' estates or the Plan Trust. For the avoidance of doubt, the release of the $1.54 million is separate, apart and in addition to Wal-Mart's contribution to the Settlement Amount, it shall be considered an asset of Blitz U.S.A.'s bankruptcy estate and shall not be contributed to, or otherwise be construed as an asset of, the Plan Trust.

23. The Settling Parties shall cooperate with each other in effectuating the provisions of this Term Sheet. Notwithstanding anything else in this Term Sheet, the Settling Parties agree that any of the Settling Parties may challenge or object to confirmation of the Chapter 11 Plan if the Chapter 11 Plan or any actual or proposed alteration, modification, or revision of the Chapter 11 Plan (a) is inconsistent with the terms of this Term Sheet, (b) materially and adversely affects the interests of any such Participating Insurer and/or Wal-Mart and or the Debtors under this Term Sheet, or (c) does not include the releases and Channeling Injunction. If such objection is sustained, the objecting party, at its discretion and after a 20 day opportunity to cure or remedy the objection, may terminate the Settlement. In the event that the Settlement is so terminated, the Settling Parties shall be returned to the position that they were in prior to the Settlement.

24. The Participating Insurers will be free to pursue reinsurance claims from reinsurers or retrocessionaires regarding any consideration paid by them in connection with this settlement. The Participating Insurers are free to allocate their settlement payment among their Subject Policies at their sole discretion as long as doing so does not reduce the overall Settlement Amount.

25. The Debtors or the Plan Trust, as the case may be, shall cooperate with the Participating Insurers in any litigation against the Participating Insurers seeking contribution, indemnification, or other similar payments with respect to any liability under, arising from, related to, or in connection with any of the Subject Policies that is released under this Settlement, and shall support arguments made by the Participating Insurers that their obligations with respect to such claims have been fully released, satisfied, and extinguished by the Settlement.

26. If (i) less than seventy percent (70%) of the Participating Blitz Personal Injury Claimants (individually or through their counsel) fail to execute this Term Sheet by July 19, 2013 or (ii) less than an overwhelming majority of all holders of Blitz Personal Injury Claims entitled to vote on the Chapter 11 Plan fail to vote to accept the Chapter 11 Plan following the deadline to cast ballots on the Chapter 11 Plan, then Wal-Mart may, within 10 days of the expiration of either deadline, elect to terminate the Settlement upon written notice to the Participating Blitz Personal Injury Claimants and the Participating Insurers, effective 20 days from such notice. The Participating Blitz Personal Injury Claimants may use such 20 day period to cure. In the event that the Settlement is so terminated, the Settling Parties shall be returned to the position that they were in prior to the Settlement.

27. The Chapter 11 Plan will include provisions indicating that the participation of the Debtors, Participating Insurers and Wal-Mart in this Term Sheet, the Settlement and/or the Chapter 11 Plan does not constitute an admission or concession on any issue, including liability for any Blitz Personal Injury Claim or that there is coverage under any of the Subject Policies. The Plan Trust and any recipient of a distribution from the Plan Trust on account of a Blitz Personal Injury Claim shall be solely responsible for the payment of any taxes, if any, associated with the money received by such recipient.

**H. Treatment of *Calder* and *Bosse* Claims**

28. Notwithstanding anything contained herein to the contrary, Westchester Policy CUW788371001 (7/31/05-7/31/06) and Westchester Policy G22053504001 (7/31/06-7/31/07) shall not be released or subject to the buyback contemplated by the Settlement and this Term Sheet with respect to the claims asserted by *Calder* and *Bosse* respectively, but shall be released and bought back with respect to all other claims upon the occurrence of the Payment Date. If the *Calder* and *Bosse* claims are not settled (and it is contemplated, pursuant to paragraph 28 below, that *Calder* will be settled), all rights that the Debtors and/or that the plaintiffs in the *Calder* or *Bosse* cases have or may have to pursue coverage for the *Calder* and *Bosse* claims shall be fully preserved and assigned to the Plan Trust and all defenses, if any, that Westchester Fire Insurance Company or Westchester Surplus Lines Insurance Company, as the case may be, may have with respect to these claims shall also be fully preserved. Upon the resolution of the *Calder* and *Bosse* claims with finality either by compromise or adjudication, Westchester Fire Insurance Company or Westchester Surplus Lines Insurance Company, as the case may be, shall receive the remainder of the release and protections for Policies bearing Nos. CUW788371001 and G22053504001 that are afforded to the other Subject Policies and Policies Nos. CUW788371001 and G22053504001 shall be deemed exhausted. With respect to the *Calder* claim, the Chapter 11 Plan shall further provide that the individual appellees in the *Calder* appeal shall be entitled to payment in full of the amounts bonded for the *Calder* appeal if their appeals goes forward and they prevail on their appeal so that their claim may be satisfied by payment of the bonded amount to them in the full amount of the award by the trial court. Alternatively, should the *Calder* claim be resolved by compromise prior to the final adjudication of the appeal pursuant to the terms of paragraph 28 below or otherwise, Westchester may call upon, and require be paid to *Calder*, the full amount of the Debtors' bond for *Calder* that is returnable to the estate as part of any compromise of the *Calder* claim and the Chapter 11 Plan shall provide that in the event such a compromise is reached, the appellees in the *Calder* case shall have first

priority to the amounts agreed upon by compromise. Should the appellants prevail in the appeal and the case be remanded for another trial which again results in a plaintiffs' verdict, then Westchester Surplus Lines Insurance Company would be entitled to a full and complete release upon payment of such verdict to the appellees/plaintiffs.

29. The Debtors, Westchester Fire Insurance Company ("Westchester Fire") and the Calder claimants hereby agree to settle and compromise in full the claims of the Calder claimants by (a) Westchester Fire paying $2,942,014, and (b) the Debtors causing to be paid, or directing RLI Insurance Company ("RLI") to pay, to the Calder claimants from the proceeds of the Debtors' bond that is returnable to the estate (Bond Number RSB4174412) the full amount of that bond that they posted for the Calder appeal ($1,057,986.31). The forgoing payments shall be made within thirty days of the Payment Date but shall be further subject to the exchange of full and mutual releases, compliance with Medicare secondary payer requirements and the dismissal with prejudice of the Calder appeal. The automatic stay will remain in place through the Payment Date. If the Debtors are unable to deliver to the Calder claimants the full amount of their bond ($1,057,986.31) from the proceeds of the Debtors' bond, for reasons beyond their control, the Debtors and/or the Calder claimants shall be free to go forward with their appeal(s) and otherwise prosecute their claims and, if they opt to do so, the other parties to this settlement of the Calder claims shall be relieved of their obligations under this paragraph.

**I. Old Republic Specific Terms**

30. To settle all matters between Old Republic Insurance Company ("ORIC") and the Debtors, ORIC will waive any distribution from the Debtors on account of its reimbursement claim against the Debtors, and will withdraw its Proofs of Claim. ORIC, however, retains all of its rights to proceed against and realize the proceeds of a letter of credit in the amount of $3,000,000, which it may do so upon the Payment Date and without further order of the court.

**J. Dispute Resolution**

31. After this Term Sheet is fully executed, any disputes concerning the memorialization of the terms of this Term Sheet into the Chapter 11 Plan shall be subject to non-binding mediation by Hon. Richard Cohen (Ret.), or if he is not available, another neutral mediator experienced with bankruptcy insurance coverage settlements. If Hon. Richard Cohen (Ret.) is not available and the parties cannot agree upon an alternative candidate, then the administrator of JAMS' New York office shall appoint a substitute neutral mediator, subject to the consent of all Settling Parties, to perform that function. The Settling Parties further agree that any disputes not resolved through mediation shall be submitted to the Bankruptcy Court and all Settling Parties agree to the jurisdiction of the Bankruptcy Court to hear such disputes and consent to the authority of the Bankruptcy Court to enter any final orders regarding such disputes.

**K. Confidentiality**

32. Subject to disclosure obligations imposed by law, the fact and terms of this Settlement shall be maintained as confidential until the filing of the Settlement Approval Motion. The Settling Parties can waive this confidentiality requirement at any time upon mutual written consent.

**L. Media**

33. If any Settling Party requests from the other Settling Parties to issue any public statement regarding the Settlement, the Settling Parties shall agree on the terms and language of one joint press statement with respect to this Settlement to be released to the public at a mutually agreed upon time, but in no instance until after the filing of the Settlement Approval Motion. No Settling Party shall make any other statements to the media concerning the Settlement, except that the Settling Parties may refer the media to the press statement and any court filings not under seal. This Paragraph shall not preclude plaintiffs' counsel from identifying on their respective web sites and in any other materials describing their respective law firms, the fact that they were one of the counsel involved in the Settlement.

**M. No Admission of Liability**

34. The Chapter 11 Plan shall recite that: (1) the Debtors, Wal-Mart and the Participating Insurers deny liability for the Blitz Personal Injury Claims asserted; (2) neither the Chapter 11 Plan nor this Term Sheet, nor any other item pertaining to the Settlement contemplated herein, shall be offered in any other case or proceeding, including as evidence of any admission by the Debtors, Wal-Mart or a Participating Insurer of any liability with respect to any claim for damages or other relief; and (3) any stipulation or admission by the Debtors, Wal-Mart or a Participating Insurer contained in this Term Sheet, the Chapter 11 Plan or in any other document pertaining to the Settlement, is made for settlement purposes only.

**N. Other Provisions**

35. The Settling Parties will agree on language to be included in the Chapter 11 Plan or related documents on the following provisions, which language shall be consistent with customary and usual provisions in similar Wal-Mart settlement agreements (and not inconsistent with the Terms of this Term Sheet): (1) providing for the return or destruction of discovery materials provided by Wal-Mart in any of the personal injury actions; and (2) establishment of the Plan Trust as a Qualified Settlement Fund pursuant to the Internal Revenue Code and related regulations, which language shall be acceptable to Wal-Mart and the Participating Insurers.

**O. Authority**

36. The signatories hereto declare, warrant, and represent that they have agreed to the terms of this Term Sheet and that they have all requisite authority to enter into this Term Sheet. This Term Sheet may be signed in counterparts. Any revisions, amendments or modifications to the express terms of this Term Sheet shall only be effective if in writing, and if executed by each of the Settling Parties.

**P. Condition Precedent**

37. It shall be a condition precedent to the effectiveness of this Settlement that there be a BAH Settlement and that such BAH Settlement be approved by the Bankruptcy Court as part of the Confirmation Order, which order shall be a final order.

**WHEREFORE, intending to be legally bound to the foregoing, the Settling Parties hereby acknowledge their agreement to the Term Sheet by execution below.**

**DEBTORS**

Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC, LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

Blitz USA, Inc.

By: _____

Its: CEO

Dated: _____

LAM 2011 Holdings, LLC

By: _____

Its: _____

Dated: _____

Blitz Acquisition Holdings, Inc.

By: _____

Its: _____

Dated: _____

**WHEREFORE, intending to be legally bound to the foregoing, the Settling Parties hereby acknowledge their agreement to the Term Sheet by execution below.**

**DEBTORS**

Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC, LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

Blitz USA, Inc.

By: _____

Its: _____

Dated: _____

LAM 2011 Holdings, LLC

By: _____

Its: Director

Dated: 7/24/2013

Blitz Acquisition Holdings, Inc.

By: _____

Its: Director

Dated: 7/24/2013

Blitz Acquisition, LLC

By: _____

Its: CEO

Dated: _____

Blitz RE Holdings, LLC

By: _____

Its: CEO

Dated: _____

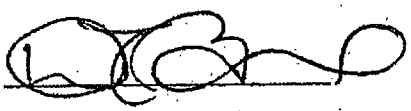
Miami OK, LLC f/k/a/ F3Brands LLC

By: _____

Its: CEO

Dated: _____

**COMMITTEE**

By: 

Dated: 07-10-13

**COMMITTEE, CO-CHAIR**

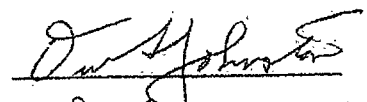
I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By:

Dated: 07-10-13

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: 

Dated: July 24, 2013

**JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**COMMITTEE**

By: _____

Dated: _____

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: _____

Dated: _____

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: _____

Dated: _____

**JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: 7/18/13

BEKUM
~~BECKUM~~ AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: 7/12/13

RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: 7/2/13

ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: _____

DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: _____

KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE

By: _____

Dated: _____

**BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: Eric Balch w/ permission

Dated: 7/15/13

**DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: Dave Calder

Dated: 7/21/2013

**KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE**

By:

Dated: 07-10-13

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: Dan Hatting

Dated: 7/11/2013

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: 7/15/13

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: Hank Anderson

Dated: July 1, 2013

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By:

Dated: 07-10-13

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: 7/13/13

**FIRST MERCURY INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: _____

Dated: _____

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST MERCURY INSURANCE COMPANY**

By: Margaret L. Sutton

Dated: 07/16/13

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: _____

Dated: _____

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST MERCURY INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: 7/15/13

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: _____

Dated: _____

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST MERCURY INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: Jeffrey Roberts

Dated: July 15, 2013

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: Jeffrey Roberts

Dated: July 15, 2013

**ARCH INSURANCE COMPANY**

By: _____

Dated: 7/16/13

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: _____

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: _____

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: _____

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**ARCH INSURANCE COMPANY**

By: _____

Dated: _____

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: 5/28/13

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: _____

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: _____

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**ARCH INSURANCE COMPANY**

By: _____

Dated: _____

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: _____

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: 7/16/2013

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: 7/16/2013

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**ARCH INSURANCE COMPANY**

By: _____

Dated: _____

**CONTINENTAL CASUALTY COMPANY**

By: _____

Dated: _____

**WESTCHESTER FIRE INSURANCE COMPANY**

By: _____

Dated: _____

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY**

By: _____

Dated: _____

**ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY**

By: Brenda Horan

Dated: 7/16/13

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: 7/15/13

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: [signature]

Dated: 7/15/13

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: John M. Sweeney

Dated: 7/10/13

**WAL-MART STORES, INC.**

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

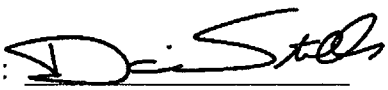
Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

By: 

Dated: _____

**EXHIBIT 1**
**PARTICIPATING BLITZ PERSONAL INJURY CLAIMANTS**

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 6/20/2002 | Montgomery, Michael | CA | 12CV3057-L-WVG | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 8/15/2007 | Funchess, Chad | SC | 2009-CP-38-1257 | Breneman Dungan, L.L.C. Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/9/2007 | Johnson, Randall | CA | - | Choulos Choulos & Wyle |
| 12/30/2007 | Barnett, Jerry | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/30/2007 | Fulton, Daniel | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/23/2008 | Boling, Christopher | KY | 1:09-cv-00067 | Walker & Morgan, L.L.C Janet, Jenner & Suggs, LLC |
| 6/22/2008 | Strickland, Steve | FL | 8:12-cv-02402 | Bodiford Law Group |
| 7/17/2008 | Ballew, Jasmine Alexis | NC | 10-cvs-691 | The Anderson Law Firm |
| 1/18/2009 | Thornton, Dennis | AL | 09-902481 | The Anderson Law Firm |
| 3/6/2009 | Tillman, Donald | SC | 11-CP-04-01200 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/24/2009 | Fenn, Est. of Ja-el | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C Breneman Dungan, L.L.C. |

| | | | | |
|---|---|---|---|---|
| 7/24/2009 | Fenn, Jessica | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C<br>Breneman Dungan, L.L.C. |
| 7/24/2009 | Fenn, Est. of Jerimiah | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C<br>Breneman Dungan, L.L.C. |
| 8/15/2009 | Pierce, Brandon | IN | 1:11-cv-01022 | The Anderson Law Firm<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/11/2009 | Melvin, William | FL | 8:11-cv-2542 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 10/12/2009 | Shickel, Jordan | IL | 3:11-cv-03380 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 10/23/2009 | Guillory, Kaleb | MS | Not Filed | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 12/6/2009 | Grooms, Ethan | SC | 4:11-cv-1327 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/18/2009 | Crouch, Brooke | TX | 5:11-cv-00150 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 12/23/2009 | Trevino, Dylan | TN | 1:10-cv-00115 | The Anderson Law Firm |
| 1/23/2010 | Mims, David | AL | 1:12-cv-00244 | Glenda Cochran Associates |
| 2/5/2010 | Jacoby, Robert | OR | 1:10-cv-03075 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |

| | | | | |
|---|---|---|---|---|
| 3/5/2010 | Kornegay, Est. of Matthew | MS | 3:10-cv-00429 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 3/16/2010 | Brogdon, Ronnie | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/24/2010 | Kassim, Kamal | CT | Not Filed | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 4/11/2010 | VanBrunt, Devan | MN | 0:11-cv-01771 | The Anderson Law Firm Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 6/18/2010 | Madox, Robert | - | Not Filed | unknown |
| 7/17/2010 | Balch, Eric | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Cade | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Est. of Mason | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 9/19/2010 | Al-Shara, Est. of Aliaa | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 9/19/2010 | Al-Shara, Majd | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 9/28/2010 | Burch, Timothy | GA | 5:11-cv-00084 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/5/2010 | Nix, Jacob C. | - | Not Filed | unknown |
| 11/13/2010 | Shilich, John | UT | Not Filed | The Anderson Law Firm |
| 11/23/2010 | Ferguson, Est. of Jim | SC | 9:11-cv-02207 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & |

| | | | | |
|---|---|---|---|---|
| | | | | Brickman, L.L.C. |
| 12/4/2010 | Stahl, Est. of Coty | SC | 2:11-cv-02193 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/12/2010 | Droney, Christopher | SC | 6:11-cv-1320 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/30/2010 | Mills, Ronald | SC | 5:11-cv-01313 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/31/2010 | Xiong, Joey | NC | Not Filed | Breneman Dungan, L.L.C. Humphrey, Farrington & McClain, P.C. |
| 1/11/2011 | Ward, Curtis | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/11/2011 | Ward, Kenneth | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, James C. | GA | 7:11-cv-00111 | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Dusty | GA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Tony | GA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Joyner, Est. of Jacob | FL | 5:11-cv-00334 5:12-cv-00318 | Walker & Morgan, |

| | | | | |
|---|---|---|---|---|
| | | | | L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Blount, Betty | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/15/2011 | Blount, Zackery | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/20/2011 | Wilson, Est. of Marshall | FL | 3:11-cv-00496 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/22/2011 | Guilford, Wade | FL | 5:11-cv-00336 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Est. of Clarence | FL | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Scott | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Loveridge, Est. of Sonja | FL | Not Filed | Kinsey, Troxel, Walborsky & Bradley, P.A. |
| 2/25/2011 | McClelland, Dorsey | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/1/2011 | Weddle, Susan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 3/1/2011 | Smith, Adam | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 3/1/2011 | Smith, Megan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 4/1/2011 | Hale, Kevin | PA | Not Filed | Walker & Morgan, L.L.C |

| | | | | |
|---|---|---|---|---|
| | | | | Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/1/2011 | Delia, Cyrus Owen | OR | Not Filed | Law Offices of Danny Lang |
| 8/16/2011 | Jones, Dalan | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 8/16/2011 | Jones, Leiya | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 9/24/2011 | Hayes, Jacob | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/1/2011 | Morgan, Johnny C. | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/24/2011 | Gutierrez, Est of Dale | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/2011 | Perez, Aliha | TX | Not Filed | Julian C. Gomez |
| 11/2011 | Perez, Irene | TX | Not Filed | Julian C. Gomez |
| 11/2011 | Perez, Jose | TX | Not Filed | Julian C. Gomez |
| 11/17/2011 | Hawkins, Est. of Michael | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/17/2011 | Broach, Eddie Cory | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/17/2011 | Broach, Justin A. | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/23/2011 | Newby, Wayne | CA | Not Filed | Mark Sudderth |
| 12/1/2011 | Coleman, John Marcus | SC | Not Filed | Walker & Morgan, |

| | | | | |
|---|---|---|---|---|
| | | | | L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/17/2011 | Mizell, Est. of James O. | GA | 5:12-cv-00104 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/19/11 | Bauman, Jr., Michael | KY | 12-738 | Jones Ward |
| 1/21/2012 | Arwood, Michael Todd | AL | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/17/2012 | Torres, Anthony | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/17/2012 | Warren, Colton | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/28/2012 | Williams, Jacob | SC | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/14/2012 | Callihan, Est. of Bruce R. | LA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/14/2012 | Ramos, Helen Louise | LA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| | | | | |
| | | | | |

**EXHIBIT 2**

**PARTICIPATING INSURERS**

**SUBJECT POLICIES**

| Insurer | Policy No. | Policy Period |
|---|---|---|
| Old Republic Insurance Company | MWZY 58888 | 07/31/10-07/31/11 |
| Old Republic Insurance Company | MWZY 59256 | 07/31/11-07/31/12 |
| First Specialty Insurance Corporation | IRE98445 | 07/31/10-07/31/11 |
| First Specialty Insurance Corporation | IRE984451 | 07/31/11-/7/31/12 |
| First Mercury Insurance Company | CEGA000205 | 07/31/10-07/31/11 |
| First Mercury Insurance Company | CEGA000307 | 07/31/11-07/31/12 |
| Continental Casualty Company | L4017503244 | 07/31/09-07/31/10 |
| Continental Casualty Company | | 07/31/10-07/31/11 |
| Westchester Surplus Lines Insurance Company | CUW788371001 | 07/31/05-07/31/06 |
| Westchester Fire Insurance Company | G22053504001 | 07/31/06-07/31/07 |
| Westchester Fire Insurance Company | G22053504002 | 07/31/07-07/31/08 |
| Westchester Fire Insurance Company | G22053504003 | 07/31/08-07/31/09 |
| Westchester Fire Insurance Company | G22053504004 | 07/31/09-07/31/10 |
| Liberty Surplus Insurance Corporation | EGL-BO184170-016 | 07/31/06-07/31/07 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-026 | 07/31/07-07/31/08 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-036 | 07/31/08-07/31/09 |
| Liberty Surplus Insurance Corporation | EGL-BO-184170-046 | 07/31/09-07/31/10 |
| Liberty Insurance Underwriters Inc. | LQ1-B71-213221-019 | 07/31/09–07/31/10 |
| Liberty Insurance Underwriters Inc. | EXCAT0687652 | 07/31/10-07/31/11 |
| Liberty Insurance Underwriters Inc. | EXCAT068765-3 | 07/31/11-07/31/12 |
| Interstate Fire and Casualty Insurance Company | HFX1002572 | 07/31/08-07/31/09 |
| Navigators Specialty Insurance Company | CH08EXC499507NC | 07/31/08-07/31/09 |
| Axis Surplus Insurance Company | EAU741333/01/2008 | 07/31/08-07/31/09 |
| Endurance American Specialty Insurance Company | ELD 10000712700 | 07/31/07-07/01/08 |
| Arch Insurance Company | UXP004536700 | 07/31/11-7/31/12 |

**EXHIBIT 3**

**KNOWN POLICIES ISSUED BY NON-PARTICIPATING INSURERS**

| Insurer | Policy No. | Policy Period |
|---|---|---|
| Hartford Insurance Company | 38 UUNQS 4661<br><br>38 UENQS 4661 | 2000-2001<br><br>2001-2002 |
| Lumbermens Mutual Casualty Company | 3SX 130772-00 | 2000-2001 |
| Admiral Insurance Company | A02AG14372<br><br>CA000005350-02 | 2002-2003<br><br>2003-2004 |
| American International Group | BE3207024 | 2003-2004 |
| Admiral Insurance Company | CA000005350-02 | 2004-2005 |
| American International Group | BE974595 | 2004-2005 |
| Nautilus Insurance Company | BK0011111-0 | 2005-2006 |
| RSUI Group, Inc. | NHA2169-4<br>AND<br>NHA216981 | 2006-2007 |

## Exhibit B

## Professional Fees Budgets

The following represents a list of items that must be completed in order to confirm a plan of reorganization in the Blitz USA bankruptcy cases and our understanding of the professional assigned primary responsibility for accomplishing each task. Based on the following conditions, Lowenstein Sandler LLP and Womble Carlyle, as professionals for the Committee, and Richards Layton & Finger and Zolfo Cooper, as professionals for the USA Debtors, are prepared to cap their monthly fees on a going forward basis commencing on the date on which the BAH Settlement Term Sheet is fully executed at the amounts set forth in the chart below and on the terms and conditions set forth herein.

| Professional | Monthly Cap |
|---|---|
| Lowenstein Sandler | $50,000 |
| Womble Carlyle | $25,000 |
| Richards Layton & Finger | $25,000 |
| Zolfo Cooper | $12,000 |

1. With respect to Lowenstein and Womble, the cap applies to fees incurred for performing services listed below for which Lowenstein and Womble are listed as having primary responsibility and for monitoring other services listed below. If Lowenstein or Womble are requested to assume primary responsibility for any services for which another professional is listed as having primary responsibility or to provide services on matters not listed below, the cap shall not apply. Lowenstein and Womble will give notice to the Committee prior to commencing work on matters not covered by the cap.

2. With respect to Richards Layton, the cap applies to fees incurred monitoring the services listed below. If Richards Layton is requested or required to provide services other than monitoring, the cap shall not apply. Richards shall give notice to the USA Debtors and the Committee prior to commencing work on matters not covered by the cap. In connection with Richards Layton's agreement to the foregoing, the Committee agrees that it will not object to any of Richards Layton's fees incurred during the Debtors' chapter 11 cases, other than to the extent that it seeks fees in violation of this agreement.

3. With respect to Zolfo Cooper, the cap applies to the following recurring work matters: (i) preparation of monthly operating reports, (ii) oversight of the Miami office, (iii) wrap up of 2012 tax returns and assisting accountants with preparation of 2013 tax returns, (iv) oversight/coordination of receipts and distributions, from the Miami office and (v) maintenance of cash forecasts and estate budgets, with input of projected fees from various professionals seeking reimbursement from the estates. If Zolfo Cooper is requested or required to provide services other than those listed in the previous sentence, the cap shall not apply. Zolfo Cooper shall give notice to the USA Debtors and the Committee prior to commencing work on matters not covered by the cap. In connection with Zolfo Cooper's agreement to the foregoing, the Committee agrees that it will not object to any of Zolfo Cooper's fees incurred during the Debtors' chapter 11 cases, other than to the extent that it seeks fees in violation of this agreement.

4. The cap applies to fees incurred commencing on the date on which the BAH Settlement Term Sheet is fully executed through the earlier to occur of (i) the effective date of the Chapter 11 Plan; (ii) entry of a final order denying confirmation of the Chapter 11 Plan; or (iii) withdrawal of the Chapter 11 Plan by the plan sponsor(s).

5. The cap shall not apply to fees for services rendered in connection with discovery, contested matters or adversary proceedings related to matters listed below or other litigation that may be brought in these chapter 11 cases.

6. The cap shall not apply to fees incurred in connection with filing or responding to any appeals filed in connection with the bankruptcy cases.

7. The cap shall roll forward and back such that unused cap amounts in any given month can be applied to fee overages in prior or subsequent months.

| **Event** | **Primary Responsibility** |
|---|---|
| Complete Negotiations of term sheet | |
| With Carriers/Wal-Mart | Lowenstein/Womble |
| Complete Negotiations of settlement | |
| With Kinderhook/Crestwood | Lowenstein/Womble |
| 9019 Motion to Approve Settlement with Carriers | |
| Draft Motion | Walmart/Participating Insurers |
| Review and Comment | Lowenstein/Womble |
| Review Objections | Lowenstein/Womble |
| Draft Response (if necessary) | Lowenstein/Womble |
| Prosecution at Hearing | Walmart/Participating Insurers |
| 9019 Motion to Approve Settlement with Kinderhook | |
| Draft Motion | A. Landis/T. Harkness |
| Review and comment | Lowenstien/Womble |
| Review Objections | Lowenstein/Womble |
| Draft Response (if necessary) | Lowenstein/Womble |
| Prosecution at Hearing | A. Landis/T. Harkness |

| | |
|---|---|
| Bar Date Motion – PI Claims | |
| Draft Motion | Walmart |
| Review and Comment | Lowenstein/Womble |
| Review Objections | Lowenstein/Womble |
| Draft Response (if necessary) | Lowenstein/Womble |
| Prosecution at Hearing | Walmart |
| PI Claim Review | Lowenstein/Womble |
| Draft Objections | Lowenstein/Womble |
| Prosecution at Hearing | Lowenstein/Womble |
| Plan and Disclosure Statement | |
| Draft | Walmart/Participating Insurers |
| Review, Comment and Negotiate | Lowenstein/Womble |
| Review Objections | Lowenstein/Womble |
| Draft Response | Lowenstein/Womble |
| Prosecution at Hearing | Walmart/Participating Insurers |
| Claim Objections | |
| Employee Claims | Lowenstein/Womble |
| Attorney Claims | Lowenstein/Womble |
| Tax Claims – Ottowa City Treasurer | Lowenstein/Womble |
| Fee Applications | Lowenstein/Womble |
| Respond to Creditor Inquiries | Lowenstein/Womble |
| Insurance Issues | Womble/Lowenstein |
| Trust Agreements | Lowenstein/Womble |
| TDP and Related Documents | Womble/Lowentein |

## Exhibit C

## PARTICIPATING BLITZ PERSONAL INJURY CLAIMANTS

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 6/20/2002 | Montgomery, Michael | CA | 12CV3057-L-WVG | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 8/15/2007 | Funchess, Chad | SC | 2009-CP-38-1257 | Breneman Dungan, L.L.C.<br>Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/9/2007 | Johnson, Randall | CA | | Choulos Choulos & Wyle |
| 12/30/2007 | Barnett, Jerry | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/30/2007 | Fulton, Daniel | MS | 3:09-cv-00366 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/23/2008 | Boling, Christopher | KY | 1:09-cv-00067 | Walker & Morgan, L.L.C<br>Janet, Jenner & Suggs, LLC |
| 6/22/2008 | Strickland, Steve | FL | 8:12-cv-02402 | Bodiford Law Group |
| 7/17/2008 | Ballew, Jasmine Alexis | NC | 10-cvs-691 | The Anderson Law Firm |
| 1/18/2009 | Thornton, Dennis | AL | 09-902481 | The Anderson Law Firm |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 3/6/2009 | Tillman, Donald | SC | 11-CP-04-01200 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/24/2009 | Fenn, Est. of Ja-el | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C<br>Breneman Dungan, L.L.C. |
| 7/24/2009 | Fenn, Jessica | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C<br>Breneman Dungan, L.L.C. |
| 7/24/2009 | Fenn, Est. of Jerimiah | GA | 11-cv-1532-1 12-cv-1674-1 | Walker & Morgan, L.L.C<br>Breneman Dungan, L.L.C. |
| 8/15/2009 | Pierce, Brandon | IN | 1:11-cv-01022 | The Anderson Law Firm<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/11/2009 | Melvin, William | FL | 8:11-cv-2542 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 10/12/2009 | Shickel, Jordan | IL | 3:11-cv-03380 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 10/23/2009 | Guillory, Kaleb | MS | Not Filed | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 12/6/2009 | Grooms, Ethan | SC | 4:11-cv-1327 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/18/2009 | Crouch, Brooke | TX | 5:11-cv-00150 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 12/23/2009 | Trevino, Dylan | TN | 1:10-cv-00115 | The Anderson Law Firm |
| 1/23/2010 | Mims, David | AL | 1:12-cv-00244 | Glenda Cochran Associates |
| 2/5/2010 | Jacoby, Robert | OR | 1:10-cv-03075 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 3/5/2010 | Kornegay, Est. of Matthew | MS | 3:10-cv-00429 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 3/16/2010 | Brogdon, Ronnie | SC | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/24/2010 | Kassim, Kamal | CT | Not Filed | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 4/11/2010 | VanBrunt, Devan | MN | 0:11-cv-01771 | The Anderson Law Firm<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 6/18/2010 | Madox, Robert | - | Not Filed | unknown |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 7/17/2010 | Balch, Eric | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Cade | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 7/17/2010 | Balch, Est. of Mason | TX | 6:10-cv-00284 | Ramsey Hill L.L.P. |
| 9/19/2010 | Al-Shara, Est. of Aliaa | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 9/19/2010 | Al-Shara, Majd | MI | 2:11-cv-14954 | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 9/28/2010 | Burch, Timothy | GA | 5:11-cv-00084 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/5/2010 | Nix, Jacob C. | - | Not Filed | unknown |
| 11/13/2010 | Shilich, John | UT | Not Filed | The Anderson Law Firm |
| 11/23/2010 | Ferguson, Est. of Jim | SC | 9:11-cv-02207 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/4/2010 | Stahl, Est. of Coty | SC | 2:11-cv-02193 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/12/2010 | Droney, Christopher | SC | 6:11-cv-1320 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 12/30/2010 | Mills, Ronald | SC | 5:11-cv-01313 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/31/2010 | Xiong, Joey | NC | Not Filed | Breneman Dungan, L.L.C.<br>Humphrey, Farrington & McClain, P.C. |
| 1/11/2011 | Ward, Curtis | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/11/2011 | Ward, Kenneth | GA | 1:11-cv-00039 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, James C. | GA | 7:11-cv-00111 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Dusty | GA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Purvis, Tony | GA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/15/2011 | Joyner, Est. of Jacob | FL | 5:11-cv-00334 5:12-cv-00318 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 1/15/2011 | Blount, Betty | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/15/2011 | Blount, Zackery | FL | 5:12-cv-00318 | Law Offices of Brian J Wolk |
| 1/20/2011 | Wilson, Est. of Marshall | FL | 3:11-cv-00496 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 1/22/2011 | Guilford, Wade | FL | 5:11-cv-00336 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Est. of Clarence | FL | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Feldman, Scott | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 2/25/2011 | Loveridge, Est. of Sonja | FL | Not Filed | Kinsey, Troxel, Walborsky & Bradley, P.A. |
| 2/25/2011 | McClelland, Dorsey | FL | 5:11-cv-00335 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 3/1/2011 | Weddle, Susan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby,<br>Wheeles and Knowles |
| 3/1/2011 | Smith, Adam | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby,<br>Wheeles and Knowles |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 3/1/2011 | Smith, Megan | AL | 3:12-cv-00651 | Morris, Haynes, Hornsby, Wheeles and Knowles |
| 4/1/2011 | Hale, Kevin | PA | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/1/2011 | Delia, Cyrus Owen | OR | Not Filed | Law Offices of Danny Lang |
| 8/16/2011 | Jones, Dalan | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 8/16/2011 | Jones, Leiya | TX | Not Filed | Sico, White, Hoelscher & Braugh, LLP |
| 9/24/2011 | Hayes, Jacob | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/1/2011 | Morgan, Johnny C. | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 10/24/2011 | Gutierrez, Est of Dale | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/2011 | Perez, Aliha | TX | Not Filed | Julian C. Gomez |
| 11/2011 | Perez, Irene | TX | Not Filed | Julian C. Gomez |
| 11/2011 | Perez, Jose | TX | Not Filed | Julian C. Gomez |
| 11/17/2011 | Hawkins, Est. of Michael | SC | Not Filed | Walker & Morgan, L.L.C Richardson, Patrick, Westbrook, & Brickman, L.L.C. |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 11/17/2011 | Broach, Eddie Cory | SC | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/17/2011 | Broach, Justin A. | SC | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 11/23/2011 | Newby, Wayne | CA | Not Filed | Mark Sudderth |
| 12/1/2011 | Coleman, John Marcus | SC | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/17/2011 | Mizell, Est. of James O. | GA | 5:12-cv-00104 | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 12/19/11 | Bauman, Jr., Michael | KY | 12-738 | Jones Ward |
| 1/21/2012 | Arwood, Michael Todd | AL | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 5/17/2012 | Torres, Anthony | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/17/2012 | Warren, Colton | TX | - | Sico, White, Hoelscher & Braugh, L.L.P. |
| 5/28/2012 | Williams, Jacob | SC | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |

| Date of Accident | Name of Injured Party | State | Case Number | Law Firm |
|---|---|---|---|---|
| 7/14/2012 | Callihan, Est. of Bruce R. | LA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |
| 7/14/2012 | Ramos, Helen Louise | LA | Not Filed | Walker & Morgan, L.L.C<br>Richardson, Patrick, Westbrook, & Brickman, L.L.C. |

# TERM SHEET

The Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants, and Wal-Mart have agreed to a Settlement of any and all past, present, and future issues that could arise between them with respect to the Blitz Personal Injury Claims.

Certain of the most important terms of the Settlement are summarized in the numbered paragraphs set forth below and subject to the Settling Parties' intent that the terms of the Settlement to be incorporated into a Chapter 11 Plan containing customary provisions relating to the implementation and enforcement of the Settlement, they acknowledge by their signatures set forth below their intent to be legally bound and that they are legally bound by the terms set forth in this Term Sheet and that the Term Sheet is legally enforceable by the Parties (subject to approval by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") in a final non-appealable order pursuant to Rule 9019 of the Bankruptcy Rules). A motion will be filed with the Bankruptcy Court seeking an order approving the Term Sheet and the Settlement, which motion shall be on notice in form, substance and effect acceptable to the Settling Parties and approved by the Bankruptcy Court as being adequate to bind all claimants asserting Blitz Personal Injury Claims. Also, the terms and conditions of the Settlement Approval Order shall be in form and substance acceptable to the Settling Parties. The Debtors' obligation to take the actions contemplated by this Term Sheet and the Agreement is subject to the Debtors' having funding necessary to do so and the Debtors are only required to take such actions as are reasonably practical under the circumstances. Moreover, any final Settlement is contingent upon the confirmation of the Chapter 11 Plan. The Committee will support and take actions reasonably necessary to obtain approval of the Settlement and a Chapter 11 Plan incorporating the Settlement.

## DEFINITIONS

The following terms, as used herein, shall be defined as follows:

a. "BAH Settlement" shall mean the consensual settlement of all claims and causes of action by and between the BAH Settling Parties.

b. "BAH Settling Parties" shall mean the Committee, the Debtors, the Participating Blitz Personal Injury Claimants, Michael Montgomery, Kinderhook Industries II, LP Kinderhook Capital Fund II, LP, Crestwood Holdings, Inc., Bergan, LLC and any other party that may be a signatory to the BAH Settlement.

c. "Bar Date Motion" shall mean a motion filed with the Bankruptcy Court to establish a bar date for all Blitz Personal Injury Claims that do not fall within the claims barred by the bar date order that was entered on May 23, 2012 .

d. "Blitz Personal Injury Claims" shall mean and include all claims for damages or other relief for, based upon, arising out of, relating to, or in any way involving bodily injury and / or property damage that occurred on or before 12:01 AM CST on July 31, 2012, and shall



EXHIBIT C of exhibit 2

include asserted and unasserted claims, whether known or unknown, based upon, arising out of, or in any way involving the products, premises or operations of the Debtors and, without any limitation of the foregoing shall include any such claims against Wal-Mart directly or indirectly relating to the Debtors' products, premises or operations, and any direct action claims by a claimant against the Participating Insurers.

e. "Channeling Injunction" shall mean an injunction pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code that to the fullest extent permitted by law (i) permanently enjoins and channels to the Plan Trust all Blitz Personal Injury Claims, and (ii) permanently enjoins the prosecution of all Blitz Personal Injury Claims against any Released Party. The Participating Blitz Personal Injury Claimants and the Committee shall be responsible for the development and drafting of the terms and procedures with respect to the valuation, allowance and payment of Blitz Personal Injury Claims including the allocation of the Settlement Amount. For the avoidance of doubt, the Channeling Injunction shall not channel or enjoin any claim for damages on account of a bodily injury and / or property damage that occurred on or after 12:01 AM CST on July 31, 2012.

f. "Committee" shall mean the Official Committee of Unsecured Creditors, its co-chairs and members appointed in the Debtors' chapter 11 cases.

g. "Confirmation Order" shall mean an Order of the Bankruptcy Court confirming the Chapter 11 Plan.

h. "Debtor Representatives" shall mean officers, directors, employees, agents, representatives, and attorneys of the Debtors or the successors of any of them, each in their capacity as such.

i. "Debtors" shall mean the USA Debtors and the Holdings Debtors.

j. "Holdings Debtors" shall mean LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

k. "Interests" shall mean any rights, claims, liens, interest, and/or encumbrances in connection with the described subject matter.

l. "Non-Participating Insurers" shall mean Hartford Insurance Company, Lumbermens Mutual Casualty Company, Admiral Insurance Company, American International Group, Nautilus Insurance Company, Arrowood Indemnity, RSUI Group, Inc., and any other insurer who is not a Participating Insurer. The known policies of insurance issued to Debtors by the Non-Participating Insurers include, without limitation, the policies listed on Exhibit 3 hereto.

m. "Participating Blitz Personal Injury Claimants" shall mean and include the claimants identified on Exhibit 1 attached hereto and their respective counsel.

n. "Participating Insurers" shall mean Old Republic Insurance Company, First Mercury Insurance Company, First Specialty Insurance Corporation, Liberty Surplus Insurance Corporation, Liberty Insurance Underwriters Inc., Arch Insurance Company, Continental Casualty Company, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company (collectively, "Westchester"), Endurance American Specialty Insurance

Company, Interstate Fire and Casualty Insurance Company, Navigators Specialty Insurance Company and Axis Surplus Insurance Company and United States Fire Insurance Company (solely in its capacity as claims handler for the policies issued to the Debtors on behalf of First Mercury Insurance Company that are listed on Exhibit 1 and not on behalf of policies, if any, that might have been issued by United States Fire Insurance Company) and each of their predecessors, and present or past parents, subsidiaries, divisions, affiliates, directors, officers, agents, employees, representatives, members, and attorneys, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as they existed on the execution date of the Term Sheet. Notwithstanding the above, "Participating Insurers" shall not mean or include the "Non-Participating Insurers" or any of them.

o. "Parties" shall mean Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants, and Wal-Mart.

p. "Payment Date" shall mean thirty (30) days after entry of a Confirmation Order (i) which has become non-appealable, or (ii) if any appeals from the Confirmation Order have been filed, either (x) such appeals have been fully and finally concluded consistent with the material terms of this Settlement, or (y) the Participating Insurers and Wal-Mart, each in their sole discretion, agree to waive final resolution of such appeal(s) as a condition to the Payment Date.

q. "Chapter 11 Plan" shall mean one or more liquidating plans, pursuant to chapter 11 of the Bankruptcy Code, applicable to all Debtors that contains customary provisions and includes the terms necessary to implement and enforce the Settlement, and this Term Sheet.

r. "Plan Trust" shall mean the Blitz Personal Injury Plan Trust.

s. "Released Parties" shall mean the Debtors, the Participating Insurers, Wal-Mart and any other person or entity insured under the Subject Policies, including, but not limited to (i) any distributor or retailer of Debtors' products, (ii) the Debtor Representatives, and (iii) the shareholders of Debtors solely in their capacity as shareholders and solely related to Blitz Personal Injury Claims. The release of the shareholders of the Debtors shall include all claims asserted against such shareholders that are or would be covered by the Subject Policies. The Released Parties are not released for Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception that: (a) Wal-Mart shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST, (b) Westchester shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception of *Calder* and *Bosse*, and *Green* shall retain and not release his claim to sanctions which is now pending appeal until such time as the Debtors, pursuant to paragraph 2 below, dismiss their appeal and release the $250,000 that has already been deposited to his counsel in escrow at which time any claim by *Green* shall be released, and (c) the Participating Insurers shall be released from any and all liability under the insurance policies identified on Exhibit 2 for all Blitz Personal Injury Claims, except that Westchester shall not be released from the *Calder* and *Bosse* claims. All outstanding Blitz Personal Injury Claims are retained against the USA Debtors and all Non-Participating Insurers during the period prior to July 31, 2007 at 12:01 a.m. CST and are not released but are channeled into the Plan Trust.

t. "Releasors" shall mean Debtors and their respective (a) parents, (b) past or present subsidiaries and affiliates, (c) any joint ventures in which they have interests, and (d) officers, directors, employees, agents, representatives, shareholders, and attorneys, or the successors of any of them. The USA Debtors shall not be released by this Settlement for Blitz Personal Injury Claims prior to July 31, 2007 at 12:01 a.m. CST so such cases may proceed solely against the policies or proceeds of Non-Participating Insurers.

u. "Settlement" shall mean the settlement of any and all past, present, and future issues that could arise between the Settling Parties with respect to the Blitz Personal Injury Claims as reflected in this Term Sheet. For the avoidance of doubt, the Settlement shall not include the Settlement of any claim for damages on account of a bodily injury and / or property damage that occurred on or after 12:01 AM CST on July 31, 2012.

v. "Settlement Amount" shall mean the total sum, in cash or its equivalent, of ONE HUNDRED SIXTY ONE MILLION AND THREE HUNDRED TWENTY THOUSAND DOLLARS AND NO CENTS ($161,320,000.00).

w. "Settlement Approval Motion" shall mean a motion filed with the Bankruptcy Court seeking a Settlement Approval Order.

x. "Settlement Approval Order" shall mean the Order of the Bankruptcy Court approving the Term Sheet, and authorizing the Settlement as set forth in this Term Sheet, the terms of which shall be acceptable to each of the Settling Parties, in their sole discretion.

y. "Settling Parties" shall mean the Debtors, the Committee, the Participating Insurers, the Participating Blitz Personal Injury Claimants and Wal-Mart.

z. "Subject Policies" shall mean the policies of insurance listed on Exhibit 2 hereto and all other, known and unknown, insurance policies issued to Debtors or any of them by any of the Participating Insurers except directors and officers policies, if any, that may have been issued by the Participating Insurers.

aa. "Term Sheet" shall mean this Term Sheet.

bb. "USA Debtors" shall mean Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC.

cc. "Wal-Mart" shall mean Wal-Mart Stores, Inc., each of its predecessors, and present or past parents, subsidiaries, divisions, affiliates, their successors and assigns but only in their capacity as such, and any entity that acquires any of the foregoing entities through assignment, merger, or otherwise, but only to the extent that such acquiring entity succeeds to such foregoing entity's rights and obligations as they existed on the execution date of the Term Sheet, and the directors, officers, agents, employees, representatives, members, and attorneys for any of the foregoing in their capacity as such.

**A. Rule 9019 Motion and Settlement Approval Order**

1. On or before July24, 2013 and after all Parties have executed this Term Sheet, the Settling Parties shall file a Settlement Approval Motion with the Bankruptcy Court seeking a Settlement Approval Order, in form and substance agreeable to the Settling Parties approving pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, the Settlement and binding the Settling Parties to support and vote to accept the Chapter 11 Plan, which (i) shall contain the Channeling Injunction and other customary terms and conditions, including exculpation, some of which are specifically set forth herein, and (ii) pursuant to Section 363 of the Bankruptcy Code, the Debtors' sale back to the Participating Insurers of the Subject Policies free and clear of all Interests of any person or entity in the Subject Policies and including findings of fact and conclusions of law providing for protection of the Participating Insurers under Section 363(f) and (m). The Debtors and the Committee shall use their respective best efforts to obtain approval of the Settlement and entry by the Bankruptcy Court of the Settlement Approval Order and to ensure that the Settlement Approval Order becomes a final non-appealable order. The Settlement Approval Motion shall be on notice in form, substance and effect acceptable to the Settling Parties and approved by the Bankruptcy Court as being adequate to bind all Participating Blitz Personal Injury Claimants. The Settlement Approval Order shall be on terms which shall be acceptable to each of the Settling Parties, in their sole discretion.

**B. Resolution of Claims and Policy Buy Back**

2. The Participating Insurers and Wal-Mart, collectively, will pay the Settlement Amount to the Plan Trust. The Settlement Amount shall be paid on or before the Payment Date. The Participating Blitz Personal Injury Claimants and their undersigned counsel represent and warrant that the Participating Blitz Personal Injury Claimants along with the following claimants: *Beadore*, *Bosse*, *Calder*, *Delatorre*, *Green* and *Tvedt* constitute all Blitz Personal Injury Claims of which the Participating Blitz Personal Injury Claimants and their counsel are aware or have knowledge. Upon the occurrence of the Payment Date, and the vacator of the sanctions order by the Green court (to which the Debtors and the *Green* plaintiffs consent and the Participating Blitz Personal Injury Claimants do not oppose), the $250,000 in escrow paid to counsel for the *Green* plaintiffs shall be released and the parties to the *Green* case agree to mutually dismiss their appeals.

3. Except as otherwise provided herein, the specific amounts contributed by individual contributors to the Settlement Amount shall remain confidential as among the contributors and subject to the terms of a side-agreement among the Participating Insurers and Wal-Mart; provided however, that to the extent any of the Settling Parties that are contributing to the Settlement Amount defaults on its funding obligation, the identity of the defaulting party, and the amount it agreed to contribute and owes, shall be released. The Committee or the Plan Trust, as appropriate, may either: (a) seek to enforce the Settlement with respect to any defaulting Settlement Party; or (b) opt to treat any defaulting Participating Insurer as a Non-Participating Insurer under the terms of the Settlement. The Participating Insurers and Wal-Mart may also reveal the amount of their individual contributions, but not that of other participants, as they deem necessary, in their sole discretion, (i) to obtain Bankruptcy Court approval of the Chapter 11 Plan and the releases and Channeling Injunction in the Chapter 11 Plan, and (ii) to their attorneys, auditors, tax consultants, regulators, reinsurers or retrocessionnaires for the purpose of obtaining reinsurance for any portion of their contribution to the Settlement Amount, or complying with applicable regulations. The Participating Insurers and Wal-Mart shall be

individually liable for the amounts each has agreed to contribute and not jointly and/or severally liable for the Settlement Amount. Under no circumstances shall any of the Participating Insurers or Wal-Mart be required to satisfy the funding obligation of any defaulting party. Funding of eighty percent (80%) of the Settlement Amount is a condition precedent to the effectiveness of the Chapter 11 Plan. If within ten days after the Payment Date less than eighty percent (80%) of the Settlement Amount has been paid, a super-majority of seventy-five percent (75%) of the Participating Blitz Personal Injury Claimants may, at their election, file a Notice of Non-Occurrence of Effective Date, which notice shall give the Participating Insurers and Wal-Mart twenty (20) days to cure any such deficiency by providing funds to achieve eighty percent (80%) of the Payment Amount. If the Participating Insurers and Wal-Mart do not timely cure in accordance with the foregoing, the filing of the Notice of Non-Occurrence of Effective Date shall have the effect of terminating the Settlement and the Settling Parties shall be returned to the position that they were in prior to the Settlement.

4. The insurance policies issued to and related agreements with the Debtors by the Non-Participating Insurers shall *not* be released or subject to the buyback contemplated by this Term Sheet. These policies and related agreements and/or their proceeds shall be assigned to the Plan Trust, upon confirmation of the Chapter 11 Plan, which shall thereafter have all rights that the Debtors and/or claimants had to pursue such coverage subject only to the terms and procedures of the Chapter 11 Plan. For the avoidance of doubt, to the extent that the Debtors have insurance coverage from the Non-Participating Insurers applicable to the claims asserted by Michael Montgomery (incident date: 6/20/02), John Delatorre (incident date 10/3/02) and Landon Beadore (incident date 10/3/03) and such other plaintiffs as who may be named in the complaints in these three aforementioned cases or whose injuries occurred prior to 12:01 a.m. CST on July 31, 2007 (subject to the provisions of paragraph 27, below), such insurance coverage from the Non-Participating Insurers is not released or bought back by the settlement contemplated by this Term Sheet and these claimants do not release their claims as against the USA Debtors or insurers other than the Participating Insurers. Notwithstanding anything to the contrary in the foregoing, all Blitz Personal Injury Claims, including those identified in this paragraph, shall be subject to the Channeling Injunction and all release provisions contained in this Term Sheet.

**C. Policy Release and Buyback Provisions**

5. The Chapter 11 Plan shall fully release the Released Parties from any liability for, based upon, arising out of, directly or indirectly relating to, or in any way involving, the Blitz Personal Injury Claims and shall enjoin anyone from asserting Blitz Personal Injury Claims against the Released Parties, provided further however, that the foregoing releases shall not operate to bar any response, objection, defense or counterclaim to any filed or scheduled claim or motion or request for payment of administrative expense filed by any Debtor Representative as against any Debtor or its estate. Such releases shall be sufficient to provide finality to the Participating Insurers from all claims, rights, demands, and obligations of any kind or nature arising out of or relating to the Subject Policies, or any agreements related to the Subject Policies, brought by or on behalf of any person or entity insured thereunder, including, but not limited to, Debtors, Debtor Representatives or any distributor or retailer of Debtors' products, including without limitation Wal-Mart. The Released Parties are not released for Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception that: (a) the Released Parties shall be released for all Blitz Personal Injury Claims occurring on or before

July 31, 2007 at 12:01 a.m. CST as against Wal-Mart, (b) Westchester shall be released for all Blitz Personal Injury Claims occurring on or before July 31, 2007 at 12:01 a.m. CST with the exception of Calder and Bosse, and Green shall retain and not release his claim to sanctions which is now pending appeal until such time as the Debtors, pursuant to paragraph 2 above, dismiss their appeal and release the $250,000 that has been paid to his counsel in escrow, at which time any claim by Green shall be released, and (c) the Participating Insurers shall be released from any and all liability under the insurance policies identified on Exhibit 2 for all Blitz Personal Injury Claims, except that Westchester shall not be released from the Calder and Bosse claims. All outstanding Blitz Personal Injury Claims are retained against the USA Debtors and all Non-Participating Insurers during the period prior to July 31, 2007 at 12:01 a.m. CST and are not released but are channeled into the Plan Trust.

6. The Chapter 11 Plan shall further provide that each Participating Blitz Personal Injury Claimant be deemed to consensually release the Released Parties from any Blitz Personal Injury Claim and that each such claimant, as a condition precedent to receiving funds from the Plan Trust, shall deliver a written release to the Plan Trust sufficient to provide finality, and on terms acceptable, to the Released Parties for any Blitz Personal Injury Claim that was or might have been brought by such claimant. With respect to such finality for claims by Participating Blitz Personal Injury Claimants who are minors, the Chapter 11 Plan shall contain requirements, in terms acceptable to Wal-Mart and the Participating Insurers, that the guardian or other party legally responsible for the interests of any such Participating Blitz Personal Injury Claimants who are minors seek approval from any and all courts having jurisdiction over such minor. The Released Parties shall be provided copies of these releases. However, the Channeling Injunction and release provisions of the Chapter 11 Plan shall not be dependent for their efficacy with respect to any Blitz Personal Injury Claim on whether or not a written release has been provided with respect to such Blitz Personal Injury Claim. To the extent that any Released Party, in its discretion, determines that it is appropriate to petition the bankruptcy court for the appointment of a *guardian ad litem* to represent the interests of all Participating Blitz Personal Injury Claims who are minors, the Settling Parties shall support such a petition.

7. The Chapter 11 Plan shall further provide that any claimant who is not a Participating Blitz Personal Injury Claimant shall be deemed to release the Released Parties for all Blitz Personal Injury Claims.

8. The Debtors shall provide the Participating Insurers with a complete policy buyback of the Debtors' interests in the Subject Policies free and clear of all Interests of any person or entity pursuant to Section 363 of the Bankruptcy Code, and, with respect to any Interests held by any non-affiliated entities in the Subject Policies, if any, such relief as is sufficient to extinguish any such Interests in the Subject Policies and provide finality for claims asserted thereunder. By executing this Term Sheet, all Settling Parties consent to the Debtors' buyback of the Subject Policies free and clear of all Interests of any person or entity pursuant to Section 363 of the Bankruptcy Code.

9. Upon the occurrence of the Payment Date, all interests of any of the Releasors in the Subject Policies and any other insured shall be deemed to have been released and sold back to the Participating Insurers free and clear of all Interests pursuant to Section 363 of the Bankruptcy Code without any further action being required.

10. Upon the occurrence of the Payment Date and subject to the terms of paragraph 12 below, (a) the Participating Insurers shall be irrevocably released from (i) all claims of the Releasors or anyone else, including without limitation Wal-Mart, under, arising from, related to, or in connection with the Subject Policies and / or the Blitz Personal Injury Claims, (ii) any claims for contribution or indemnity under, arising from, related to, or in connection with the Subject Policies (whether from other insurers or not) and / or the Blitz Personal Injury Claims, (iii) all extra-contractual claims arising from, related to, or in connection with the Subject Policies and / or the Blitz Personal Injury Claims, and (b) all rights and obligations between the Releasors and anyone else, including without limitation Wal-Mart, on the one hand, and the Participating Insurers, on the other hand, with respect to the Subject Policies and / or the Blitz Personal Injury Claims shall be fully and finally extinguished. The release of the Participating Insurers shall leave the Participating Insurers completely released as if the Participating Insurers had never issued the Subject Policies and had never had any dealings with, or actual or alleged duties or obligations whatsoever to, any Releasors or any other person, including without limitation persons allegedly harmed or injured by Debtors. This Settlement and the releases to be delivered pursuant thereto are explicitly acknowledged by all concerned to be effective notwithstanding any facts, legal theories, alleged mistakes, misrepresentations, or failures to disclose that are presently known to, or that subsequently become known to, the Releasors or anyone else. Upon the occurrence of the Payment Date and subject to the terms of paragraph 12 below, the Participating Insurers shall release Wal-Mart from all claims under, arising from, related to, or in connection with the Subject Policies, including but not limited to claims that Wal-Mart breached any of its obligations as an additional insured under the Subject Policies or any of its obligations under the covenant of good faith and fair dealing.

11. Notwithstanding anything else to the contrary, the Settlement contemplated by this Term Sheet is not intended to release any claim for damages on account of bodily injury and / or property damage that occurred after 12:01 AM CST on July 31, 2012.

12. If Wal-Mart or a Participating Insurer defaults and does not pay its agreed upon share of the Settlement Amount on the Payment Date, that defaulting party shall, after ten days notice and an opportunity to cure, not receive any of the benefits provided by this Settlement until such time as the defaulting party, makes full payment, including but not limited to the releases, injunction or policy buy back provided for herein. If Wal-Mart and the Participating Insurers collectively deliver less than eighty (80%) percent of the Settlement Amount on the Payment Date and the Participating Blitz Personal Injury Claimants elect to terminate pursuant to the terms of paragraph 3,and there is no cure pursuant to paragraph 3 and the Settlement is terminated, no Settling Party or Released Party shall receive any of the benefits provided by this Settlement, including but not limited to the releases, the Channeling Injunction or policy buy back provided for herein and all amounts paid by Wal-Mart or the Participating Insurers shall be returned to the paying party.

**D. Channeling Injunction Pursuant to Section 105 of the Bankruptcy Code**

13. The Chapter 11 Plan and Confirmation Order shall provide for and include the Channeling Injunction. For the avoidance of doubt, all claims for insurance coverage for bodily injury claims under policies issued to the Debtors and all claims against the Released Parties for contribution or indemnification or other relief with respect to the Blitz Personal Injury Claims shall be channeled to the Plan Trust pursuant to the Channeling Injunction. The Plan Trust shall

not take any action that would undermine the enforcement of the Channeling Injunction or that would serve to deprive any of the Released Parties of the benefits of the injunction, including but not limited to the Debtors, the Participating Insurers and Wal-Mart.

**E. The Chapter 11 Plan**

14. Among other terms and conditions as referred to above, the Chapter 11 Plan will include reasonable terms to ensure that the Plan Trust will be responsible for ensuring compliance with Medicare secondary payer ("MSP") requirements, and that the Plan Trust will retain, at its expense, a qualified vendor (such as the Garretson Group) to provide such services as may be required to ensure such compliance. The Participating Insurers and Wal-Mart shall have the right to approve the vendor retained by the Plan Trust to provide such services (with such approval not to be withheld unreasonably) and to obtain such information from such vendor, the Plan Trust and the Blitz Personal Injury Claimants as they may reasonably request for the purpose of ensuring that the Plan Trust has complied with MSP requirements or for the purpose of internal audits and insurance or reinsurance claims. The Plan Trust shall be prohibited from making a distribution to a Blitz Personal Injury Claimant who refuses to provide the information necessary to meet MSP requirements with regard to that claimant.

15. The conditions precedent to the Participating Insurers' and Wal-Mart's payment obligations will include, without limitation, that both the Settlement Approval Order and the Confirmation Order must first become final, non-appealable orders. Wal-Mart and the Participating Insurers may agree, which agreement must be unanimous among Wal-Mart and the Participating Insurers and with Wal-Mart and each Participating Insurer exercising their sole discretion, to waive the Confirmation Order becoming a final, non-appealable order.

16. The terms of the Plan Trust will be drafted consistent with the terms of this Settlement and, upon its creation, the Plan Trust shall be bound to the terms of this Settlement as if it had been a party thereto as of the execution date of this Term Sheet.

17. If before the effective date of the Chapter 11 Plan any person or entity asserts any claim against the Released Parties under, arising from, related to, or in connection with the persons and entities released by the Settlement, Debtors will, at their expense if they have the funding to do so, use their best reasonable efforts to enforce, if necessary, the automatic stay of Section 362 of the Bankruptcy Code, and, if appropriate, obtain an order from the Bankruptcy Court pursuant to Section 105(a) of the Bankruptcy Code enjoining or otherwise prohibiting the prosecution of any such claim against the Released Parties. The Committee shall support Debtors in such efforts, including, without limitation, (i) by being a co-movant in respect of any such motion to enforce the automatic stay, or objecting to any motion filed for relief from the automatic stay, as the case may be, (ii) by the filing of a joinder to any such motion or objection of the Debtors, as the case may be, and (iii) by arguing in support of the relief requested by such motion or objection at any hearing on such motion or objection by the Debtors.

18. The Plan Trust shall fully and completely defend Released Parties in connection with any proceeding involving, relating to, or arising out of, in whole or in part, the enforcement or enforceability of the Channeling Injunction. In the event any person or entity asserts any claim that is subject to the Channeling Injunction, the Plan Trust shall, at its own expense, defend the validity of the Channeling Injunction and its application and use its best efforts to

establish that such claim is enjoined. The Participating Insurers and Wal-Mart shall have consultation and approval rights with respect to selection of counsel hired by the Plan Trust for such defense obligations. The Participating Insurers and Wal-Mart shall have the right, at their own cost and expense, to associate in the defense in any proceeding concerning the enforcement and application of the Channeling Injunction. If the Plan Trust breaches its duty to fully and completely defend then the Plan Trust is obligated to indemnify the Released Parties, including advancement of defense costs.

19. The Chapter 11 Plan shall further include such other terms and conditions as have generally been included in similar insurance-related settlements in other bankruptcy cases or which a Settling Party reasonably believes is necessary to obtain the full benefits of this Term Sheet.

**F. Bar Date Motion and Notice**

20. No later than July 24, 2013 and after execution of this Term Sheet, the Settling Parties will agree on the terms of and file a Bar Date Motion with the Bankruptcy Court to address all Blitz Personal Injury Claims. The Bar Date Motion shall establish a specific bar date for all Blitz Personal Injury Claims and any such claims that are not asserted prior to the bar date shall be forever barred. The Bar Date Motion will contain minimum requirements for the assertion of a Blitz Personal Injury Claim as shall be agreed upon by Wal-Mart, the Participating Insurers, the Debtors, the Committee, and the Participating Blitz Personal Injury Claimants. The Bar Date Motion shall set forth, and the order approving the Bar Date Motion shall approve, the manner in which notice of the bar date shall be provided, including publication notice, which shall be acceptable to Wal-Mart and the Participating Insurers in their sole discretion. The Participating Insurers and Wal-Mart shall share the first $100,000 of costs for running publication notice of the bar date for Blitz Personal Injury Claims on a basis proportionate to their contributions to the Settlement Amount. Wal-Mart and the Participating Insurers shall each pay fifty percent (50%) of such costs in excess of $100,000 , with the Participating Insurers' portion being allocated equally among the Participating Insurers. The Participating Insurers and Wal-Mart shall not be obligated to pay any costs for notice for any entity or person who is not a Participating Insurer or Wal-Mart. For the avoidance of doubt, publication notice costs shall include notice publication in any type of media, including print and electronic media.

**G. Implementation of the Settlement**

21. Upon the execution of this Term Sheet, (i) the Participating Blitz Personal Injury Claimants shall withdraw without prejudice their motions to modify the automatic stay, (ii) the Debtors and Westchester shall withdraw without prejudice their motion to compel compliance by the Participating Blitz Personal Injury Claimants with Rule 2019, and (iii) the Participating Blitz Personal Injury Claimants shall take such action as is necessary to stay, suspend or adjourn all Blitz Personal Injury Claims against the Released Parties. The Debtors shall withdraw without prejudice their motion to modify the automatic stay in the *Calder* case.

22. Upon the Payment Date and payment of the Settlement Amount, (i) all of the Blitz Personal Injury Claims arising on or after 12:01 PM CST on July 31, 2007 (except for *Calder* and *Bosse*) and for which litigation was commenced as of the date of the execution of this Term Sheet shall be deemed as dismissed and withdrawn with prejudice without any further

action of the Settling Parties, (ii) the automatic stay for non-settling Blitz Personal Injury Claims shall be replaced by the Channeling Injunction and the rights of non-settling Blitz Personal Injury Claimants shall be determined pursuant to the Chapter 11 Plan, the Plan Trust and the Trust Distribution Procedures (the "TDP"), with the Participating Blitz Personal Injury Claimants and the Committee being responsible for the development and drafting of the TDP, which TDP shall be filed as an exhibit to the Chapter 11 Plan, and (iii) the Participating Insurers shall (x) withdraw their proofs of claim in the Debtors' bankruptcy cases; or (y) with the consent of the Committee, gift or assign such claims. In the event that any other action is required by a court or other tribunal to document or reflect the dismissal with prejudice of a Blitz Personal Injury Claim such Blitz Personal Injury Claimant shall be solely responsible for taking such action to dismiss his or her Blitz Personal Injury Claim, subject to the requirements of paragraph 6 above. Upon the Payment Date, Wal-Mart shall waive (or assign or gift, with the consent of the Committee) any and all claims it may have against the Debtors arising on or before July 31, 2012, including, but not limited to its pre-petition contribution and indemnity claims, which are secured, in part, by $1.54 million in payables owed to the Blitz U.S.A. debtor. Upon the Payment Date, Wal-Mart shall release and pay to the liquidating trustee under the Chapter 11 Plan on behalf of the bankruptcy estate of Blitz U.S.A the $1.54 million held as security. To the extent that Wal-Mart has a claim against any of the Debtors arising on or after July 31, 2012, Wal-Mart shall retain such claims but shall waive any rights to distribution from any of the Debtors' estates or the Plan Trust. For the avoidance of doubt, the release of the $1.54 million is separate, apart and in addition to Wal-Mart's contribution to the Settlement Amount, it shall be considered an asset of Blitz U.S.A.'s bankruptcy estate and shall not be contributed to, or otherwise be construed as an asset of, the Plan Trust.

23. The Settling Parties shall cooperate with each other in effectuating the provisions of this Term Sheet. Notwithstanding anything else in this Term Sheet, the Settling Parties agree that any of the Settling Parties may challenge or object to confirmation of the Chapter 11 Plan if the Chapter 11 Plan or any actual or proposed alteration, modification, or revision of the Chapter 11 Plan (a) is inconsistent with the terms of this Term Sheet, (b) materially and adversely affects the interests of any such Participating Insurer and/or Wal-Mart and or the Debtors under this Term Sheet, or (c) does not include the releases and Channeling Injunction. If such objection is sustained, the objecting party, at its discretion and after a 20 day opportunity to cure or remedy the objection, may terminate the Settlement. In the event that the Settlement is so terminated, the Settling Parties shall be returned to the position that they were in prior to the Settlement.

24. The Participating Insurers will be free to pursue reinsurance claims from reinsurers or retrocessionaires regarding any consideration paid by them in connection with this settlement. The Participating Insurers are free to allocate their settlement payment among their Subject Policies at their sole discretion as long as doing so does not reduce the overall Settlement Amount.

25. The Debtors or the Plan Trust, as the case may be, shall cooperate with the Participating Insurers in any litigation against the Participating Insurers seeking contribution, indemnification, or other similar payments with respect to any liability under, arising from, related to, or in connection with any of the Subject Policies that is released under this Settlement, and shall support arguments made by the Participating Insurers that their obligations with respect to such claims have been fully released, satisfied, and extinguished by the Settlement.

26. If (i) less than seventy percent (70%) of the Participating Blitz Personal Injury Claimants (individually or through their counsel) fail to execute this Term Sheet by July 19, 2013 or (ii) less than an overwhelming majority of all holders of Blitz Personal Injury Claims entitled to vote on the Chapter 11 Plan fail to vote to accept the Chapter 11 Plan following the deadline to cast ballots on the Chapter 11 Plan, then Wal-Mart may, within 10 days of the expiration of either deadline, elect to terminate the Settlement upon written notice to the Participating Blitz Personal Injury Claimants and the Participating Insurers, effective 20 days from such notice. The Participating Blitz Personal Injury Claimants may use such 20 day period to cure. In the event that the Settlement is so terminated, the Settling Parties shall be returned to the position that they were in prior to the Settlement.

27. The Chapter 11 Plan will include provisions indicating that the participation of the Debtors, Participating Insurers and Wal-Mart in this Term Sheet, the Settlement and/or the Chapter 11 Plan does not constitute an admission or concession on any issue, including liability for any Blitz Personal Injury Claim or that there is coverage under any of the Subject Policies. The Plan Trust and any recipient of a distribution from the Plan Trust on account of a Blitz Personal Injury Claim shall be solely responsible for the payment of any taxes, if any, associated with the money received by such recipient.

**H. Treatment of *Calder* and *Bosse* Claims**

28. Notwithstanding anything contained herein to the contrary, Westchester Policy CUW788371001 (7/31/05-7/31/06) and Westchester Policy G22053504001 (7/31/06-7/31/07) shall not be released or subject to the buyback contemplated by the Settlement and this Term Sheet with respect to the claims asserted by *Calder* and *Bosse* respectively, but shall be released and bought back with respect to all other claims upon the occurrence of the Payment Date. If the *Calder* and *Bosse* claims are not settled (and it is contemplated, pursuant to paragraph 28 below, that *Calder* will be settled), all rights that the Debtors and/or that the plaintiffs in the *Calder* or *Bosse* cases have or may have to pursue coverage for the *Calder* and *Bosse* claims shall be fully preserved and assigned to the Plan Trust and all defenses, if any, that Westchester Fire Insurance Company or Westchester Surplus Lines Insurance Company, as the case may be, may have with respect to these claims shall also be fully preserved. Upon the resolution of the *Calder* and *Bosse* claims with finality either by compromise or adjudication, Westchester Fire Insurance Company or Westchester Surplus Lines Insurance Company, as the case may be, shall receive the remainder of the release and protections for Policies bearing Nos. CUW788371001 and G22053504001 that are afforded to the other Subject Policies and Policies Nos. CUW788371001 and G22053504001 shall be deemed exhausted. With respect to the *Calder* claim, the Chapter 11 Plan shall further provide that the individual appellees in the *Calder* appeal shall be entitled to payment in full of the amounts bonded for the *Calder* appeal if their appeals goes forward and they prevail on their appeal so that their claim may be satisfied by payment of the bonded amount to them in the full amount of the award by the trial court. Alternatively, should the *Calder* claim be resolved by compromise prior to the final adjudication of the appeal pursuant to the terms of paragraph 28 below or otherwise, Westchester may call upon, and require be paid to *Calder*, the full amount of the Debtors' bond for *Calder* that is returnable to the estate as part of any compromise of the *Calder* claim and the Chapter 11 Plan shall provide that in the event such a compromise is reached, the appellees in the *Calder* case shall have first

priority to the amounts agreed upon by compromise. Should the appellants prevail in the appeal and the case be remanded for another trial which again results in a plaintiffs' verdict, then Westchester Surplus Lines Insurance Company would be entitled to a full and complete release upon payment of such verdict to the appellees/plaintiffs.

29. The Debtors, Westchester Fire Insurance Company ("Westchester Fire") and the Calder claimants hereby agree to settle and compromise in full the claims of the Calder claimants by (a) Westchester Fire paying $2,942,014, and (b) the Debtors causing to be paid, or directing RLI Insurance Company ("RLI") to pay, to the Calder claimants from the proceeds of the Debtors' bond that is returnable to the estate (Bond Number RSB4174412) the full amount of that bond that they posted for the Calder appeal ($1,057,986.31). The forgoing payments shall be made within thirty days of the Payment Date but shall be further subject to the exchange of full and mutual releases, compliance with Medicare secondary payer requirements and the dismissal with prejudice of the Calder appeal. The automatic stay will remain in place through the Payment Date. If the Debtors are unable to deliver to the Calder claimants the full amount of their bond ($1,057,986.31) from the proceeds of the Debtors' bond, for reasons beyond their control, the Debtors and/or the Calder claimants shall be free to go forward with their appeal(s) and otherwise prosecute their claims and, if they opt to do so, the other parties to this settlement of the Calder claims shall be relieved of their obligations under this paragraph.

## I. Old Republic Specific Terms

30. To settle all matters between Old Republic Insurance Company ("ORIC") and the Debtors, ORIC will waive any distribution from the Debtors on account of its reimbursement claim against the Debtors, and will withdraw its Proofs of Claim. ORIC, however, retains all of its rights to proceed against and realize the proceeds of a letter of credit in the amount of $3,000,000, which it may do so upon the Payment Date and without further order of the court.

## J. Dispute Resolution

31. After this Term Sheet is fully executed, any disputes concerning the memorialization of the terms of this Term Sheet into the Chapter 11 Plan shall be subject to non-binding mediation by Hon. Richard Cohen (Ret.), or if he is not available, another neutral mediator experienced with bankruptcy insurance coverage settlements. If Hon. Richard Cohen (Ret.) is not available and the parties cannot agree upon an alternative candidate, then the administrator of JAMS' New York office shall appoint a substitute neutral mediator, subject to the consent of all Settling Parties, to perform that function. The Settling Parties further agree that any disputes not resolved through mediation shall be submitted to the Bankruptcy Court and all Settling Parties agree to the jurisdiction of the Bankruptcy Court to hear such disputes and consent to the authority of the Bankruptcy Court to enter any final orders regarding such disputes.

## K. Confidentiality

32. Subject to disclosure obligations imposed by law, the fact and terms of this Settlement shall be maintained as confidential until the filing of the Settlement Approval Motion. The Settling Parties can waive this confidentiality requirement at any time upon mutual written consent.

## L. Media

33. If any Settling Party requests from the other Settling Parties to issue any public statement regarding the Settlement, the Settling Parties shall agree on the terms and language of one joint press statement with respect to this Settlement to be released to the public at a mutually agreed upon time, but in no instance until after the filing of the Settlement Approval Motion. No Settling Party shall make any other statements to the media concerning the Settlement, except that the Settling Parties may refer the media to the press statement and any court filings not under seal. This Paragraph shall not preclude plaintiffs' counsel from identifying on their respective web sites and in any other materials describing their respective law firms, the fact that they were one of the counsel involved in the Settlement.

## M. No Admission of Liability

34. The Chapter 11 Plan shall recite that: (1) the Debtors, Wal-Mart and the Participating Insurers deny liability for the Blitz Personal Injury Claims asserted; (2) neither the Chapter 11 Plan nor this Term Sheet, nor any other item pertaining to the Settlement contemplated herein, shall be offered in any other case or proceeding, including as evidence of any admission by the Debtors, Wal-Mart or a Participating Insurer of any liability with respect to any claim for damages or other relief; and (3) any stipulation or admission by the Debtors, Wal-Mart or a Participating Insurer contained in this Term Sheet, the Chapter 11 Plan or in any other document pertaining to the Settlement, is made for settlement purposes only.

## N. Other Provisions

35. The Settling Parties will agree on language to be included in the Chapter 11 Plan or related documents on the following provisions, which language shall be consistent with customary and usual provisions in similar Wal-Mart settlement agreements (and not inconsistent with the Terms of this Term Sheet): (1) providing for the return or destruction of discovery materials provided by Wal-Mart in any of the personal injury actions; and (2) establishment of the Plan Trust as a Qualified Settlement Fund pursuant to the Internal Revenue Code and related regulations, which language shall be acceptable to Wal-Mart and the Participating Insurers.

## O. Authority

36. The signatories hereto declare, warrant, and represent that they have agreed to the terms of this Term Sheet and that they have all requisite authority to enter into this Term Sheet. This Term Sheet may be signed in counterparts. Any revisions, amendments or modifications to the express terms of this Term Sheet shall only be effective if in writing, and if executed by each of the Settling Parties.

## P. Condition Precedent

37. It shall be a condition precedent to the effectiveness of this Settlement that there be a BAH Settlement and that such BAH Settlement be approved by the Bankruptcy Court as part of the Confirmation Order, which order shall be a final order.

**WHEREFORE, intending to be legally bound to the foregoing, the Settling Parties hereby acknowledge their agreement to the Term Sheet by execution below.**

**DEBTORS**

Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC, LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

Blitz USA, Inc.

By: _____

Its: CEO

Dated: _____

LAM 2011 Holdings, LLC

By: _____

Its: _____

Dated: _____

Blitz Acquisition Holdings, Inc.

By: _____

Its: _____

Dated: _____

**WHEREFORE, intending to be legally bound to the foregoing, the Settling Parties hereby acknowledge their agreement to the Term Sheet by execution below.**

**DEBTORS**

Blitz USA, Inc., Blitz Acquisition, LLC, Blitz RE Holdings, LLC and Miami OK, LLC f/k/a F3 Brands LLC, LAM 2011 Holdings, LLC and Blitz Acquisition Holdings, Inc.

Blitz USA, Inc.

By: _____

Its: _____

Dated: _____

LAM 2011 Holdings, LLC

By: _____

Its: Director

Dated: 7/24/2013

Blitz Acquisition Holdings, Inc.

By: _____

Its: Director

Dated: 7/24/2013

Blitz Acquisition, LLC

By: _____

Its: CEO

Dated: _____

Blitz RE Holdings, LLC

By: _____

Its: CEO

Dated: _____

Miami OK, LLC f/k/a/ F3Brands LLC

By: _____

Its: CEO

Dated: _____

**COMMITTEE**

By: _____

Dated: _____

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: _____

Dated: _____

**COMMITTEE, CO-CHAIR**

I am one of the two co-chairs of the Official Committee of Unsecured Creditors, and have represented to the Settling Parties that the Committee consents to the Debtors' execution of the Term Sheet and entry into the Settlement.

By: _____

Dated: _____

**JARDEN PLASTIC SOLUTIONS, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**BECKUM AMERICA CORPORATION, IN ITS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RONALD W. MILLS, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**ERIC BALCH, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**DAVID *CALDER*, INDIVIDUALLY AND IN HIS CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**KAREN GUENIOT-KORNEGAY, INDIVIDUALLY AND IN HER CAPACITY AS A MEMBER OF THE COMMITTEE**

By: _____

Dated: _____

**RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC, AS ATTORNEYS FOR RONALD W. MILLS, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**WATTS, GUERRA & CRAFT, AS ATTORNEYS FOR ERIC BALCH, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**THE ANDERSON LAW FIRM, AS ATTORNEYS FOR DAVID *CALDER*, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**BRENEMAN DUNGAN, AS ATTORNEYS FOR KAREN GUENIOT-KORNEGAY, A MEMBER OF THE COMMITTEE, AND AS ATTORNEYS FOR ALL OTHER CLIENTS IDENTIFIED ON EXHIBIT 1**

By: _____

Dated: _____

**OLD REPUBLIC INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST MERCURY INSURANCE COMPANY**

By: _____

Dated: _____

**FIRST SPECIALTY INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY SURPLUS INSURANCE CORPORATION**

By: _____

Dated: _____

**LIBERTY INSURANCE UNDERWRITERS INC.**

By: _____

Dated: _____

ARCH INSURANCE COMPANY

By: _____

Dated: _____

CONTINENTAL CASUALTY COMPANY

By: _____

Dated: _____

WESTCHESTER FIRE INSURANCE COMPANY

By: _____

Dated: _____

WESTCHESTER SURPLUS LINES INSURANCE COMPANY

By: _____

Dated: _____

ENDURANCE AMERICAN SPECIALTY INSURANCE COMPANY

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

By: _____

Dated: _____

**INTERSTATE FIRE AND CASUALTY INSURANCE COMPANY**

By: _____

Dated: _____

**NAVIGATORS SPECIALTY INSURANCE COMPANY**

By: _____

Dated: _____

**AXIS SURPLUS INSURANCE COMPANY**

By: _____

Dated: _____

**WAL-MART STORES, INC.**

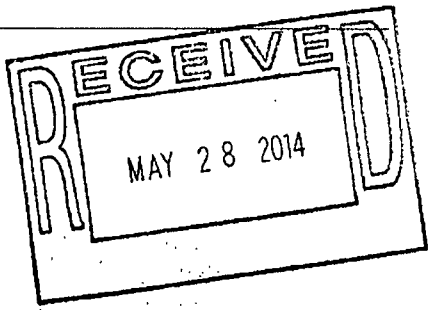
By: _____

Dated: _____

Danny C. Crowe, Esq.
danny@crowelafave.com
803-724-5728
Matthew C. LaFave, Esq.
matt@crowelafave.com
803-724-5727

CROWE LAFAVE LLC
ATTORNEYS AT LAW

P.O. Box 1149
Columbia, SC 29202
contact@crowelafave.com




May 20, 2014

Mark D. Ball, Esquire
Peters, Murdaugh, Parker,
Eltzroth & Detrick, P.A.
P.O. Box 457
Hampton, SC 29924

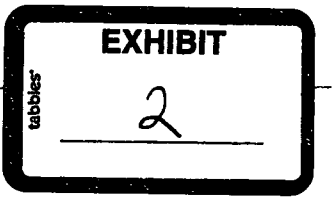
RE: Melinda Cook v. Blitz U.S.A., Inc., Fred's Inc., Tiger Express Varnville, LLC, & James Nix
Civil Action No. 2013-CP-25-352
Alice B. Hazel as GAL for Jacob C. Nix v. Blitz U.S.A., Inc., Fred's Inc., Tiger Express Varnville, LLC, & James Nix
Civil Action No. 2013-CP-25-351
Claim No. B460900206-0001-01
Our File No. 301-00032

Dear Mark:

Please find enclosed the Stipulations of Dismissal you had previously submitted to me for signature in the above captioned civil actions. I have also enclosed two additional Stipulations of Dismissal addressing the dismissal of my client, Fred's Stores of Tennessee, Inc., whom you have incorrectly identified as Fred's Inc. in each complaint. I trust the basis for my seeking these dismissals is fairly clear from the language utilized therein.

In support of my request for the dismissals I am producing you with some of the applicable pleadings on file with the Bankruptcy Court, which provide further support for my request that Fred's be dismissed from this matter as well. There are many issues, which relate to this instant claim covered in these pleadings, but I will draw your attention to a few specific items. Initially, on Page 33 of the document titled Findings of Fact, Conclusions of Law and Order Confirming Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation there is a notation that the "Blitz Personal Injury Trust shall defend and indemnify the Indemnified Parties in connection with any proceeding involving, relating to or arising out of, in whole or in part, the enforcement and enforceability of the Channeling Injunction." Additionally, on that same page there is reference to the enjoinment of judicial actions, which, because my client is a "Protected Party" as later defined in the Plan, should result in this matter being "stayed, enjoined or otherwise prohibited from continuation ...." Furthermore, on Page 50 there are references to claims arising between July 31, 2007 and July 31, 2012 involving "Additional Insured" receiving a release upon application of the Channeling Injunction. This claim obviously fits within the date range as it occurred November 5, 2010 and involves Fred's Stores of Tennessee, Inc. who was an additional insured under the Participating Insurer Policies. Also included you will see on Page 16 of Exhibit B: Blitz Personal Injury Trust Agreement a section entitled "(c) Vendor Claims, Co-Defendant Claims and Direct Action Claims," which states in pertinent part "Vendor Claims, Co-Defendant Claims and Direct Action Claims shall be channeled to the Blitz Personal Injury Trust and will be subject to the Channeling Injunction. Holders of Vendor Claims, Co-Defendant Claims and Direct Action Claims shall receive the Releases and the benefit of the Channeling Injunction and shall retain their rights, if any, with respect to the Assigned Blitz Insurance Policies ...."





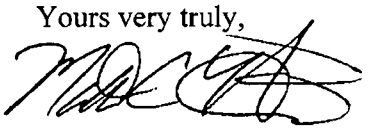
I have also attached a Motion for Order Under 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002, 6004, and 909 Approving Settlement and Authorizing Debtors to (I) Compromise, Settle Release and Dismiss Claims of and Against the Debtors Pursuant to Insurance Term Sheet, and (II) Sell Certain Insurance Policies Back to the Participating Insurers Free and Clear of Liens, Claims Interests and Other Encumbrances. On Pages 10-11 you will see the intent was the "(a) channel to the Plan Trust all Blitz Personal Injury Claims against the Debtors, Wal-Mart, the Debtors' other vendors, retailers and distributors (collectively, "Vendors"), the additional insureds on the Subject Policies, and the Participating Insurers, and (b) permanently enjoin the prosecution, commencement or continuation of litigation of Blitz Personal Injury Claims. Page 2 of the Term sheet contains the definition of the "Channeling Injunction as well as identification of the "Participating Insurers", which includes Old Republic Insurance Company and First Specialty Insurance Corporation. Page 3 defines "Released Parties" as "any other person or entity insured under the Subject Policies, including, but not limited to (i) any distributor or retailer of Debtors' products. In support of my contention that my client is entitled to the protections of the Channeling Injunction as an "additional insured" as noted on Page 10-11 and a "Released Party" as defined on Page 3 I have included a Certificate of Liability Insurance denoting Fred's as a Certificate Holder, which is synonymous with additional insured. You will note that the Excess/Umbrella Liability Policy insured by First Specialty Insurance Company and the Products Liability Policy insured by Old Republic Insurance Company are specifically identified on Page 30 of the Term Sheet as participating insurers.

Please review the enclosed documents and return the signed Stipulation of Dismissal for filing with the Court. I have prepared the dismissals in the same format as your Dismissals for Blitz U.S.A., Inc. In the event you refuse to sign the enclosed please advise at your earliest convenience of the basis for your denial so that I can move forward with the court seeking a stay or permanent enjoinment from the court in these cases.

I look forward to hearing from you in regards to this matter. I can be reached at (803) 724-5727.

With kind regards, I am

Yours very truly,



Matthew C. LaFave
Crowe LaFave, LLC

MCL
Enclosures

cc: Karl Brehmer, Esquire (w/ Dismissals enclosed)
Bradley McAdory, Fred's (via email only & w/o enclosures)
Shonda Sanders, Fred's (via email only & w/o enclosures)
Sherrie Johnson, Fred's (via email only & w/o enclosures)

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| | ) | |
| MELINDA COOK, | ) | CIVIL ACTION NO.: 2013-CP-25-352 |
| | ) | |
| Plaintiff, | ) | |
| | ) | |
| v. | ) | **STIPULATION OF DISMISSAL** |
| | ) | |
| BLITZ U.S.A., INC., FRED'S INC., TIGER EXPRESS VARNVILLE, LLC & JAMES NIX, | ) | |
| | ) | |
| Defendants. | ) | |

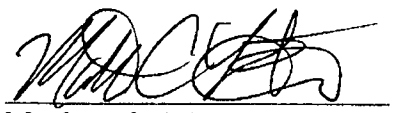
Pursuant to Rule 41 (a)(1)(B) of the South Carolina Rules of Civil Procedure, the undersigned hereby stipulate that this matter shall be and hereby is dismissed without prejudice, against the Defendant, Blitz U.S.A., Inc. It appears the Defendant, Blitz U.S.A. Inc. has currently filed for bankruptcy protection under Chapter 11 in the United States Bankruptcy Court, Case No.11-13603 (PJW). That as such the Plaintiff recognizes the automatic stay is in place protecting Blitz U.S.A. Inc. from any further action. It is therefore stipulated by the parties that Blitz U.S.A. Inc. be stricken from the caption and dismissed without prejudice.

WE SO STIUPLATE:

4/16/14

Mark D. Ball
Peters, Murdaugh, Parker, Eltzroth & Detrick, PA
Post Office Box 457
Hampton, SC 29924
803-943-2111
Attorneys for Plaintiff

Karl S. Brehmer
Brown & Brehmer
Post Office Box 7966
Columbia, SC 29202
(803) 771-6600
Attorneys for Defendant, Tiger Express Varnville, LLC



Matthew C. LaFave
Crowe Lafave, LLC
Post Office Box 1149
Columbia, SC 29202-1481
(803) 724-5727
Attorneys for Defendant, Fred's Stores of Tennessee, Inc.

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| | ) | |
| COUNTY OF HAMPTON | ) | CIVIL ACTION NO.: 2013-CP-25-351 |
| | ) | |
| ALICE B. HAZEL AS GAL FOR JACOB C. NIX, | ) | |
| Plaintiff, | ) | |
| | ) | |
| v. | ) | **STIPULATION OF DISMISSAL** |
| | ) | |
| BLITZ U.S.A., INC., FRED'S INC., TIGER EXPRESS VARNVILLE, LLC & JAMES NIX, | ) | |
| Defendants. | ) | |

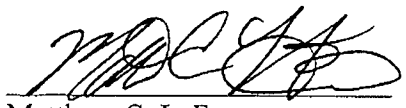
Pursuant to Rule 41 (a)(1)(B) of the South Carolina Rules of Civil Procedure, the undersigned hereby stipulate that this matter shall be and hereby is dismissed without prejudice, against the Defendant, Blitz U.S.A., Inc. It appears the Defendant, Blitz U.S.A. Inc. has currently filed for bankruptcy protection under Chapter 11 in the United States Bankruptcy Court, Case No.11-13603 (PJW). That as such the Plaintiff recognizes the automatic stay is in place protecting Blitz U.S.A. Inc. from any further action. It is therefore stipulated by the parties that Blitz U.S.A. Inc. be stricken from the caption and dismissed without prejudice.

WE SO STIPULATE:

4/16/14

Mark D. Ball
Peters, Murdaugh, Parker, Eltzroth & Detrick, PA
Post Office Box 457
Hampton, SC 29924
803-943-2111
Attorneys for Plaintiff

Karl S. Brehmer
Brown & Brehmer
Post Office Box 7966
Columbia, SC 29202
(803) 771-6600
Attorneys for Defendant, Tiger Express Varnville, LLC



Matthew C. LaFave
Crowe Lafave, LLC
Post Office Box 1149
Columbia, SC 29202-1481
(803) 724-5727
Attorneys for Defendant, Fred's Stores of Tennessee, Inc.

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| | ) | THE FOURTEENTH JUDICIAL CIRCUIT |
| COUNTY OF HAMPTON | ) | C/A NO.: 2013-CP-25-352 |
| | ) | |
| MELINDA COOK, | ) | |
| | ) | |
| PLAINTIFF, | ) | |
| | ) | |
| VS. | ) | **STIPULATION OF DISMISSAL** |
| | ) | |
| BLITZ, U.S.A., INC., FRED'S INC., TIGER EXPRESS VARNVILLE, LLC, & JAMES NIX, | ) | |
| | ) | |
| DEFENDANTs, | ) | |
| | ) | |

PURSUANT TO RULE 41(a)(1)(B) of the South Carolina Rules of Civil Procedure, there undersigned hereby stipulate that this matter shall be and hereby is dismissed without prejudice against the Defendant, Fred's Stores of Tennessee, Inc., incorrectly identified as Fred's Inc. It appears that this claim is subject to a Channeling Injunction in association with the Chapter 11 bankruptcy proceedings filed by Defendant, Blitz U.S.A., Inc. in the United States Bankruptcy Court, Case No. 11-13603 (PJW). That as such the Plaintiff recognizes the automatic stay is in place protecting Defendant, Fred's Stores of Tennessee, Inc. from any further action.

Therefore, it is stipulated by the parties that Defendant, Fred's Stores of Tennessee, Inc., incorrectly identified as Fred's, Inc. be stricken from the caption and dismissed without prejudice.

WE SO STIPULATE:

_____

Mark D. Ball, Esquire
Peters, Murdaugh, Perker, Eltzroth & Detrick
P.O. Box 457
Hampton, SC 29924
Phone: 803.943.2111
Attorney for the Plaintiff

_____, South Carolina

_____, 2014

_____

Matthew C. LaFave, Esquire
Crowe LaFave, LLC
P.O. Box 1149
Columbia, SC 29202
Phone: 803.724.5727
Attorney for the Defendant, Fred's Stores
Of Tennessee, Inc. incorrectly identified as
Fred's Inc.

_____, South Carolina

_____, 2014

_____

Karl S. Brehmer, Esquire
Brown & Brehmer
P.O. box 7966
Columbia, SC 29202
803.771.6600
Attorney for Defendant, Tiger Express
Varnville, LLC

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| | ) | THE FOURTEENTH JUDICIAL CIRCUIT |
| COUNTY OF HAMPTON | ) | C/A NO.: 2013-CP-25-351 |
| | ) | |
| ALICE B. HAZEL AS GAL FOR JACOB C. NIX, | ) | |
| | ) | |
| PLAINTIFF, | ) | |
| | ) | |
| VS. | ) | **STIPULATION OF DISMISSAL** |
| | ) | |
| BLITZ, U.S.A., INC., FRED'S INC., TIGER EXPRESS VARNVILLE, LLC, & JAMES NIX, | ) | |
| | ) | |
| DEFENDANTs, | ) | |
| | ) | |

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Therefore, it is stipulated by the parties that Defendant, Fred's Stores of Tennessee, Inc., incorrectly identified as Fred's, Inc. be stricken from the caption and dismissed without prejudice.

WE SO STIPULATE:

_____

Mark D. Ball, Esquire
Peters, Murdaugh, Perker, Eltzroth & Detrick
P.O. Box 457
Hampton, SC 29924
Phone: 803.943.2111
Attorney for the Plaintiff

_____, South Carolina

_____, 2014

_____

Matthew C. LaFave, Esquire
Crowe LaFave, LLC
P.O. Box 1149
Columbia, SC 29202
Phone: 803.724.5727
Attorney for the Defendant, Fred's Stores
Of Tennessee, Inc. incorrectly identified as
Fred's Inc.

_____, South Carolina

_____, 2014

_____

Karl S. Brehmer, Esquire
Brown & Brehmer
P.O. box 7966
Columbia, SC 29202
803.771.6600
Attorney for Defendant, Tiger Express
Varnville, LLC

STATE OF SOUTH CAROLINA )
) IN THE COURT OF COMMON PLEAS
COUNTY OF HAMPTON ) FOURTEENTH JUDICIAL CIRCUIT
)
) CASE NO.: 2013-CP-25-352
)
Melinda Cook, ) **MOTION AND ORDER INFORMATION**
Plaintiff, ) **FORM AND COVERSHEET**
vs. )
)
Blitz U.S.A., Inc., Fred's, Inc., Tiger Express Varnville, LLC, and James Nix, )
Defendant. )

| Plaintiff's Attorney: | Defendant's Attorney: |
|---|---|
| Mark D. Ball, Bar No. _____ | Matthew C. LaFave, Bar No. 75365 |
| Address: | Address: |
| P.O. Box 457, Hampton, SC 29924 | P.O. Box 1149, Columbia, SC 29202 |
| Phone: 803-943-2111 Fax 803-941-3943 | Phone: 803-724-5727 Fax 803-724-5726 |
| E-mail: mball@pmped.com Other: | E-mail: mlafave@allen-kopet.com Other: |

☒ **MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III)**
☐ **FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III)**
☐ **PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)**

**SECTION I: Hearing Information**

Nature of Motion: Motion to Permanently Enjoin or Alternatively to Stay Proceedings
Estimated Time Needed: 30 minutes Court Reporter Needed: ☒ **YES**/☐ **NO**

**SECTION II: Motion/Order Type**

☐ Written motion attached
☐ Form Motion/Order
I hereby move for relief or action by the court as set forth in the attached proposed order.

_____ _____
Signature of Attorney for ☐ Plaintiff / ☐ Defendant Date submitted

**SECTION III: Motion Fee**

☒ PAID – AMOUNT: $ 25.00
☐ EXEMPT: (check reason)
☐ Rule to Show Cause in Child or Spousal Support
☐ Domestic Abuse or Abuse and Neglect
☐ Indigent Status ☐ State Agency v. Indigent Party
☐ Sexually Violent Predator Act ☐ Post-Conviction Relief
☐ Motion for Stay in Bankruptcy
☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP)
☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions
Name of Court Reporter: _____
☐ Other: _____

| **JUDGE'S SECTION** | |
|---|---|
| ☐ Motion Fee to be paid upon filing of the attached order. | JUDGE CODE _____ |
| ☐ Other: | Date: _____ |

**CLERK'S VERIFICATION**

Collected by: _____ Date Filed: _____
☐ MOTION FEE COLLECTED: $ _____
☐ CONTESTED – AMOUNT DUE: $ _____

SCCA 233 (11/2003)

EXHIBIT
3

| | |
|---|---|
| STATE OF SOUTH CAROLINA<br><br>COUNTY OF HAMPTON<br><br>MELINDA COOK,<br><br>Plaintiffs,<br><br>vs.<br><br>BLITZ U.S.A., INC., FRED'S, INC., TIGER EXPRESS VARNVILLE, LLC, AND JAMES NIX,<br><br>Defendants. | COURT OF COMMON PLEAS<br><br>IN THE FOURTEENTH JUDICIAL CIRCUIT<br><br>Civil Action No. 2013-CP-25-352<br><br>**NOTICE OF MOTION AND MOTION TO PERMANENTLY ENJOIN OR ALTERNATIVELY TO STAY PROCEEDINGS AS TO DEFENDANT, FRED'S STORES OF TENNESSEE, INC.** |

**TO: MARK BALL, EQSUIRE, ATTORNEY FOR PLAINTIFF:**

YOU WILL PLEASE TAKE NOTICE that the undersigned, as attorney for Defendants, will move before the Court at a time and date set by the Court for an Order to stay the proceedings of the above captioned action respective to the Defendant, Fred's Stores of Tennessee, Inc. incorrectly identified as Fred's, Inc. Defendant, Fred's Stores of Tennessee, Inc. would show the following:

1. Plaintiff commenced this action on or about November 5, 2013, in which she asserts three causes of action including negligence, strict liability, and breach of warranty. Specifically, Plaintiff alleges that her son was injured when a gas can, containing kerosene, exploded as it was being used in an attempt to reignite a fire. Plaintiff seeks damages for personal injuries, pain and suffering, and other injuries allegedly arising out of the incident.

2. Defendant, Blitz U.S.A., Inc. filed for Chapter 11 Bankruptcy in United States Bankruptcy Court for the District Delaware on November 9, 2011.

3. Upon learning of the Chapter 11 filing by Defendant Blitz U.S.A., Inc. a claim was made against the personal injury trust that was established in conjunction with those

proceedings, on behalf of Plaintiff's injured son by and through Alice Hazel as Guardian Ad Litem, thereby making Jacob Nix a "Participating Blitz Personal Injury Claimant." *See* Exhibit A, specifically page 25 of the term sheet, attached hereto.

4. The Bankruptcy Plan created a personal injury trust, which specifically accounted for claims arising from incidents between July 31, 2007 and July 31, 2012, with this incident having occurred November 9, 2012.

5. A Confirmation Hearing took place on January 28, 2014 to consider confirmation of *Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation*. *See* Exhibit B, attached hereto.

6. Contained within the *Findings of Fact Conclusions of Law and Order Confirming Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* is a section addressing enjoinment of judicial actions, which states specifically: "Effective on the Effective Date, without any further action of the Court or other entity, any suit, legal action, or other proceeding (including a judicial, arbitration, administrative or other proceeding) in any forum in the United States against or affecting any Protected Party, shall be stayed, enjoined or otherwise prohibited from continuation as to any Protected Party except for those parties excepted from the channeling injunction provided in paragraph 10(b) of this Confirmation Order." *See* Exhibit B, attached hereto.

7. As an additional component of the bankruptcy proceedings a "Channeling Injunction" was established pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code that "(i) permanently enjoins and channels to the Plan Trust all Blitz Personal Injury Claims, and (ii) permanently enjoins the prosecution of all Blitz Personal Injury Claims against any Released Party." *See* Exhibit A, attached hereto, specifically page 2 of the Term Sheet.

8. "Released Parties" is defined as "Debtors, Participating Insurers, Wal-Mart, and any other person or entity insured under the Subject Policies, including, but not limited to (i) any distributor or retailer of Debtors' products...." *See* Exhibit A, specifically page 3 of the Term Sheet, attached hereto.

9. Defendant, Fred's Stores of Tennessee, Inc. was for the applicable period of time established for claims in the Bankruptcy Plan, was an additional insured under two participating insurers and was a distributor/retailer of Debtors' products. *See* Exhibits A, specifically page 30 of the Term Sheet and C, attached hereto.

10. On account of Jacob Nix being a "Participating Blitz Personal Injury Claimant" and Defendant, Fred's Stores of Tennessee, Inc. qualifying as a "Released Party" the "Channeling Injunction" applies to this suit. *See* Exhibit D, specifically pages 10-12, attached hereto.

11. Defendant, Fred's Stores of Tennessee, Inc. asserts they are entitled to have these proceedings permanently enjoined or alternatively stayed consistent with the Bankruptcy Plan of Defendant, Blitz U.S.A., Inc.

WHEREFORE, Defendant, Fred's Stores of Tennessee, Inc. respectfully request that this Court issue an Order to permanently enjoin or alternatively stay the instant proceedings against this Defendant. This Motion is based on the attached exhibits and applicable law.

***(SIGNATURE PAGE FOLLOWS)***

RESPECTFULLY SUBMITTED,

Matthew C. LaFave, SC Bar No. 75365
**CROWE LAFAVE, LLC**
Post Office Box 1149
Columbia, South Carolina 29202
803.724.5727 (office)
803.724.5726 (fax)
matt@crowelafave.com
Attorney for Defendant

This 26th Day of August 2014
Columbia, South Carolina

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF HAMPTON
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE
CASE NUMBER 2013CP2500352

FILED
NOV 18 2014
CLERK OF COURT
HAMPTON COUNTY

| PLAINTIFF(S) | DEFENDANT(S) |
|---|---|
| Melinda Cook | Blitz Usa, Inc-Dismissed<br>Tiger Express Varnville, Llc<br>Fred'S Inc<br>James Nix |
| Submitted by: CLERK OF COURT | Attorney for: ☐ Plaintiff ☐ Defendant<br>☐ Self-Represented Litigant |

**DISPOSITION TYPE (CHECK ONE)**

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered. ☐ See Page 2 for additional information.

☐ **ACTION DISMISSED (*CHECK REASON*):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other: _____

☐ **ACTION STRICKEN (*CHECK REASON*):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):** ☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other: _____

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

**IT IS ORDERED AND ADJUDGED:** ☐ See attached order; (formal order to follow) ☐ Statement of Judgment by the Court:

**ORDER INFORMATION**

**This order** ☐ ends ☒ does not end the case.
Additional Information for the Clerk: ORDER FILED 11-18-2014 SIGNED BY JUDGE BUCKNER

**INFORMATION FOR THE JUDGMENT INDEX**
**Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.**

| Judgment in Favor of (List name(s) below) | Judgment Against (List name(s) below) | Judgment Amount To be Enrolled (List amount(s) below) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. **Note: Title abstractors and researchers should refer to the official court order for judgment details.**

**Circuit Court Judge** **Judge Code** **Date**

CPFORM4Cm
SCCA SCRCP Form 4C (Revised 3/2013)

EXHIBIT
tabbies
4

## For Clerk of Court Office Use Only

This judgment was entered on , and a copy mailed first class or placed in the appropriate attorney's box on , to attorneys of record or to parties (when appearing pro se) as follows:

**Mark David Ball** PO Box 457 101 Mulberry St. Hampton, SC 29924

**ATTORNEY(S) FOR THE PLAINTIFF(S)**

**Karl Stephen Brehmer** PO Box 7966 Columbia, SC 29202
**Matthew Clark LaFave** PO Box 1149 Columbia, SC 29202

**ATTORNEY(S) FOR THE DEFENDANT(S)**

Mylinda D Nettles

**Court Reporter**

**Mylinda Nettles - Clerk of Court**

**ADDITIONAL INFORMATION REGARDING DECISION BY THE COURT AS REFERENCED ON PAGE 1.**

This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| COUNTY OF HAMPTON | ) | FOURTEENTH JUDICIAL CIRCUIT |
| MELINDA COOK, | ) | CIVIL ACTION NO. 2013-CP-25-352 |
| Plaintiff, | ) | |
| v. | ) | **ORDER** |
| BLITZ U.S.A., INC., FRED'S, INC., TIGER EXPRESS VARNVILLE, LLC, AND JAMES NIX | ) | |
| Defendants. | ) | |

2014 NOV 18 PM 12:50
RAYLINDA D. HEITLES
CLERK OF COURT
HAMPTON COUNTY, S.C.

This matter came before the Court on Defendant Fred's Stores of Tennessee, Inc. ("Defendant" or "Fred's") Motion to Permanently Enjoin or Alternatively to Stay Proceedings as to Fred's. The Court heard the Motion on October 27, 2014. Present for Defendant was Matthew C. LaFave. Present for Plaintiff Melinda Cook ("Cook") was Mark D. Ball. Cook submitted a Memorandum in Opposition to Defendant Fred's Motion to Permanently Enjoin or Alternatively to Stay Proceedings. Cook made a Motion to Amend the Complaint at the hearing. Dale E. Lang, Jr., appeared on behalf of Defendant Tiger Express Varnville, LLC, and stated Tiger Express took no position as to Fred's Motion. After reviewing the parties' submissions and hearing argument from counsel for Fred's and Cook, the Court denies Fred's Motion and grants Cook's Motion to Amend the Complaint.

This case arises out of alleged severe burn injuries suffered by Cook's minor son, Jacob C. Nix ("Nix"), resulting from an allegedly defective gas can manufactured by Blitz USA, Inc., and sold by Fred's. On November 5, 2010, Nix suffered burns to a significant portion of his body when a Blitz gas can used by his father exploded, spraying fuel onto Nix. Cook filed this action on November 5, 2013, against Defendants Blitz USA, Inc; Fred's, Inc.; Tiger Express

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Varnville, LLC; and James Nix. Cook's original Complaint asserted general negligence and products liability causes of action against Fred's. Before this Court is a Motion to Amend the Complaint to dismiss any cause of action against Blitz USA without prejudice and remove the products liability cause of action against Fred's.

Defendant Blitz and its related entities filed for Chapter 11 bankruptcy in November 2011 in the United States Bankruptcy Court for the District of Delaware. In re Blitz USA, Inc., et al., Case No. 11-13063 (Bankr. Del.). Fred's is not a related entity of Blitz and was not a party to the bankruptcy proceeding. As part of the resolution of its bankruptcy and liquidation, Blitz sought to settle its products liability claims for dozens of personal injury claims pending and anticipated across the country, in addition to settling claims of its other creditors. On July 24, 2013, Blitz filed a *Motion for Order Under 11 U.S.C. §§ 105 and 363 and Fed. R. Bankr. P. 2002, 6004, and 9019 Approving Settlement and Authorizing Debtors to (I) Compromise, Settle Release and Dismiss Claims of and Against the Debtors Pursuant to Insurance Term Sheet, and (II) Sell Certain Insurance Policies Back to the Participating Insurers Free and Clear of Liens, Claims, Interests and Other Encumbrances.* On January 30, 2014, the Bankruptcy Court filed *Findings of Fact, Conclusions of Law and Order Confirming Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* ("Bankruptcy Order"). The Order approved the proposed "First Amended Joint Plan of Liquidation" ("Plan").

The Bankruptcy Order contains a release of the Blitz debtors, Participating Insurers, and Protected Parties[1] from liability only for Blitz Personal Injury Claims.[2] Fred's argues that the

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[1] A Protected Party includes a vendor of Blitz gas cans. (Plan, p. 22).

[2] A "Blitz Personal Injury Claim" is defined as:

> All Claims for damages or other relief for, based upon, arising out of, relating to or in any way involving bodily injury and/or property damage that occurred on or before 12:01

negligence claim by Cook is a released Blitz Personal Injury Claim included in the channeling injunction as "any direct action claims by a claimant against the Participating Insurers." (Plan, p. 8).

Finally, under the channeling injunction, a "Blitz Personal Injury Trust Claim against the Protected Parties, or any of them, shall be permanently stayed, restrained, and enjoined," and "channeled" to the Trust, unless the claim falls within an exception to the channeling injunction or is otherwise not within the scope of the claims covered by the Trust. (Bankruptcy Order, p. 30). The injunction basically provides that a claim covered by a Blitz insurance policy that paid into the Trust is "channeled" to the trust and otherwise enjoined. One exception to the channeling injunction is "the rights of any Entity to assert any claim, debt, obligation or liability for payment against a Non-Participating Insurer." (Bankruptcy Order, pp. 31-32).

"[T]he interpretation of a judgment is a question of law for the court." Doe v. Bishop of Charleston, 407 S.C. 128, 134, 754 S.E.2d 494, 498 (2014). "The power of the court to grant an injunction is in equity." Strategic Res. Co. v. BCS Life Ins. Co., 367 S.C. 540, 544, 627 S.E.2d 687, 689 (2006). "The remedy of an injunction is a drastic one and ought to be applied with caution." Id. at 544, 627 S.E.2d at 689. "A motion to amend is addressed to the sound discretion of the trial judge." Parker v. Spartanburg Sanitary Sewer Dist., 362 S.C. 276, 286, 607 S.E.2d 711, 716 (Ct. App. 2005).

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Pm B

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> AM CST on July 31, 2012, and shall include asserted claims, whether known or unknown, based upon, arising out of, or in any way involving the products, premises or operations of the Debtors and, without any limitation of the foregoing shall include any such claims against Wal-Mart directly or indirectly relating to the Debtors' products, premises or operations, and any direct action claims by a claimant against the Participating Insurers.

(Plan, p. 8).

Cook made a Motion to Amend the Complaint at the hearing. The Amended Complaint removes the causes of action against Blitz and the products liability causes of action against Fred's. The Court grants Cook's Motion. "Leave to amend pleadings pursuant to Rule 15, SCRCP, shall be liberally and freely given when justice so requires and does not prejudice any other party." Parker, 362 S.C. at 286, 607 S.E.2d at 716. Cook's original Complaint contained a general negligence action—the cause of action remaining against Fred's after dismissal of the products liability claims. The case is still in the early stages of pleadings and discovery due to the bankruptcy stay imposed when Blitz filed bankruptcy. Therefore, Fred's is not prejudiced by a lack of opportunity to refute Cook's general negligence claim.

Cook argues that Cook's general negligence cause of action against Fred's is outside the scope of the injunction and release. "In construing a judgment, it is necessary to determine the intention of the court issuing that judgment. The intended scope of the judgment must be considered when applying the language used." Mason v. Mason, 571 A.2d 787 (Del. 1990); accord Doe v. Bishop of Charleston, 407 S.C. 128, 135, 754 S.E.2d 494, 498 (2014) ("[J]udgments are to be construed like other written instruments. The determinative factor is the intent of the court, as gathered, not from an isolated part thereof, but from all the parts of the judgment itself. Hence, in construing a judgment, it should be examined and considered in its entirety.").

In this case, the judgment to be interpreted is the Order from the Bankruptcy Court. The Order plainly states: "To the extent any third party has a claim against the Participating Insurers, such claim must arise out of an incident subject to coverage under one or more of the Participating Insurer Policies." (Bankruptcy Order, p. 10).

#4
PMB

The Participating Insurance Policy under which Fred's claims an injunction or a stay of proceeding in this case is Old Republic Insurance Company, Policy numbers MWZY58888 and IRE 98445. (Plan, Exh. 6). These Old Republic policies provide coverage for products liability insurance. (Exh. D to Fred's Motion).

Cook's remaining claim against Fred's for general negligence is not a products liability cause of action subject to coverage under a Participating Insurer policy. Therefore, it is not within the scope of the bankruptcy release or injunction and does not involve the property of the bankruptcy debtor—Defendant Blitz U.S.A.

Based on the language of the Bankruptcy Order and exhibits, this Court finds the bankruptcy court intended for the injunction and release to apply to a third party vendor such as Fred's only as to claims covered by a Participating Insurer policy. Cook's general negligence claim is not covered by the products liability Participating Insurer policy under which Fred's is an additional insured. Therefore, Cook's general negligence claim is outside the scope of the injunction and release.

For the reasons stated above, the Court denies Fred's Motion to Permanently Enjoin or Alternatively to Stay Proceedings. The case shall proceed based on the Amended Complaint against the remaining parties Fred's, Tiger Express Varnville, Inc., and James Nix.

#5

**AND IT IS SO ORDERED.**

Dated: November 14, 2014
Walterboro, South Carolina

Perry M. Buckner
Circuit Court Judge

STATE OF SOUTH CAROLINA )
) IN THE COURT OF COMMON PLEAS
COUNTY OF HAMPTON )

MELINDA COOK ) CIVIL ACTION COVERSHEET
Plaintiff(s) )

vs. ) 2013-CP-25-352

FRED'S STORES OF TENNESSEE, INC., TIGER EXPRESS VARNVILLE, LLC & JAMES NIX )
Defendant(s) )

FILED
2015 OCT -1 PM 1:


Submitted By: Mark D. Ball
Address: P.O. Box 457
Hampton, SC 29924

SC Bar #: 12894
Telephone #: (803) 943-2111
Fax #: (803) 943-3943
Other:
E-mail: mball@pmped.com


NOTE: The coversheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this coversheet must be served on the defendant(s) along with the Summons and Complaint.

## DOCKETING INFORMATION (*Check all that apply)*

**If Action is Judgment/Settlement do not complete*

☒ **JURY TRIAL** demanded in complaint. ☐ **NON-JURY TRIAL** demanded in complaint.
☐ This case is subject to **ARBITRATION** pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is subject to **MEDIATION** pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is exempt from ADR. (Proof of ADR/Exemption Attached)

## NATURE OF ACTION *(Check One Box Below)*

**Contracts**
- ☐ Constructions (100)
- ☐ Debt Collection (110)
- ☐ General (130)
- ☐ Breach of Contract (140)
- ☐ Fraud/Bad Faith (150)
- ☐ Failure to Deliver/ Warranty (160)
- ☐ Employment Discrim (170)
- ☐ Employment (180)
- ☐ Other (199)

**Torts - Professional Malpractice**
- ☐ Dental Malpractice (200)
- ☐ Legal Malpractice (210)
- ☐ Medical Malpractice (220)

Previous Notice of Intent Case # 20____-NI-_____-_____

- ☐ Notice/ File Med Mal (230)
- ☐ Other (299)

**Torts – Personal Injury**
- ☐ Conversion (310)
- ☐ Motor Vehicle Accident (320)
- ☐ Premises Liability (330)
- ☒ Products Liability (340)
- ☐ Personal Injury (350)
- ☐ Wrongful Death (360)
- ☐ Assault/Battery (370)
- ☐ Sander/Libel (380)
- ☒ Other (399) **Negligence**

**Real Property**
- ☐ Claim & Delivery (400)
- ☐ Condemnation (410)
- ☐ Foreclosure (420)
- ☐ Mechanic's Lien (430)
- ☐ Partition (440)
- ☐ Possession (450)
- ☐ Building Code Violation (460)
- ☐ Other (499)

**Inmate Petitions**
- ☐ PCR (500)
- ☐ Mandamus (520)
- ☐ Habeas Corpus (530)
- ☐ Other (599)

**Administrative Law/Relief**
- ☐ Reinstate Drv. License (800)
- ☐ Judicial Review (810)
- ☐ Relief (820)
- ☐ Permanent Injunction (830)
- ☐ Forfeiture-Petition (840)
- ☐ Forfeiture—Consent Order (850)
- ☐ Other (899)

**Judgments/Settlements**
- ☐ Death Settlement (700)
- ☐ Foreign Judgment (710)
- ☐ Magistrate's Judgment (720)
- ☐ Minor Settlement (730)
- ☐ Transcript Judgment (740)
- ☐ Lis Pendens (750)
- ☐ Transfer of Structured Settlement Payment Rights Application (760)
- ☐ Confession of Judgment (770)
- ☐ Petition for Workers Compensation Settlement Approval (780)
- ☐ Other (799)

**Appeals**
- ☐ Arbitration (900)
- ☐ Magistrate-Civil (910)
- ☐ Magistrate-Criminal (920)
- ☐ Municipal (930)
- ☐ Probate Court (940)
- ☐ SCDOT (950)
- ☐ Worker's Comp (960)
- ☐ Zoning Board (970)
- ☐ Public Service Comm. (990)
- ☐ Employment Security Comm (991)
- ☐ Other (999)

**Special/Complex /Other**
- ☐ Environmental (600)
- ☐ Automobile Arb. (610)
- ☐ Medical (620)
- ☐ Other (699)
- ☐ Sexual Predator (510)
- ☐ Pharmaceuticals (630)
- ☐ Unfair Trade Practices (640)
- ☐ Out-of State Depositions (650)
- ☐ Motion to Quash Subpoena in an Out-of-County Action (660)
- ☐ Pre-Suit Discovery (670)

**Submitting Party Signature:** _____ **Date:** 10/1/15

EXHIBIT 5

**Note:** Frivolous civil proceedings may be subject to sanctions pursuant to SCRCP, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

## FOR MANDATED ADR COUNTIES ONLY

Aiken, Allendale, Anderson, Bamberg, Barnwell, Beaufort, Berkeley, Calhoun, Charleston, Cherokee, Clarendon, Colleton, Darlington, Dorchester, Florence, Georgetown, Greenville, Hampton, Horry, Jasper, Kershaw, Lee, Lexington, Marion, Oconee, Orangeburg, Pickens, Richland, Spartanburg, Sumter, Union, Williamsburg, and York

SUPREME COURT RULES REQUIRE THE SUBMISSION OF ALL CIVIL CASES TO AN ALTERNATIVE DISPUTE RESOLUTION PROCESS, UNLESS OTHERWISE EXEMPT.

**You are required to take the following action(s):**

1. The parties shall select a neutral and file a "Proof of ADR" form on or by the 210th day of the filing of this action. If the parties have not selected a neutral within 210 days, the Clerk of Court shall then appoint a primary and secondary mediator from the current roster on a rotating basis from among those mediators agreeing to accept cases in the county in which the action has been filed.

2. The initial ADR conference must be held within 300 days after the filing of the action.

3. Pre-suit medical malpractice mediations required by S.C. Code §15-79-125 shall be held not later than 120 days after all defendants are served with the "Notice of Intent to File Suit" or as the court directs. (Medical malpractice mediation is mandatory statewide.)

4. Cases are exempt from ADR only upon the following grounds:

    a. Special proceeding, or actions seeking extraordinary relief such as mandamus, habeas corpus, or prohibition;

    b. Requests for temporary relief;

    c. Appeals

    d. Post Conviction relief matters;

    e. Contempt of Court proceedings;

    f. Forfeiture proceedings brought by governmental entities;

    g. Mortgage foreclosures; and

    h. Cases that have been previously subjected to an ADR conference, unless otherwise required by Rule 3 or by statute.

5. In cases not subject to ADR, the Chief Judge for Administrative Purposes, upon the motion of the court or of any party, may order a case to mediation.

6. Motion of a party to be exempt from payment of neutral fees due to indigency should be filed with the Court within ten (10) days after the ADR conference has been concluded.

**Please Note:** **You must comply with the Supreme Court Rules regarding ADR. Failure to do so may affect your case or may result in sanctions.**

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| | ) | |
| COUNTY OF HAMPTON | ) | CIVIL ACTION NO.: 2013-CP-25-352 |
| | ) | |
| MELINDA COOK | ) | |
| | ) | |
| Plaintiff, | ) | |
| | ) | **AMENDED SUMMONS** |
| v. | ) | *(Jury Trial Requested)* |
| | ) | |
| FRED'S STORES OF TENNESSEE, INC., TIGER EXPRESS VARNVILLE, LLC & JAMES NIX, | ) | |
| | ) | |
| Defendants. | ) | |

FILED
2015 OCT -1 PM 1:33
BY LINDA O. KETTLES
CLERK OF COURT
HAMPTON COUNTY, S.C.
BY

**TO THE DEFENDANTS ABOVE-NAMED:**

**YOU ARE HEREBY SUMMONED** and required to answer the complaint herein, a copy of which is herewith served upon you, and to serve a copy of your answer to this complaint upon the subscriber, at P.O. Box 457 Hampton, SC 29924, within thirty (30) days after service hereof, exclusive of the day of such service, and if you fail to answer the complaint, judgment by default will be rendered against you for the relief demanded in the complaint.

PETERS, MURDAUGH, PARKER, ELTZROTH & DETRICK, P.A.

BY: _____

Mark D. Ball
P.O. Box 457
Hampton, SC 29924
(803) 943-2111

ATTORNEYS FOR PLAINTIFF

October 1, 2015
Hampton, South Carolina

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| | ) | |
| COUNTY OF HAMPTON | ) | CIVIL ACTION NO.: 2013-CP-25-352 |
| | ) | |
| MELINDA COOK, | ) | |
| | ) | |
| Plaintiff, | ) | |
| | ) | **AMENDED COMPLAINT** |
| v. | ) | *(Jury Trial Requested)* |
| | ) | |
| FRED'S STORES OF TENNESSEE, INC., TIGER EXPRESS VARNVILLE, LLC & JAMES NIX, | ) | |
| | ) | |
| Defendants. | ) | |

FILED
2015 OCT -1 PM 1:33
RICHARD D. NETTLES
CLERK OF COURT
HAMPTON COUNTY, S.C.

The Plaintiff alleges:

1. That Melinda Cook is a resident of the State of South Carolina and the parent of Jacob C. Nix.; a minor; that this action is brought to recover medical expenses incurred on behalf of Jacob C. Nix.

2. The Defendant Fred's Stores of Tennessee, Inc., is a corporation organized and existing under the laws of a State other than South Carolina but is licensed and doing business in Hampton County the site of the events complained of herein;

3. The Defendant Tiger Express Varnville, LLC, is a corporation organized and existing under the laws of the State of South Carolina, with its primary place of business located in Hampton, South Carolina.

4. The Defendant James Nix was at the time of the incident a citizen and residents of Hampton County South Carolina.

5. On or about November 5, 2010, the Defendant, James Nix was pouring kerosene on a pizza box where a fire had previously been burnt in the yard. While pouring kerosene out of a five (5) gallon gas container manufactured by Blitz U.S.A., Inc., it exploded spraying fuel all over the yard and onto Jacob C. Nix. At the time of the incident, Jacob had been standing ten (10) or fifteen (15) feet behind James Nix;

6. The kerosene contained in the gas container was purchased from the Tiger Express located in Varnville, South Carolina. The five (5) gallon gas container was purchased at the Fred's store located in Varnville, South Carolina.

7. As a direct and proximate result of the accident, Jacob C. Nix. suffered serious and severe injuries and the Plaintiffs have incurred medical expenses as a result of the injuries sustained by her minor son.

8. Prior to the sale of the gas can at issue, Fred's had or should have had reason to know of the dangerous nature of the gas can and chose to continue to sell the product to its customers.

9. The injuries and damages to Jacob C. Nix were due to and proximately caused by the negligent, grossly negligent and reckless conduct of the Defendants in the following particulars:

**FOR A FIRST CAUSE OF ACTION AS TO FRED'S INC.**
**(Negligence)**

10. Each and every allegation contained in this Complaint which is not inconsistent with this cause of action is hereby incorporated by reference as if repeated verbatim herein.

11. Fred's owes a duty of reasonable care to its customers and users of its products, such as Nix, to sell safe products and to stop selling products it knows or should know to be dangerous to the user;

12. Fred's owes a duty of reasonable care to its customers and users of its products in selling a product represented to be safe where Fred's has a pecuniary interest in the sales transactions between Fred's and its customers and users of its products;

13. The injuries and damages were caused by Fred's decision to continue to sell an unsafe gas container which allows the container to be subject to flash back fires, danger of explosions and/or failing to warn the intended users of the known dangers of the containers with volatile substances;

14. The Defendant, Fred's Inc., breached its duty and was negligent in the following particulars:

a. In failing to properly evaluate the fuel container prior to continuing to sell it to the public;

b. In choosing to and continuing to sell the fuel container to customers with knowledge of the dangerous nature of the product;

c. In failing to stop selling the fuel containers Fred's knew to be unsafe;

d. In failing to warn purchasers and users of the container of the risk of serious injury from use of the container;

15. That by reason and in consequence of the Defendant's actions or inactions, the Plaintiff suffered significant and permanent injuries to various parts of his body; that such injuries were of such a nature as to require him to expend monies for doctor's care and other medical necessities; the Plaintiff has suffered and will continue to suffer great pain, humiliation, and mental anguish.

**FOR A FIRST CAUSE OF ACTION AS TO TIGER EXPRESS VARNVILLE, LLC.**
**(Negligence)**

16. Each and every allegation contained in this Complaint which is not inconsistent with this cause of action is hereby incorporated by reference as if repeated verbatim herein.

17. The injuries and damages were caused by a defective nature of the gas container which allows the container to be subject to flash back fires, danger of explosions and/or failing to warn the intended users of the dangers of the containers with volatile substances and; selling kerosene that contained volatile petroleum distillates and additives that increased the flash point, thus causing the kerosene to flash back into a defective container;

18. The Defendant, Tiger Express Varnville, LLC. was negligent in the following particulars:

a. In failing to properly evaluate the fuel it was selling under the label of kerosene to selling it to the public;

b. In failing to warn users of the volatility of the fuel being marketed as kerosene and the risk of serious injury to user of the fuel;

19. That by reason and in consequence of the Defendant's actions or inactions, the Plaintiff suffered significant and permanent injuries to various parts of his body; that such injuries were of such a nature as to require him to expend monies for doctor's care and other medical necessities; the Plaintiff has suffered and will continue to suffer great pain, humiliation, and mental anguish.

**FOR A SECOND CAUSE OF ACTION AS TO TIGER EXPRESS VARNVILLE, LLC.**
**(Strict Liability)**

20. Each and every allegation contained in this Complaint which is not Inconsistent with this cause of action is hereby incorporated by reference as if repeated verbatim herein.

21. The fuel was defective when it left Defendant's control in that it was not reasonably safe for the reasonably foreseeable uses since the fuel flashed and caused the storage container exploded thus causing the Plaintiff to be severely injured while it

was being using in its intended manner.

22. The Defendants placed this defective and unreasonably dangerous fuel into the stream of commerce, expecting it to reach users and consumers without substantial change in condition; that the fuel reached Jamie Nix's hand in substantially the same condition as when sold by Defendant.

23. The injuries and damages suffered by Plaintiff were directly and proximately caused by the defective and unreasonably dangerous condition of the fuel sold by the Defendants.

**FOR A THIRD CAUSE OF ACTION AS TO TIGER EXPRESS VARNVILLE, LLC.**
**(Breach of Warranty)**

24. Each and every allegation contained in this Complaint which is not inconsistent with this cause of action is hereby incorporated by reference as if repeated verbatim herein.

25. At one or more times, Defendant either expressly or by implication, represented and warranted that the fuel was safe for use, fit for the purpose intended, and of merchantable quality.

26. By virtue of Defendant sale of the fuel for use by an ultimate consumer, Defendant warranted to Plaintiff that the fuel was merchantable and fit for the purpose intended.

27. These express and implied warranties became part of the basis of the bargain and were relied upon.

28. The express representations that the fuel was safe, of merchantable quality, and fit for the purpose intended were false.

29. In truth, fuel was not merchantable, nor fit for its intended purpose.

30. As a direct and proximate result of the Defendant breach of its express

and implied warranties of merchantability and fitness for intended use, Plaintiff suffered injuries and damages as set out above.

**AS TO JAMIE NIX**
**(Negligence)**

31. Each and every allegation contained in this Complaint which is not inconsistent with this cause of action is hereby incorporated by reference as if repeated verbatim herein.

a. In failing to keep the Plaintiff and others at a safe distance prior to reigniting the fire; and

b. In failing to use the degree of care expected by another under the same or similar circumstances;

32. That as a result of the described acts and omissions of the Defendants, Plaintiff has endured and continues to suffer severe pain, suffering, emotional distress and mental anguish. In addition, the Plaintiff has incurred expenses such as medical bills and other costs associated with treatment.

33. That as a result of the described acts and omissions of the Defendants, Plaintiff has sustained severe injuries to his entire body.

34. The Plaintiff is informed and believes that he is entitled to judgment against the Defendants, jointly and severally, for both actual and punitive damages, all of which were directly and proximately caused by the Defendants' acts and/or omissions as more fully set forth above, in an amount as may be set and determined by the trier of fact in this matter.

WHEREFORE, Plaintiff prays for judgment against the Defendants for actual damages, together with punitive damages in an appropriate amount, for the costs and

disbursements of this action, and for such other and further relief as the Court may deem just and proper.

PETERS, MURDAUGH, PARKER, ELTZROTH & DETRICK, P.A.

BY: _____

Mark D. Ball
101 Mulberry Street East
P.O. Box 457
Hampton, SC 29924
(803) 943-2111
ATTORNEYS FOR PLAINTIFF

October 1, 2015

| | |
|---|---|
| STATE OF SOUTH CAROLINA<br><br>COUNTY OF HAMPTON<br><br>MELINDA COOK,<br><br>Plaintiffs,<br>vs.<br><br>BLITZ U.S.A., INC., FRED'S, INC., TIGER EXPRESS VARNVILLE, LLC, AND JAMES NIX,<br><br>Defendants. | COURT OF COMMON PLEAS<br><br>IN THE FOURTEENTH JUDICIAL CIRCUIT<br><br>Civil Action No. 2013-CP-25-352<br><br>**NOTICE OF MOTION AND MOTION FOR RECONSIDERATION** |

**TO: MARK BALL, ESQUIRE, ATTORNEY FOR PLAINTIFF:**

YOU WILL PLEASE TAKE NOTICE that the undersigned, as attorney for Defendants, will move before the Court at a time and date set by the Court for an Order to stay the proceedings of the above captioned action respective to the Defendant, Fred's Stores of Tennessee, Inc. incorrectly identified as Fred's, Inc. pursuant to Rule 59(e) South Carolina Rules of Civil Procedure. Defendant, Fred's Stores of Tennessee, Inc. would show the following:

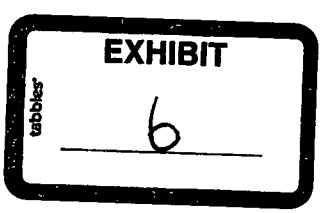
1. Plaintiff, by way of an Order filed November 18, 2014, was permitted to amend her Complaint asserting a negligence claim against Defendant, Fred's Stores of Tennessee, Inc.

2. Plaintiff, sought to amend her Complaint alleging that Fred's sold a product it knew to be defective and/or unreasonably dangerous.

3. Based upon the newly asserted allegation of negligence as to Defendant, Fred's Stores of Tennessee, Inc. a previously filed Motion for Permanent Injunction and alternatively to Stay Proceedings was denied by the Court.

4. Defendant, Fred's Stores of Tennessee, Inc. was not made aware of the Court's ruling until it received a copy of the filed Order from counsel of record for co-defendant Tiger





Express of Varnville, LLC on January 9, 2015 as no filed Order was delivered to counsel for Defendant, Fred's Stores of Tennessee, Inc.

5. Defendant, Fred's Stores of Tennessee, Inc. asserts that the denial of its Motion for Permanent Injunction was improperly denied even in light of the Plaintiff's Motion to Amend being granted to assert the foregoing claim of negligence.

6. Defendant, Fred's Stores of Tennessee, Inc. contends that even the allegation of knowingly selling a defective and/or unreasonably dangerous product is, at its core, a derivative claim from a product's liability action.

7. Defendant, Fred's Stores of Tennessee, Inc. produced voluminous bankruptcy pleadings from Blitz U.S.A., Inc.'s bankruptcy action, which clearly contemplated inclusion of this Defendant in the Channeling Injunction established as Defendant, Fred's Stores of Tennessee, Inc. satisfied the definition of a "vendor."

8. Moreover, Defendant, Fred's Stores of Tennessee, Inc. produced a Vendor's Hold Harmless and Indemnity Agreement in place and in effect at the time of the alleged transaction and subject incident whereby they were entitled to indemnification by Blitz U.S.A., Inc. from "any and all claims, actions, liabilities, losses, royalties, damages, costs, and expenses ... arising out of any actual or alleged death of or injury to any person or damage to any property, or any other damage or loss by whomever suffered, resulting or claimed to result in whole or in part from any actual or alleged defect in said Products, whether latent or patent, including actual or alleged improper construction or design of said Products, the failure of said Products to comply with specifications, or with any express or implied warranties of Vendor, or arising or of any actual or alleged violation, in the manufacture, possession, use **or sale** of said Products ... excepting only such claims, actions or costs based solely and directly on alterations or

modifications done to the Products by Buyer." *See* Exhibit A, specifically Section 3, attached hereto.

9. Defendant, Fred's Stores of Tennessee, Inc. submit that even the newly alleged claim of negligence was contemplated by and included in the aforementioned Agreement as it directly references the sale of Products, which is precisely the claim that Plaintiff is now trying to advance outside of the Channeling Injunction.

10. Defendant, Fred's Stores of Tennessee, Inc. submits that any such claim that could materially affect the personal injury trust, which would include this new cause of action, was one in which Blitz had, and the personal injury trust now has, an obligation to indemnify the Defendant.

11. Defendant, Fred's Stores of Tennessee, Inc. asserts they are, even relative to the amended Complaint, entitled to have these proceedings permanently enjoined or alternatively stayed consistent with the Bankruptcy Plan of Defendant, Blitz U.S.A., Inc.

WHEREFORE, Defendant, Fred's Stores of Tennessee, Inc. respectfully request that this Court issue an Order to permanently enjoin or alternatively stay the instant proceedings against this Defendant. This Motion is based on the attached exhibits and applicable law.

RESPECTFULLY SUBMITTED,

Matthew C. LaFave, SC Bar No. 75365
**CROWE LAFAVE, LLC**
Post Office Box 1149
Columbia, South Carolina 29202
803.724.5727 (office)
matt@crowelafave.com
Attorney for Defendant, Fred's Stores of Tennessee, Inc.

This 15th Day of January 2015
Columbia, South Carolina

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| | ) | FOR THE FOURTEENTH JUDICIAL CIRCUIT |
| COUNTY OF HAMPTON | ) | CIVIL ACTION NUMBER: 2013-CP-25-352 |

MELINDA COOK,

Plaintiff,

vs.

BLITZ U.S.A., INC., FRED'S INC., TIGER EXPRESS VARNVILLE, LLC, & JAMES NIX,

Defendants.

**CERTIFICATE OF SERVICE**

I, Denise M. Brockwell, paralegal to Matthew C. LaFave, do hereby certify that I have served the **Notice of Motion and Motion for Reconsideration,** in the above-referenced matter, by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows:

Mark D. Ball, Esquire
Peters, Murdaugh, Parker,
Eltzroth & Detrick, P.A.
P.O. Box 457
Hampton, SC 29924

Karl S. Brehmer, Esquire
Brown & Brehmer
P.O. Box 7966
Columbia, SC 29202

Denise M. Brockwell
Paralegal to Matthew C. LaFave

Columbia, South Carolina
January 26, 2015

Danny C. Crowe, Esq.
danny@crowelafave.com
Direct: 803.724.5728; Fax: 803.724.5730
Matthew C. LaFave, Esq.
matt@crowelafave.com
Direct: 803.724.5727; Fax: 803.724.5726

CROWE LAFAVE LLC
ATTORNEYS AT LAW

P.O. Box 1149
Columbia, SC 29202
Phone: 803.724.5729
Fax: 803.724.5731
contact@crowelafave.com

January 26, 2015

The Honorable Mylinda D. Nettles
Clerk of Court for Hampton County
P.O. Box 7
Hampton, SC 29924

RE: Melinda Cook v. Blitz U.S.A., Inc., Fred's Inc., Tiger Express Varnville, LLC, & James Nix
Civil Action No. 2013-CP-25-352
Claim No. B460900206-0001-01

Dear Ms. Nettles:

Pursuant to instructions from the Clerk's office, I am enclosing for filing an original and one copy of the corrected Notice of Motion and Motion for Reconsideration in the above-referenced matter. If you would be so kind as to return the filed, stamped copy to us in the enclosed envelope, it would be greatly appreciated.

The motion coversheet and $25.00 filing fee had previously been provided. By copy of this correspondence to attorneys of record, I am hereby serving a copy of this corrected Motion upon Mr. Ball and Mr. Brehmer.

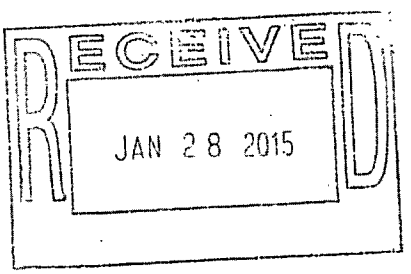
Sincerely yours,

Denise M. Brockwell

Denise M. Brockwell
Paralegal to Matthew C. LaFave

/dmb
Enclosure

cc: Mark D. Ball, Esquire
Karl S. Brehmer, Esquire
Bradley McAdory, Fred's, Inc. (via email only)
Shonda Sanders, Fred's, Inc. (via email only)
Sherrie Johnson, Fred's, Inc. (via email only)



**FORM 4**

**STATE OF SOUTH CAROLINA**
**COUNTY OF HAMPTON**
**IN THE COURT OF COMMON PLEAS**

FILED
2015 SEP -1 PM 1:41
MYLINDA D. NETTLES
CLERK OF COURT
HAMPTON COUNTY, S.C.
BY_____

**JUDGMENT IN A CIVIL CASE**
**CASE NUMBER 2013CP2500352**

| PLAINTIFF(S) | DEFENDANT(S) |
|---|---|
| **Melinda Cook** | **Blitz Usa, Inc-Dismissed**<br>**Tiger Express Varnville, Llc**<br>**Fred'S Inc**<br>**James Nix** |
| **Submitted by: CLERK OF COURT** | **Attorney for:** ☐ Plaintiff ☐ Defendant<br>☐ Self-Represented Litigant |

**DISPOSITION TYPE (CHECK ONE)**

☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

☐ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered. ☐ See Page 2 for additional information.

☐ **ACTION DISMISSED (*CHECK REASON*):** ☐ Rule 12(b), SCRCP; ☐ Rule 41(a), SCRCP (Vol. Nonsuit); ☐ Rule 43(k), SCRCP (Settled); ☐ Other: _____

☐ **ACTION STRICKEN (*CHECK REASON*):** ☐ Rule 40(j) SCRCP; ☐ Bankruptcy; ☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award; ☐ Other: _____

☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT (CHECK APPLICABLE BOX):**
☐ Affirmed; ☐ Reversed; ☐ Remanded; ☐ Other:

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

**IT IS ORDERED AND ADJUDGED:** ☐ See attached order; (formal order to follow) ☐ Statement of Judgment by the Court:

**ORDER INFORMATION**

**This order** ☐ ends ☒ does not end the case.
Additional Information for the Clerk: ORDER DENYING DEFENDANT FRED'S INC. MOTION TO RECONSIDER SIGNED BY JUDGE BUCKNER FILED 07-09-2015

**INFORMATION FOR THE JUDGMENT INDEX**

**Complete this section below when the judgment affects title to real or personal property or if any amount should be enrolled. If there is no judgment information, indicate "N/A" in one of the boxes below.**

| Judgment in Favor of (List name(s) below) | Judgment Against (List name(s) below) | Judgment Amount To be Enrolled (List amount(s) below) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

If applicable, describe the property, including tax map information and address, referenced in the order:

The judgment information above has been provided by the submitting party. Disputes concerning the amounts contained in this form may be addressed by way of motion pursuant to the SC Rules of Civil Procedure. Amounts to be computed such as interest or additional taxable costs not available at the time the form and final order are submitted to the judge may be provided to the clerk. **Note: Title abstractors and researchers should refer to the official court order for judgment details.**

**Circuit Court Judge** **Judge Code** **Date**

CPFORM4Cm
SCCA SCRCP Form 4C (Revised 3/2013)

EXHIBIT
tabbies
7

## For Clerk of Court Office Use Only

This judgment was entered on , and a copy mailed first class or placed in the appropriate attorney's box on , to attorneys of record or to parties (when appearing pro se) as follows:

**Mark David Ball** PO Box 457 101 Mulberry St. Hampton, SC 29924

**ATTORNEY(S) FOR THE PLAINTIFF(S)**

**Karl Stephen Brehmer** PO Box 7966 Columbia, SC 29202
**Matthew Clark LaFave** PO Box 1149 Columbia, SC 29202

**ATTORNEY(S) FOR THE DEFENDANT(S)**

Mylinda D Nettles

**Court Reporter**

**Mylinda Nettles - Clerk of Court**

**ADDITIONAL INFORMATION REGARDING DECISION BY THE COURT AS REFERENCED ON PAGE 1.**

This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.

| | | |
|---|---|---|
| STATE OF SOUTH CAROLINA | ) | IN THE COURT OF COMMON PLEAS |
| COUNTY OF HAMPTON | ) | FOURTEENTH JUDICIAL CIRCUIT |
| MELINDA COOK, | ) | CIVIL ACTION NO. 2013-CP-25-352 |
| Plaintiff, | ) | |
| v. | ) | **ORDER DENYING DEFENDANT FRED'S INC.'S MOTION TO RECONSIDER** |
| BLITZ U.S.A., INC., FRED'S, INC., TIGER EXPRESS VARNVILLE, LLC, AND JAMES NIX | ) | |
| Defendants. | ) | |

FILED
2015 JUL -9 PM 4:46
HAMPTON COUNTY CLERK OF COURT

This matter came before the Court on Defendant Fred's Inc.'s Motion for Reconsideration of the Court's November 18, 2014 Order denying Fred's Motion to Enjoin or Stay Proceedings. The Court heard the Motion on June 15, 2015. Present for Defendant was Matthew C. LaFave. Present for Plaintiff Melinda Cook was Mark D. Ball. E. Dale Lang appeared for Defendant Tiger Express Varnville but did not argue. After hearing and considering the parties' arguments, the Court denies Fred's Motion.

At the hearing, Fred's argued the Court should reconsider its ruling mainly because Cook's general negligence claim against Fred's is really a derivative claim from a product's liability action. In addition, Fred's argued that it was a "vendor" entitled to the protection envisioned by the channeling injunction. Finally, Fred's argued that the general negligence claim related to the product, so it should not be allowed to go forward, pursuant to Article IV of *Findings of Fact, Conclusions of Law and Order Confirming Debtors' and Official Committee of Unsecured Creditors' First Amended Joint Plan of Liquidation* ("Bankruptcy Order").

#1
PMB

The Plaintiff amended its complaint to include a general negligence claim instead of a products liability claim. At the hearing, Fred's argued that the general negligence claim asserted in the Amended Complaint is a derivative claim of a product's liability action. The allegation made in the Amended Complaint is that Fred's continued to knowingly sell gas cans, even though Fred's allegedly knew the product was dangerous. Fred's argues that if the general negligence claim is a derivative claim of a product liability claim, then the general negligence claim is subject to the channeling injunction.

However, general negligence and product liability negligence have different elements of proof, so the general negligence claim is not derivative of a products liability claim. "Generally, the elements of negligence are (1) duty, (2) breach, (3) proximate cause, and (4) injury." Cody P. v. Bank of Am., N.A., 395 S.C. 611, 620, 720 S.E.2d 473, 478 (Ct. App. 2011). In contrast, the elements of a product liability negligence claim are

> (1) [the plaintiff] was injured by the product; (2) the injury occurred because the product was in a defective condition, unreasonably dangerous to the user; and (3) that the product at the time of the accident was in essentially the same condition as when it left the hands of the defendant[, and] . . . [4] the defendant (seller or manufacturer) failed to exercise due care in some respect.

Bragg v. Hi-Ranger, Inc., 319 S.C. 531, 539, 462 S.E.2d 321, 326 (Ct. App. 1995). These are distinct causes of action with different elements of proof. Therefore, the Plaintiff's claim that Fred's was negligent in continuing to sell a product it knew to be dangerous is not a "derivative" product liability claim but a general negligence claim based on Fred's conduct. Fred's argues that without the product defect, the claim would not exist. However, the claim is based on Fred's conduct in selling the product, in which Fred's alleged negligence is the focus.

#2
PnB

In support of its argument, Fred's cites the definition of a "Blitz Personal Injury Claim," which "shall include asserted claims whether known or unknown, based upon, arising out of, or

in any way involving the products." Article IV, Bankruptcy Order. Further, Fred's argues that because it satisfied the definition of a 'vendor', it should be included in the channeling injunction.

Rather, as this Court held previously, "the bankruptcy court intended for the injunction and release to apply to a third party vendor such as Fred's only as to claims covered by a Participating Insurer policy." (Order p. 5). The relevant question is not whether Fred's is a "vendor" but whether the Plaintiff's general negligence claim against Fred's falls within the claims intended to go to the channeling injunction. The general negligence claim against Fred's is not a claim intended to go to the channeling injunction. Additionally, this claim involves the conduct of Fred's, so it is not "based upon, arising out of, or in any way involving the product." The general negligence claim only considers the conduct of Fred's.

Finally, Fred's argues that the Vendor Agreement between Blitz USA and Fred's contemplates indemnification for any claim related to the "the sale" of the product. However, the Bankruptcy Order is clear that only claims covered by a Participating Insurer policy would get the protection of the channeling injunction. Since the claim for general negligence against Fred's is outside of scope of the channeling injunction as set forth in the Bankruptcy Order, the Vendor Agreement does not give Fred's the protection of the channeling injunction. Therefore, the Motion for Reconsideration is respectfully denied. The case shall proceed against Fred's as stated in the Amended Complaint.

#3

**AND IT IS SO ORDERED.**

Dated: June 30, 2015
Walterboro, South Carolina

Perry M. Buckner
Circuit Court Judge

LAW OFFICES
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P.O. BOX 457
HAMPTON, SOUTH CAROLINA
29924-0457

JOHN E. PARKER
* CLYDE A. ELTZROTH, JR.
J. PAUL DETRICK
DANIEL E. HENDERSON
MARK D. BALL
RANDOLPH MURDAUGH, IV
RONNIE L. CROSBY
R. ALEXANDER MURDAUGH
BERT G. UTSEY, III
RANDOLPH MURDAUGH, III
GRAHAME E. HOLMES
LEE D. COPE
MATTHEW V. CREECH
LEAGUE B. CREECH
STEVEN D. MURDAUGH
WILLIAM F. BARNES, III
AUSTIN H. CROSBY
* INACTIVE

RANDOLPH MURDAUGH, SR.
(1887-1940)
RANDOLPH MURDAUGH, JR.
(1915-1998)
J. ROBERT PETERS, JR.
(1927-2008)

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RECEIVED
OCT 02 2015
SC Court of Appeals

October 1, 2015

Mark D. Ball
Direct Dial: (803) 943-2111 ext. 8227
Email: mball@pmped.com

**Via U.S. Mail**
The Honorable Jenny Abbott Kitchings
Clerk of Court for the Court of Appeals
Post Office Box 11629
Columbia, SC 29211

Re: *Melinda Cook v. Blitz U.S.A., Inc., et al.*
Appellate Case No. 2015-001948

Dear Ms. Kitchings:

Pursuant to the Court's September 25, 2014, request for briefing on appealability, enclosed for filing in the above-referenced matter please find the original and seven copies of *Respondent's Motion to Dismiss as Unappealable*. Also enclosed is a check for the $25.00 motion filing fee. Please file the original and return one file-stamped copy to me in the enclosed self-addressed, stamped envelope. By copy of this letter, I am serving all counsel of record with a copy of the same.

If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

Mark D. Ball

cc: Matthew C. LaFave