

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
DRF LOGISTICS, LLC, <i>et al.</i> ,	§	Case No. 24-90447 (CML)
	§	
	§	(Joint Administration Requested)
Debtors. ¹	§	(Emergency Hearing Requested)

**EMERGENCY MOTION OF DEBTORS
FOR INTERIM AND FINAL ORDERS
(I) AUTHORIZING DEBTORS TO
(A) OBTAIN POSTPETITION FINANCING AND (B) USE CASH
COLLATERAL, (II) GRANTING LIENS AND PROVIDING SUPERPRIORITY
ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING AUTOMATIC STAY,
(IV) SCHEDULING FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN 1:00 P.M. (CENTRAL TIME) ON AUGUST 9, 2024.

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

A HEARING WILL BE CONDUCTED ON THIS MATTER ON AUGUST 9, 2024 AT 1:00 P.M. (CENTRAL TIME).

PARTICIPATION AT THE HEARING WILL ONLY BE PERMITTED BY AN AUDIO AND VIDEO CONNECTION.

AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT 832-917-1510. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE LOPEZ'S CONFERENCE ROOM NUMBER IS 590153. VIDEO COMMUNICATION WILL BE BY USE OF THE GOTOMEETING PLATFORM. CONNECT VIA THE FREE GOTOMEETING APPLICATION OR CLICK THE LINK ON JUDGE LOPEZ'S HOME PAGE. THE MEETING CODE IS "JUDGELOPEZ."

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: DRF Logistics, LLC (6861) and DRF, LLC (7236). The Debtors' mailing address is 7171 Southwest Parkway, Bldg. 300, Suite 400, Austin, TX 78735.

CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING.

HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF BOTH ELECTRONIC AND IN-PERSON HEARINGS. TO MAKE YOUR APPEARANCE, CLICK THE “ELECTRONIC APPEARANCE” LINK ON JUDGE LOPEZ’S HOME PAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK “SUBMIT” TO COMPLETE YOUR APPEARANCE.

DRF Logistics, LLC and DRF, LLC in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (the “**Motion**”):

Preliminary Statement

1. The Debtors commenced these chapter 11 cases (the “**Chapter 11 Cases**”) to implement a consensual, orderly wind down of their businesses memorialized in the RSA and Plan (each as defined below). In connection with negotiating the RSA, the Debtors and Pitney Bowes Inc. (“**PBI**” and together with its affiliates (as defined in the Bankruptcy Code), including Pitney Bowes International Holdings, Inc. (“**PBIH**”), “**Pitney Bowes**”) reached an agreement on the terms of a DIP Financing, which will provide the Debtors with funds necessary to finance the Chapter 11 Cases. In particular, the DIP Financing will allow the Debtors to preserve continuity and operation of their businesses, pay employees, fund administrative expenses, and satisfy working capital and operational needs, each of which is necessary to preserve value of the Debtors’ assets during the orderly wind-down of Debtors’ business in the Chapter 11 Cases.

2. The DIP Financing is the product of extensive and arm’s-length negotiations between the Debtors—under the supervision and direction of Debtor DRF Logistics, LLC’s independent board of managers—and Pitney Bowes. In connection with the Debtors’ efforts to obtain postpetition financing, the Debtors, through their proposed financial advisor, Portage Point Partners (“**Portage Point**”), solicited offers for DIP Financing from seven potential

capital providers in addition to Pitney Bowes. Notwithstanding such outreach, only one offer for DIP Financing was received—the offer received from Pitney Bowes.

3. The Debtors, with the assistance of their advisors, determined that the DIP Financing described herein was the best (indeed, the only) financing option available. In addition to being the only available financing, the DIP Financing is being provided as part of a broader agreement with Pitney Bowes, as reflected in the RSA and other documents embodied therein, while providing the Debtors with sufficient capital to fund the Chapter 11 Cases.

4. As discussed in the Chiu Declaration (as defined below), the Debtors require incremental liquidity to finance the Chapter 11 Cases and ensure an orderly wind-down. Access to the proceeds of the DIP Financing will provide the Debtors with this much-needed liquidity and ensure they are adequately capitalized during the Chapter 11 Cases. Access to the DIP Financing will also minimize disruption to the Debtors' operations by assuring creditors and other stakeholders that the Debtors have the financial wherewithal to implement the orderly wind-down of their businesses during the pendency of the Chapter 11 Cases. The liquidity to be provided to the Debtors under the DIP Financing will, therefore, preserve the value of the Debtors' estates for the benefit of all stakeholders in the Chapter 11 Cases. Accordingly, the DIP Financing is in the best interests of the Debtors and their estates and should be approved.

5. Additional information regarding the DIP Financing, including the process through which the Debtors solicited interest in providing financing and negotiated the terms of the DIP Financing, is set forth in the *Declaration of Lisa Lansio in Support of Emergency Motion of Debtors for Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Modifying Automatic Stay, (IV) Scheduling Final Hearing,*

and (V) Granting Related Relief (the “**Lansio Declaration**”) and the *Declaration of Robin Chiu in Support of First Day Motions and Applications* (the “**Chiu Declaration**”), filed contemporaneously herewith and incorporated herein by reference.

Background

6. On August 8, 2024 (the “**Petition Date**”), the Debtors each commenced with the Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

7. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Local Rules**”).

8. On August 8, 2024, the Debtors, Pitney Bowes International Holdings, Inc. (“**PBIH**”), Pitney Bowes, Inc. (“**PBI**” and together with its affiliates (as defined in the Bankruptcy Code) “**Pitney Bowes**”), and OPPS XI PTBW Holdings, L.P. and OPPS XII PTBW Holdings, L.P. (“**Oaktree**”), entered into that certain *Restructuring Support Agreement* (as may be amended, supplemented, or otherwise modified from time to time and including all exhibits thereto, the “**RSA**”). Under the RSA, PBI, PBIH, and Oaktree have agreed, subject to the terms and conditions of the RSA, to vote in favor of and support confirmation of the *Debtors’ Joint Chapter 11 Plan of Liquidation* (the “**Plan**”), filed contemporaneously herewith.

9. Additional information regarding the Debtors' business and capital structure and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Eric Kaup in Support of the Debtors' Chapter 11 Petitions and First Day Relief*, sworn to on the date hereof, and the Chiu Declaration, sworn to on the date hereof (together, the "**First Day Declarations**"), which have been filed contemporaneously herewith and incorporated herein by reference.²

Jurisdiction

10. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

11. By this Motion, pursuant to sections 105, 361, 362, 363, 364, 503, 506 and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014, and Bankruptcy Local Rules 2002-1, 4001-1(b), 4002-1(i), and 9013-1, the Debtors request that the Court:

- (i) authorize DRF Logistics, LLC (in such capacity, the "**Borrower**") to obtain postpetition financing (the "**DIP Financing**") pursuant to a senior secured, superpriority debtor-in-possession multi-draw term promissory note, consisting of term loans in an aggregate principal amount of up to \$47 million (the commitments in respect thereof, the "**DIP Commitments**" and such loans, the "**DIP Loans**") from the DIP Lender (as defined below) of which \$45 million will be available immediately upon entry of the Interim Order (the "**Initial Draw**"), with the remainder to be available subject to and upon entry of the Final Order, in each case subject to the terms and conditions set forth in that certain Debtor In Possession Secured Multi-Draw Term Promissory Note, attached hereto in substantially final form as **Exhibit 1** (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "**DIP Note**"), by and among the Borrower, DRF, LLC, as guarantor ("**Guarantor**" and together with the Borrower, "**Credit Parties**"), and Pitney Bowes International Holdings, Inc. (the "**DIP Lender**");

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declarations.

- (ii) authorize the Credit Parties to execute, deliver and perform their obligations under the DIP Note and all other loan or security documentation related to the DIP Loans, including, as applicable, security agreements, pledge agreements, account control agreements, mortgages, deeds, and such other documents that may be necessary or reasonably required to implement the DIP Loans in accordance with the DIP Note and/or that may be reasonably requested by the DIP Lender in connection with the DIP Loans, in each case, as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof and hereof (collectively, together with the DIP Note, the Interim Order, and, upon entry thereof, the Final Order, the “**DIP Documents**”);
- (iii) authorize the Credit Parties to incur loans, advances, extensions of credit, financial accommodations, reimbursement obligations, interest, fees and premiums, costs, expenses and other liabilities, and all other obligations (including indemnities and similar obligations, whether contingent or absolute) due or payable under the DIP Documents (collectively, the “**DIP Obligations**”), and to perform such other and further acts as may be necessary, desirable or appropriate in connection therewith;
- (iv) subject and subordinate to the Carve-Out (as defined below), grant to the DIP Lender allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code in respect of all DIP Obligations;
- (v) subject and subordinate to the Carve-Out, grant to the DIP Lender valid, enforceable, non-avoidable and automatically perfected liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code on all DIP Collateral (as defined herein), on the terms described herein, including, subject only to and effective upon entry of the Final Order, the proceeds of any avoidance actions, which security interests and liens shall be subject to the priorities set forth herein; provided, however, that the DIP Lender shall use commercially reasonable efforts to first obtain recoveries from DIP Collateral other than the proceeds of avoidance actions;
- (vi) authorize the DIP Lender to take all commercially reasonable actions to implement and effectuate the terms of the Interim Order;
- (vii) subject to entry of the Final Order granting such relief, waive the Debtors’ right to surcharge the DIP Collateral pursuant to section 506(c) of the Bankruptcy Code;
- (viii) subject to entry of the Final Order granting such relief, waive the equitable doctrine of “marshaling” and other similar doctrines with respect to the DIP Collateral for the benefit of any party other than the DIP Lender;
- (ix) authorize the Debtors to use proceeds of the DIP Loans and Cash Collateral solely in accordance with the Interim Order and the DIP Documents;
- (x) authorize the Debtors to pay the principal, interest, fees, expenses, reimbursements, and other amounts payable under the DIP Documents as such become earned, due and payable to the extent provided in, and in accordance with, the DIP Documents;

- (xi) vacate and modify the automatic stay under section 362 of the Bankruptcy Code (the “**Automatic Stay**”) to the extent necessary to permit the Debtors and the DIP Lender to implement and effectuate the terms and provisions of the Interim Order, the DIP Documents and, upon entry, the Final Order, to deliver any notices of default or termination described below and as further set forth herein;
- (xii) waiving any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of the Interim Order and, upon entry, the Final Order; and
- (xiii) scheduling a final hearing (the “**Final Hearing**”) to consider final approval of the DIP Financing and use of Cash Collateral pursuant to a proposed final order (the “**Final Order**”), as set forth in this Motion and the DIP Documents filed with this Court.

12. A proposed form of order granting the relief requested herein on an interim basis is annexed hereto as **Exhibit A** (the “**Interim Order**”). Prior to a final hearing on the relief requested herein, the Debtors will file a proposed Final Order (and together with the Interim Order, the “**Orders**”).

Summary of Terms of DIP Financing

13. In accordance with Bankruptcy Rules 4001(b)–(d) and the Procedures for Complex Chapter 11 Bankruptcy Cases (the “**Complex Case Procedures**”), as incorporated Bankruptcy Local Rule 1075, the below chart summarizes the significant terms of the Interim Order and the DIP Note.³

MATERIAL TERMS		Location
Borrower Bankruptcy Rule 4001(c)(1)(B)	DRF Logistics, LLC	DIP Note, Preamble
Guarantor Bankruptcy Rule 4001(c)(1)(B)	DRF, LLC	DIP Note, Preamble
DIP Lender Bankruptcy Rule 4001(c)(1)(B)	Pitney Bowes International Holdings, Inc.	DIP Note, Preamble

³ The following summary of the terms of the DIP Financing is subject entirely to the express terms of the DIP Note. If there are any inconsistencies between the summary below and the DIP Note, then the DIP Note shall control.

MATERIAL TERMS		Location
DIP Financing and Borrowing Limits Bankruptcy Rule 4001(c)(1)(B)	The DIP Lender agrees to provide senior secured, superpriority DIP Loans to Borrower from time to time pursuant to a multi-draw debtor-in-possession term promissory note, in an aggregate principal amount of up to \$47 million.	DIP Note, § 1(a)
Budget Bankruptcy Rule 4001(c)(1)(B)	Use of proceeds of the DIP Loans shall be subject to an initial agreed budget, which shall be in form and substance acceptable to, and subject to written approval of, the DIP Lender (the “Approved Budget”), consisting of forecasted receipts and disbursements of the Borrower on a consolidated basis for the 13 weeks commencing on the Petition Date. Beginning on September 5, 2024, and every fourth Thursday thereafter, the Borrower shall deliver to the DIP Lender a revised proposed budget, which shall be in form and substance acceptable to, and subject to written approval of, the DIP Lender. Upon written approval of such revised proposed budget by the DIP Lender, in its sole discretion, such proposed budget shall modify, replace, supplement, or supersede, as applicable, all prior budgets for the periods covered thereby and become the Approved Budget.	DIP Note, § 1(e), 14(h)
Interest Rate Bankruptcy Rule 4001(c)(1)(B)	Subject to the terms of the DIP Note, the DIP Loans or any portion thereof shall bear interest on the principal amount thereof from time to time outstanding, from the date of the DIP Loans until repaid, at a rate per annum equal to 10.00%, which shall be payable in kind.	DIP Note, § 4(a)
Expenses and Fees Bankruptcy Rule 4001(c)(1)(B)	The Debtors shall pay the DIP Lender: • an upfront fee of 2.00% of the DIP Commitment, which shall be fully earned and non-refundable upon entry of an interim DIP order, and payable in kind; and • a fee of 1.00% of the unused DIP Commitment during the preceding month, shall accrue and payable in kind.	DIP Note, § 4(d), 8(b)
Maturity Date; Duration for Use of DIP Collateral Bankruptcy Rule 4001(c)(1)(B)	<u>Maturity Date</u> : November 29, 2024 (as may be extended by mutual agreement between the Borrower and DIP Lender)	DIP Note, § 3
Prepayments Bankruptcy Rule 4001(c)(1)(B)	<u>Optional Prepayments</u> : Subject to the terms and conditions of the Orders the Borrower shall have the right at any time and from time to time to prepay the DIP Loans under the DIP Note in whole or in part (without premium or penalty) upon two (2) Business Days’ written notice to the DIP Lender by 1:00 p.m. New York City time (or such shorter time as the DIP Lender may agree); provided that each such prepayment shall be in a minimum amount of \$100,000. Notice of prepayment having been given as aforesaid, the principal amount specified in such notice shall become due and payable on the prepayment date specified therein in the aggregate original principal amount specified therein unless such repayment is conditioned on the receipt of any third party funds or the consummation of certain transactions which are not received or consummated. Any prepayment or repayment hereunder shall be accompanied by interest on the principal amount of the DIP Note being prepaid or repaid to the date of prepayment or repayment. Any prepayment made shall be	DIP Note, § 6, 7(a)-(e).

MATERIAL TERMS		Location
	applied (a) first to the DIP Loans until paid in full and (b) second, to any remaining DIP Obligations as the DIP Lender shall determine in its sole discretion. <u>Mandatory Prepayments:</u> In each case, subject to the terms and conditions of the Orders and the Approved Budget, upon not less than one (1) Business Day prior written notice by the Borrower to the DIP Lender by 1:00 p.m. New York City time: • No later than two (2) Business Days upon receipt by any Credit Party of cash proceeds of any debt securities or other indebtedness not permitted under the DIP Note, the Borrower shall prepay the outstanding principal amount of the DIP Loans in an amount equal to all such proceeds, net of underwriting discounts and commissions and other reasonable costs or fees paid to non-affiliates in connection therewith. • Commencing on October 18, 2024, the Borrower shall prepay the DIP Loans within 4 Business Days' of such date if the Borrower's cash on hand as of such date exceeded the amount of remaining disbursements set forth in the Approved Budget plus \$5,000,000. • Prepayments shall be applied (i) first to the DIP Loans until paid in full, (ii) second, to any remaining DIP Obligations as the DIP Lender shall determine in its sole discretion and (iii) third, any excess remaining to the Borrower. • DIP Lender may elect prior to any required prepayment required to decline all or any portion of the prepayment.	
Conditions to Closing Bankruptcy Rule 4001(c)(1)(B)	Usual and customary for financings of this type, including, among other things: • the Petition Date shall have occurred; • the Court shall have entered the Interim Order, which shall not have been vacated, reversed, modified, amended, or stayed; and • delivery of the Initial Budget (as defined in the DIP Note), attached hereto as <u>Exhibit B</u>.	DIP Note, § 2
Superpriority Expense Claims Bankruptcy Rule 4001(c)(1)(B)(i)	Subject to the Carve-Out, the DIP Lender is granted, pursuant to Bankruptcy Code sections 364(c)(1), 503, and 507, an allowed superpriority administrative expense claim in each of the Chapter 11 Cases for all DIP Obligations.	Interim Order, ¶ 8
Collateral and Priority Bankruptcy Rule 4001(c)(1)(B)(i), 4001(c)(1)(B)(ii)	Subject and subordinate to the Carve-Out and the Permitted Liens (as defined below), if any, to secure the DIP Obligations, the DIP Lender is granted, without the necessity of the execution, recordation or filing by the Borrower of any mortgages, security agreements, account control agreements, pledge agreements, financing statements, intellectual property filing or other similar documents, any notation of certificates of title for titled goods or other similar documents, instruments, deeds, charges or certificates, or the possession or control by the DIP Lender of, or over, any collateral, the following	Interim Order, ¶ 7

	security interests and liens (all such security interests and liens granted to the DIP Lender pursuant to the Orders and the DIP Documents, the “DIP Liens” and the property subject to the DIP Liens, the “DIP Collateral”): (a) <i>Section 364(c)(2) DIP Liens.</i> Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, and automatically and fully-perfected first priority senior security interest (subject and subordinate only to the Carve-Out) in, and lien upon, all tangible and intangible prepetition and postpetition property of each of the Credit Parties and their estates, whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date is not subject to valid, perfected, and non-avoidable liens (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code), including any unencumbered cash of the Debtors and any investment of such cash, accounts, inventory, goods, contract rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds, fixtures, deposit accounts, commercial tort claims, securities accounts, investment property, letter-of-credit rights, supporting obligations, vehicles, plants, machinery and equipment, real property, leases (and proceeds from the disposition thereof), all of the issued and outstanding capital stock of Debtor DRF, LLC and a portion of the issued and outstanding capital stock of non-Debtor Pitney Bowes Global Ecommerce (APAC) Co. Ltd. (as set forth in the DIP Documents), beneficial interests in any trust, money, goodwill, causes of action, including, upon entry of the Final Order, the proceeds of avoidance actions, and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of any of the collateral described above, whether in existence on the Petition Date or thereafter created, acquired or arising and wherever located; provided, however, that the DIP Lender shall use commercially reasonable efforts to first obtain recoveries from DIP Collateral other than the proceeds of avoidance actions. (b) <i>Section 364(c)(3) DIP Liens.</i> Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected security interest (subject and subordinate to the Carve-Out) in, and lien upon, all tangible and intangible prepetition and postpetition property of each of the Credit Parties, whether existing on the Petition Date or thereafter acquired, and all cash and non-cash proceeds, rents, products, substitutes, accruals and profits of such property that is subject to liens existing on the Petition Date (to the extent valid, enforceable, perfected and not subject to avoidance as of the Petition Date or perfected after the Petition Date pursuant to section 546(b) of the Bankruptcy Code) (collectively, the “Permitted Liens”), which security interests and liens in favor of the DIP Lender shall be immediately junior and subordinate to any such Permitted Liens; <i>provided</i> that DIP Liens shall be senior to liens granted pursuant to that certain <i>Secured Senior Takeback Note</i> (as may	
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MATERIAL TERMS		Location
	be amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof), between the Debtors and Oaktree. (c) <i>Excluded Assets.</i> Notwithstanding the foregoing, the liens granted shall not attach to any Excluded Property, and no Excluded Property shall constitute DIP Collateral.	
Covenants Bankruptcy Rule 4001(c)(1)(B)	Usual and customary affirmative covenants for financings of this type, including stipulations to, among other things: • permit the DIP Lender to audit all corporate and financial books and records of the Debtors; • maintain insurance with respect to the DIP Collateral; and • preserve and maintain their legal existence Usual and customary negative covenants for financings of this type, including stipulations to, among other things, not: • create, incur, assume, or otherwise become or remain liable with respect to any indebtedness except as permitted; • create, incur, assume, or permit existence of any liens on any property or assets, except as permitted; • pay or make certain restricted payments, except as permitted; • enter into or cause to exist certain burdensome agreements; • make or own any investment, except as permitted; and • make any disposition of assets, except as permitted.	DIP Note, § 14, 15
Events of Default Bankruptcy Rule 4001(c)(1)(B)	Usual and customary events of default for financings of this type, subject to customary grace periods and thresholds, including: • any missed Milestones (as defined herein); • failure to comply with the RSA; • failure to comply with the Shared Services Agreement entered into between the Debtors and DIP Lender, dated August 8, 2024 (the “SSA”); • entry of an order by the Bankruptcy Court conferring standing of a creditors’ committee or any to pursue claims and causes of action on behalf of the Debtors or their estates against the DIP Lender or any of its affiliates (as defined in the Bankruptcy Code); • the filing of any chapter 11 plan that is not an Approved Plan (as defined in the RSA); • entry of an order by the Bankruptcy Court terminating the Debtors’ exclusive periods to file a chapter 11 plan and solicit acceptances thereof; and • entry of an order by the Bankruptcy Court denying confirmation of an Approved Plan.	DIP Note, § 15
Milestones Bankruptcy Rule 4001(c)(1)(B)(vi)	The DIP Note contains the following milestones (collectively, the “Milestones”): • No later than the date that is 2 business days after the Petition Date, the Bankruptcy Court shall have entered an interim	DIP Note, Annex B

MATERIAL TERMS		Location
	DIP order, in form and substance acceptable to the DIP Lender; • No later than the date that is 7 calendar days after the Petition Date, the Debtors shall have filed the Approved Plan and a disclosure statement (the “Disclosure Statement”), in form and substance acceptable to the DIP Lender; • No later than 14 calendar days after the Petition Date, the Debtors shall have filed a motion (the “SSA Motion”), in form and substance acceptable to the DIP Lender, seeking approval of the SSA; • No later than 45 calendar days after the Petition Date, the Bankruptcy Court shall have entered the final DIP order, in form and substance acceptable to the DIP Lender; • No later than the date that is the earlier of (a) 45 calendar days after the Petition Date and (b) 30 calendar days after the appointment of a statutory committee of unsecured creditors (if any), the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving the SSA Motion; • No later than the date that is 50 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, setting forth the claims bar date; • No later than the date that is 60 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, approving the Disclosure Statement and authorizing the Debtors to solicit the Approved Plan; • No later than November 15, 2024, the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving and confirming the Approved Plan; <i>provided</i> that this Milestone shall be automatically extended by the same number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender; and • No later than November 29, 2024, the effective date of the Approved Plan shall have occurred; <i>provided</i>, that this Milestone shall be automatically extended by the same number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender.	
Carve-Out Bankruptcy Rule 4001(b)(1)(B)(iii)	“Carve-Out” means the sum of: (i) All unpaid fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of	Interim Order, ¶ 12(b)

	MATERIAL TERMS	Location
	the United States Code plus interest at the statutory rate, pursuant to 31 U.S.C. § 3717; (ii) All unpaid reasonable and documented fees and expenses up to \$100,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) To the extent allowed at any time, whether by interim order, procedural order, final order, or otherwise, all accrued but unpaid fees and expenses (the “Allowed Professional Fees”) incurred by persons or firms retained or proposed to be retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the “Debtor Professionals”) and the Creditors’ Committee pursuant to section 328 or 1103 of the Bankruptcy Code, at any time before or on the first Business Day following the delivery of the Carve-Out Trigger Notice (as defined in the Interim Order) and without regard to whether such fees or expenses are provided for in any Approved Budget or were invoiced after the Carve-Out Trigger Date and any monthly, restructuring, sale, success or other transaction fee payable to Debtor Professionals, whether allowed by this Court prior to or after delivery of a Carve-Out Trigger Notice; (iv) Allowed Professional Fees of Debtor Professionals incurred after the first Business Day following the Carve-Out Trigger Date in an aggregate amount not to exceed \$2,500,000; and (v) Allowed Professional Fees of the Committee incurred after the first Business Day following the Carve-Out Trigger Date in an aggregate amount not to exceed \$250,000.	
Terms of Use and Purposes for Use of DIP Proceeds and Cash Collateral Bankruptcy Rule 4001(c)(1)(B)	<u>Use of DIP Proceeds and Cash Collateral:</u> The Borrower shall utilize the proceeds of DIP Loans, subject to the Interim Order, to i. fund general corporate needs, including without limitation working capital and other needs and ii. pay costs, premiums, fees, and expenses incurred to administer or related to of the Chapter 11 Cases, including fees and expenses of professionals, in each case, solely in accordance with the Approved Budget, subject to any Permitted Variance, as defined in the DIP Note). <u>Limitations on Use of DIP Proceeds and Cash Collateral:</u> Unless otherwise provided in the Approved Budget, subject to any Permitted Variance or approved by the DIP Lender, no portion of any DIP Loans shall be used, directly or indirectly: (A) except as permitted by section 15(d) of the DIP Note, to make any payment in respect of, or repurchase, redeem, retire or defease any, prepetition Indebtedness, except pursuant to the terms of the Interim Order or Final Order or to finance or make any restricted payment, (B) to pay any fees or similar amounts payable to any person who has proposed or may propose to purchase interests in any of the Borrower or any of its respective subsidiaries or affiliates or who otherwise has proposed or may propose to invest in the Borrower or any of its respective Subsidiaries or affiliates (including so-called “topping fees,” “exit fees,” and similar amounts), or (C) to make any distribution under a plan of	DIP Note, § 1(e)

MATERIAL TERMS		Location
	reorganization in the Chapter 11 Cases or any similar proceeding of any of the Subsidiaries or affiliates of any of the Borrower.	
Parties with an Interest in Cash Collateral Bankruptcy Rule 4001(b)(1)(B)(i)	DIP Lender and Oaktree	Interim Order, ¶ M
Liens, Cash Payments or Adequate Protection Provided for Use of Cash Collateral Bankruptcy Rule 4001(b)(1)(B)(iv)	Oaktree has consented to the Debtors use of cash collateral and is waiving any request for adequate protection to which it is entitled under the Bankruptcy Code.	Interim Order, ¶ 4
Determination Regarding Prepetition Claims Bankruptcy Rule 4001(c)(1)(B)(iii)	The Interim Order does not contain stipulations of fact by the Debtors related to the validity and enforceability of the Debtors' prepetition secured obligations.	N/A
Liens on Avoidance Actions Bankruptcy Rule 4001(c)(1)(B)(xi)	Subject to entry of the Final Order, the DIP Lender will receive a lien on the proceeds of avoidance actions under chapter 5 of the Bankruptcy Code; provided, however, that the DIP Lender shall use commercially reasonable efforts to first obtain recoveries from DIP Collateral other than the proceeds of avoidance actions.	Interim Order, ¶ 7
Effect of Debtors' Stipulations on Third Parties Bankruptcy Rule 4001(c)(1)(B)(iii), (viii)	N/A	N/A
Waiver or Modification of the Automatic Stay Bankruptcy Rule 4001(c)(1)(B)(iv)	Pursuant to the Interim Order, the Automatic Stay provisions of section 362 of the Bankruptcy Code are modified to the extent necessary to permit the Debtors and the DIP Lender to implement and effectuate the terms and provisions of the Interim Order, the DIP Documents and, upon entry, the Final Order, to deliver any notices of default or termination described below and as further set forth herein. Moreover, pursuant to the Interim Order, upon the occurrence and during the continuation of a DIP Note Event of Default that has not been waived by the DIP Lender or otherwise cured in accordance with the DIP Documents (an "Event of Default Occurrence"), and following delivery of a written notice (a "Default Notice") on not less than five business days' notice (such five business day period, the "Remedies Notice Period") by the DIP Lender to counsel to the Debtors, counsel to the Creditors' Committee or other statutory committee (if any), and the U.S. Trustee (the "Remedies Notice Parties"), the DIP Lender may (and the Automatic Stay is hereby modified, except as otherwise set forth herein) without further notice to, hearing of, or order from this Court, unless this Court orders	Interim Order, ¶ 10(b), 13(a), 13(b), 13(c)

	otherwise (<i>provided, that</i>, during the Remedies Notice Period, the Debtors, the Creditors' Committee or other statutory committee (if any), and/or any party in interest shall be entitled to seek an emergency hearing before the Court, and must provide prompt notice of such hearing to counsel to the DIP Lender, to contest whether an Event of Default Occurrence has occurred and/or to seek authority for the non-consensual use of Cash Collateral, and <i>provided, further</i>, that if a request for such hearing is made prior to the end of the Remedies Notice Period, then the Remedies Notice Period shall be continued until the Court hears and rules with respect thereto): (i) terminate any and all obligations of the DIP Lender in connection with the DIP Loans (including to make any further DIP Loans (except with respect to the funding of the Carve-Out in accordance with the Interim Order)) and the authority for the use of Cash Collateral under the Interim Order and the DIP Documents, as applicable; (ii) declare the DIP Obligations (subject only to the Carve-Out) immediately accelerated and due and payable for all purposes, rights, and remedies, without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower; (iii) terminate or reduce the DIP Commitments to the extent any such commitments remain outstanding; (iv) terminate the DIP Note and the DIP Loans thereunder with respect to any future liability or obligation of the DIP Lender, but, for the avoidance of doubt, without affecting any of the DIP Liens, the DIP Superpriority Claims, or the DIP Obligations and any rights of the DIP Lender provided by the Interim Order; (v) invoke the right to charge interest at the default rate under the DIP Documents; and (vi) deliver the Carve-Out Trigger Notice; <i>provided, that</i>, notwithstanding delivery of a Default Notice, the Debtors may use the proceeds of the DIP Loans (only to the extent already drawn prior to the occurrence of a DIP Note Event of Default that is continuing or for the funding of the Carve-Out in accordance with the Interim Order), and other DIP Collateral in accordance with the terms of the Interim Order (including in respect of borrowing under the DIP Note to fund the Carve-Out in accordance with the Interim Order) and the Approved Budget (including any Permitted Variance). Upon an Event of Default Occurrence, the DIP Lender, prior to exercising any rights or remedies with respect to the DIP Collateral, shall be required to file a motion with the Court seeking emergency relief and an emergency hearing before the Court (a "Stay Relief Hearing") on at least five business days' written notice to the Remedies Notice Parties, and the Debtors agree not to object to the shortening of notice of such Stay Relief Hearing. At such Stay Relief Hearing, the DIP Lender may seek Court approval to enforce any other rights or remedies (in addition to those set forth in paragraph 13(a) above) with respect to the DIP Collateral and the DIP Liens, including (i) the enforcement of DIP Liens, including foreclosure on all or any portion of the DIP Collateral, occupying the Debtors' premises, or sale or disposition of all or any part of the DIP Collateral, or (ii) any other remedies permitted under the Interim Order, the DIP Documents, or applicable law. If the DIP Lender is permitted by the Court to take any enforcement action with respect to the DIP Collateral following the Stay Relief Hearing, the Debtors shall cooperate with the DIP Lender in its effort to enforce its security interest in and liens on the DIP Collateral, and shall not take or direct
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MATERIAL TERMS		Location
	any person or entity to take any action designed or intended to hinder or restrict in any respect the DIP Lender from enforcing its security interests in and liens on the DIP Collateral. For the avoidance of doubt, prior to the entry by this Court of an order granting stay relief to the DIP Lender, the Debtors may use the proceeds of the DIP Loans (to the extent already drawn prior to the occurrence of a DIP Note Event of Default that is continuing) or Cash Collateral in accordance with the Approved Budget (including Permitted Variances) and the terms of the DIP Documents and the Interim Order, as applicable. Notwithstanding the occurrence of a DIP Note Event of Default and/or termination of the DIP Commitments, all of the rights, remedies, benefits, and protections provided to the DIP Lender under the DIP Documents and the Interim Order shall survive. For the avoidance of doubt, irrespective of any Remedies Notice Period, the DIP Lender shall not be obligated to provide any DIP Loans or advances at any time upon the occurrence and continuation of a DIP Note Event of Default].	
Waiver or Modification of Authority to File a Plan, Extend Time to File Plan, Request Use of Cash Collateral, or Request Authority to Obtain Credit Bankruptcy Rule 4001(c)(1)(B)(v)	The Interim Order does not provide for a waiver of any entity's authority or right to file a plan, request the use of cash collateral, or request authority to obtain credit.	N/A
Waiver or Modification of Applicability of Non-Bankruptcy Law Relating to the Perfection or Enforcement of a Lien Bankruptcy Rule 4001(c)(1)(B)(vii)	The Interim Order does not provide for a waiver of non-bankruptcy law relating to the perfection or enforcement of a lien.	N/A
Release, Waivers or Limitation on any Claim or Cause of Action Bankruptcy Rule 4001(c)(1)(B)(viii)	Subject to the provisions of paragraph 20 of the Interim Order, except in the case of fraud, gross negligence, or willful misconduct, in each case, as judicially determined by a final order from a court of competent jurisdiction, each of the Debtors and their estates, on its own behalf and on behalf of its and their respective past, present and future predecessors, successors, subsidiaries, and assigns, hereby absolutely, unconditionally and irrevocably releases and forever discharges and acquits the DIP Lender and (a) each of its respective non-Debtor subsidiaries and non-Debtor affiliates (as defined in the Bankruptcy Code), and (b) each of officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof of the DIP Lender and each of its non-Debtor subsidiaries and non-	Interim Order, ¶ 20

MATERIAL TERMS		Location
	Debtor affiliates, in each case in their respective capacity as such (each, a “Representative” and, collectively, the “Representatives” and, together with the DIP Lender, the “Released Parties”), from any and all obligations and liabilities to the Debtors (and their successors and assigns) and from any and all claims, counterclaims, demands, defenses, offsets, debts, accounts, contracts, liabilities, actions and causes of action arising prior to the Petition Date of any kind, nature or description, whether matured or unmatured, known or unknown, asserted or unasserted, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, liquidated or unliquidated, pending or threatened, arising in law or equity, upon contract or tort or under any state or federal law or otherwise, in each case solely arising out of or related to (as applicable) the DIP Documents, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions and agreements reflected thereby, and the obligations and financial obligations made thereunder, in each case that the Debtors or their estates at any time had, now have or may have, or that their predecessors, successors or assigns at any time had or hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of the Interim Order. For the avoidance of doubt, nothing in this release shall relieve the DIP Lender or the Debtors or their estates of their respective obligations under the DIP Documents and the Interim Order.	
Indemnification Bankruptcy Rule 4001(c)(1)(B)(ix)	The DIP Note and Interim Order contain indemnification provisions ordinary and customary for debtor-in-possession financings of this type.	DIP Note, § 9 Interim Order, ¶ 26
Section 506(c) Waiver Bankruptcy Rule 4001(c)(1)(B)(x)	Except to the extent of the Carve-Out and subject to entry of a Final Order granting such relief, no costs or expenses of administration of the Chapter 11 Cases or any Successor Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender and no consent shall be implied from any other action, inaction, or acquiescence by the DIP Lender, and nothing contained in the Interim Order shall be deemed to be a consent by the DIP Lender to any charge, lien, assessment, or claims against the DIP Collateral under section 506(c) of the Bankruptcy Code or otherwise.	Interim Order ¶ 22
Section 552(b) Waiver Bankruptcy Rule 4001(c)(1)(B)	Subject to entry of a Final Order granting such relief, no event shall the DIP Lender be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the DIP Collateral or the DIP Obligations.	Interim Order ¶ 23

Statement Regarding Significant Provisions

14. Pursuant to paragraph 8 of the Complex Case Procedures, the DIP Note and/or the Orders contain the following provisions (“**Significant Provisions**”):

DIP Financing Term	Relief Requested
Plan Confirmation Milestones Complex Case Procedures ¶ 8(a)	The DIP Note, attached hereto as Exhibit C, requires the Debtors to comply with the following Milestones including: • No later than the date that is 2 business days after the Petition Date, the Bankruptcy Court shall have entered an interim DIP order, in form and substance acceptable to the DIP Lender; • No later than the date that is 7 calendar days after the Petition Date, the Debtors shall have filed the Approved Plan and a DS, in form and substance acceptable to the DIP Lender; • No later than 14 calendar days after the Petition Date, the Debtors shall have filed the SSA Motion in form and substance acceptable to the DIP Lender, seeking approval of the SSA; • No later than 45 calendar days after the Petition Date, the Bankruptcy Court shall have entered the final DIP order, in form and substance acceptable to the DIP Lender; • No later than the date that is the earlier of (a) 45 calendar days after the Petition Date and (b) 30 calendar days after the appointment of a statutory committee of unsecured creditors (if any), the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving the SSA Motion; • No later than the date that is 50 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, setting forth the claims bar date; • No later than the date that is 60 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, approving the Disclosure Statement and authorizing the Debtors to solicit the Approved Plan; • No later than November 15, 2024, the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving and confirming the Approved Plan; <i>provided</i>, that this Milestone shall be automatically extended by the same number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender; and • No later than November 29, 2024, the effective date of the Approved Plan shall have occurred; <i>provided</i>, that this Milestone shall be automatically extended by the same

DIP Financing Term	Relief Requested
	number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender. <u>Justification:</u> These milestones are appropriate given the amount of funding the DIP Lender are willing to make available to the Debtors to fund the Chapter 11 Cases. The Debtors believe that the DIP Lender would not have otherwise provided the DIP Loans.
Cross-Collateralization Complex Case Procedures ¶ 8(b)	The Interim Order does not provide for cross-collateralization.
Roll-ups Complex Case Procedures ¶ 8(c)	The Interim Order does not provide for a roll-up.
Liens on Avoidance Actions or Proceeds of Avoidance Actions Complex Case Procedures ¶ 8(d)	Subject to entry of the Final Order, the DIP Lenders will receive a lien on the proceeds of any avoidance actions; provided, however, that the DIP Lender shall use commercially reasonable efforts to first obtain recoveries from DIP Collateral other than the proceeds of avoidance actions. Interim Order ¶ 7(a). <u>Justification:</u> Granting DIP Liens and DIP Superpriority Claims on proceeds and property recovered in respect of Avoidance Actions is appropriate because the DIP Facility provides the Debtors with necessary liquidity to fund the Debtors' Chapter 11 Cases and ensure the Debtors are able to maximize value for their estates. Moreover, the liens were required by the DIP Lender as a condition to extending credit. The Debtors respectfully submit that granting liens on the proceeds of avoidance actions is appropriate under these circumstances because it is subject to a final order and will allow parties in interest the opportunity to object.
Default Provisions and Remedies Complex Case Procedures ¶ 8(e)	The Interim Order and DIP Note provide for certain Events of Default and remedies upon Events of Default, including customary termination events for, among other things, any material default, violation, or breach of the terms of the Interim Order by the Debtors, conversion or dismissal of the Debtors' cases, or appointment of a chapter 11 trustee. Interim Order ¶¶ 13(a), 13(b). <u>Justification:</u> These Events of Default appropriately balance, in the Debtors' view, the DIP Lender's need for protection and the Debtors' need for debtor-in-possession financing. In addition, the DIP Lender must provide five (5) business days' prior written notice prior to exercising its rights under the DIP Documents and file a motion seeking emergency relief from the automatic stay. Until such time as the stay relief motion has been adjudicated by the Court, the Debtors may use the proceeds of the DIP Loans (to the extent drawn prior to the occurrence of the Event of Default (as defined in the DIP Note) to fund operations in accordance with the DIP Note. Therefore, the Interim Order does <i>not</i> provide for the automatic lifting of the stay upon a DIP Note Event of Default.
Releases of Claim Against Lender or Others	Subject to the provisions of paragraph 20 of the Interim Order, except in the case of fraud, gross negligence, or willful misconduct, in each

DIP Financing Term	Relief Requested
Complex Case Procedures ¶ 8(f)	case, as judicially determined by a final order from a court of competent jurisdiction, each of the Debtors and their estates, on its own behalf and on behalf of its and their respective past, present and future predecessors, successors, subsidiaries, and assigns, hereby absolutely, unconditionally and irrevocably releases and forever discharges and acquits the DIP Lender and (a) each of its respective non-Debtor subsidiaries and non-Debtor affiliates (as defined in the Bankruptcy Code), and (b) each of officers, directors, managers, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other professionals and the respective successors and assigns thereof of the DIP Lender and each of its non-Debtor subsidiaries and non-Debtor affiliates, in each case in their respective capacity as such (each, a “Representative” and, collectively, the “Representatives” and, together with the DIP Lender, the “Released Parties”), from any and all obligations and liabilities to the Debtors (and their successors and assigns) and from any and all claims, counterclaims, demands, defenses, offsets, debts, accounts, contracts, liabilities, actions and causes of action arising prior to the Petition Date of any kind, nature or description, whether matured or unmatured, known or unknown, asserted or unasserted, foreseen or unforeseen, accrued or unaccrued, suspected or unsuspected, liquidated or unliquidated, pending or threatened, arising in law or equity, upon contract or tort or under any state or federal law or otherwise, in each case solely arising out of or related to (as applicable) the DIP Documents, the obligations owing and the financial obligations made thereunder, the negotiation thereof and of the transactions and agreements reflected thereby, and the obligations and financial obligations made thereunder, in each case that the Debtors or their estates at any time had, now have or may have, or that their predecessors, successors or assigns at any time had or hereafter can or may have against any of the Released Parties for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time on or prior to the date of the Interim Order. For the avoidance of doubt, nothing in this release shall relieve the DIP Lender or the Debtors or their estates of their respective obligations under the DIP Documents and the Interim Order. Interim Order ¶ 20.
Limitations on the Use of DIP Proceeds Complex Case Procedures ¶ 8(g)	Unless otherwise provided in the Approved Budget, subject to any Permitted Variance or approved by the DIP Lender, no portion of any DIP Loans shall be used, directly or indirectly: (A) except as permitted by <u>Section Error! Reference source not found.</u>, to make any payment in respect of, or repurchase, redeem, retire or defease any, prepetition Indebtedness, except pursuant to the terms of the Interim Order or Final Order or to finance or make any restricted payment, (B) to pay any fees or similar amounts payable to any person who has proposed or may propose to purchase interests in any of the Borrower or any of its respective subsidiaries or affiliates or who otherwise has proposed or may propose to invest in the Borrower or any of its respective Subsidiaries or affiliates (including so-called “topping fees,” “exit fees,” and similar amounts), or (C) to make any distribution under a plan of reorganization in the Chapter 11 Cases or any similar

DIP Financing Term	Relief Requested
	proceeding of any of the Subsidiaries or affiliates of any of the Borrower. <i>See</i> DIP Note § 1(e). <u>Justification:</u> These limitations are usual and customary. The Debtors, having engaged in arm's length negotiations with the DIP Lenders, agreed to limit the Debtors' use of proceeds of the DIP Loans as consideration for, among other things, the provision of new money within the broader context the Debtors' value-maximizing chapter 11 process. The limitation is reasonable given the facts and circumstances of the Chapter 11 Cases.
Priming Liens Complex Case Procedures ¶ 8(h)	Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected security interest (subject and subordinate to the Carve-Out) in, and lien upon, all tangible and intangible prepetition and postpetition property of each of the Loan Parties, whether existing on the Petition Date or thereafter acquired, and all cash and non-cash proceeds, rents, products, substitutes, accruals and profits of such property that is subject to Permitted Liens, which security interests and liens in favor of the DIP Lender shall be immediately junior and subordinate to any such Permitted Liens; <i>provided</i> that DIP Liens shall be senior to liens granted pursuant to that certain <i>Secured Senior Takeback Note</i> (as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof), between the Debtors and Oaktree. Interim Order ¶ 7(b). <u>Justification:</u> It is appropriate to provide priming liens to the DIP Lenders to secure the DIP Obligations because Oaktree has consented to the priming of their liens. The Interim Order does not provide for any non-consensual priming liens. Furthermore, Oaktree has waived adequate protection.

Background

A. Need for DIP Financing

15. The Debtors require access to the DIP Financing to ensure they have sufficient liquidity to implement the orderly wind down of their businesses over the course of the Chapter 11 Cases. The Debtors are entering chapter 11 with only approximately \$2.2 million cash on hand, which is insufficient to fund operations and expenses for the projected duration of the Chapter 11 Cases, including costs associated with marketing and selling substantially all of the Debtors' assets, while the Debtors implement an orderly wind-down.

16. As further described in the Kaup Declaration, the Debtors have incurred operating losses each year since 2017, rendering their business unprofitable and unsustainable.

The Debtors' operating losses are projected to further increase in light of headwinds which the Debtors' rely on for its forward parcel delivery service, and changes in the broader ecommerce market. These forces collectively have put pressure on the Debtors, which sought chapter 11 relief to promote an orderly wind-down and liquidation process. That process requires access to capital.

17. The Debtors, with the assistance of Portage Point, undertook a detailed analysis of their operations and funding needs. From this review and analysis, it became clear that the Debtors would require an infusion of capital to allow them to implement an orderly wind down of their operations in the Chapter 11 Cases. Specifically, the Debtors, in consultation with Portage Point, determined that DIP financing is necessary to, among other things, (i) promote the orderly wind down of their business, (ii) fund payroll, (iii) satisfy other working capital and operational needs, and (iv) pay administrative expenses and other costs associated with the chapter 11 process. In sum, access to DIP financing is critical to preserve the value of the Debtors' assets and to facilitate the orderly wind-down of the Debtors' operations contemplated by the RSA and the Plan.

18. Based upon projections in the Initial DIP Budget, the Debtors and their advisors determined that, without access to the DIP Financing, the Debtors will not have sufficient cash to maintain limited business operations, pay employees, and fund the administration of the Chapter 11 Cases through the wind-down. Without cash, the Debtors could not afford to run a robust marketing and sale process, with the assistance of qualified advisors. This would disrupt the company at a critical time when preserving value is of utmost importance.

19. Such a disruption in operations would almost certainly have a negative impact on the value of the Debtors' estates, which would cause the Debtors to suffer immediate and irreparable harm to the detriment of the Debtors' creditors.

B. Efforts to Obtain DIP Financing

20. In June 2024, Pitney Bowes approached the Debtors to propose the DIP Financing as part of the broader negotiations in connection with the Chapter 11 Cases. The Debtors and advisors began discussions with the Pitney Bowes regarding the proposed financing and engaged in a series of exchanges concerning the potential terms and conditions of such financing. Motivated to minimize further losses associated with the Debtors' continued operations, Pitney Bowes expressed a willingness to provide the DIP Financing on better-than-market terms to ensure the Debtors' orderly wind down in the Chapter 11 Cases.

21. Indeed, as discussed in the Lansio Declaration, beginning in July 2024, with assistance from the Debtors' management team and advisors, Portage Point commenced a marketing process to determine whether an alternative source of debtor-in-possession financing existed in the market. Portage Point explored potential interest in debtor-in-possession financing from seven third-party lenders. None of these parties expressed an interest in providing such financing, much less on terms superior to the DIP Financing proposed by Pitney Bowes.

22. In particular, the proposed DIP Note includes minimal fees, a market interest rate, and relatively modest covenants when compared with debtor-in-possession financing arrangements of similar size. Furthermore, pursuant to the RSA, Pitney Bowes has agreed to support the Debtors through the Chapter 11 Cases, including through the SSA (as defined in the RSA), which will allow the Debtors to continue using shared services with Pitney Bowes during the Chapter 11 Cases. This total package of transactions will facilitate the liquidation of assets and ultimate wind-down of the Debtors.

23. In addition, as the Debtors' former corporate parent, PBIH is uniquely familiar with the Debtors' business and the circumstances of the Chapter 11 Cases, allowing the Debtors to bypass the time and expense of due diligence and additional professional fees incidental

to third-party debtor-in-possession financing. Therefore, the proposed DIP Financing will provide the Debtors with access to immediate liquidity and avoids the execution risk and time constraints a third-party lender proposal would necessarily entail.

24. Following an arm's-length negotiation over several weeks, the Debtors reached an agreement with the PBIH on the terms of financing in the aggregate principal amount of up to \$47 million, comprised of the following: (i) new-money term loans to be made in multiple draws following entry of the Interim Order in an aggregate principal amount equal to \$45 million; and (ii) new-money term loans to be made in multiple draws following entry of the Final Order in an aggregate principal amount equal to \$2 million.

25. In addition, the following summarizes certain additional key terms of the DIP Financing, as further summarized above:

- **Interest Rate:** the DIP Financing will accrue interest at a rate of 10.00% per annum, accruing monthly and payable in kind;
- **Upfront Fee:** the Debtors have agreed to pay the DIP Lender a an upfront fee of 2.00% of the DIP Commitment, which shall be fully earned and non-refundable upon entry of an interim DIP order, and payable in kind; and
- **Undrawn Commitment Fee:** the Debtors have agreed to pay the DIP Lender a fee of 1.00% of the unused DIP Commitment during the preceding month, shall accrue and payable in kind.

C. Use of Cash Collateral

26. On August 8, 2024, prior to the commencement of the Chapter 11 Cases, the Debtors and Oaktree, entered into that certain *Secured Senior Takeback Note* (the “**Oaktree Takeback Note**”), pursuant to which the Debtors promised to the order of Payee the principal aggregate amount of \$3.3 million, consisting of a (i) a first tranche of \$2.4 million and (ii) a second tranche of \$900,000. The Oaktree Takeback Note is secured by a lien on substantially all of the Debtors' assets, including the Debtors' cash.

27. Pursuant to the Oaktree Takeback Note and RSA, Oaktree has agreed to allow the Debtors to use any cash that constitutes Oaktree's cash collateral (as defined in section 363 of the Bankruptcy Code) during the Chapter 11 Cases. Oaktree further has agreed not to seek adequate protection on account of its interest in any "Collateral" (as that term is defined in the Oaktree Takeback Note) securing the Debtors' obligations under the Oaktree Takeback Note. Accordingly, the Debtors seek authority to continue use of cash collateral on a consensual basis during the pendency of the Chapter 11 Cases.

The DIP Financing Should Be Approved

28. The Debtors satisfy the requirements for relief under section 364 of the Bankruptcy Code, which authorizes a debtor to obtain secured or superpriority financing under certain circumstances. As set forth in the Lansio Declaration, the Debtors were unable to procure sufficient financing in the form of unsecured credit, which would be allowable under section 503(b)(1) or as an administrative expense, in accordance with sections 364(a) or (b) of the Bankruptcy Code. *See* 11 U.S.C. §§ 364(a)–(b), 503(b)(1). Having determined that postpetition financing was only available pursuant to sections 364(c) and (d) of the Bankruptcy Code, the Debtors negotiated with the PBIH to secure the DIP Financing on the terms described herein. For these reasons, as discussed further below, the Debtors satisfy the necessary conditions under sections 364(c) for authority to enter into the DIP Financing.

A. DIP Financing Represents an Exercise of Debtors' Business Judgment

29. If an agreement to obtain secured credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code, courts give debtors considerable deference in acting in accordance with their business judgment in obtaining such credit. *See, e.g., In re Estrada*, No. 16-80003-G3-11, 2016 WL 745536, at *3 (Bankr. S.D. Tex. Feb. 24, 2016) ("In determining whether to approve a motion to obtain credit, courts generally permit debtors in possession to

exercise their basis business judgment consistent with their fiduciary duties.”); *In re N. Bay Gen. Hosp., Inc.*, No. 08-20368 (Bankr. S.D. Tex. July 11, 2008) (Docket No. 21) (order approving postpetition financing on an interim basis as exercise of debtors’ business judgment); *In re Los Angeles Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) (“[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender.”); *In re Ames Dep’t Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (“[C]ases consistently reflect that the court’s discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest.”).

30. The Fifth Circuit has described the business judgment standard as a flexible one, which will be satisfied if a debtor articulates a business justification and the decision furthers the interests of the Debtor and other parties in interest. *See ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, L.L.C.)*, 650 F.3d 593, 601 (5th Cir. 2011) (in the context of section 363 of the Bankruptcy Code); *see also Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986). Courts generally will not second-guess a debtor’s business decisions when those decisions involve the appropriate level of care in arriving at the decision on an informed basis, in good faith, and in the honest belief that the action was taken in the best interest of the debtor. *See In re Los Angeles Dodgers LLC*, 457 B.R. at 313. Further, in considering whether the terms of postpetition financings are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *In re Farmland Indus., Inc.*, 294 B.R. 855–86 (Bankr. W.D. Mo. 2003); *see also Unsecured Creditors’ Comm. Mobil Oil Corp. v. First Nat’l Bank & Tr. Co. of Escanaba (In re Ellingsen*

MacLean Oil Co., Inc.), 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (recognizing a debtor may have to enter into “hard bargains” to acquire funds for its reorganization).

31. The Debtors’ determination to move forward with the DIP Financing is an exercise of their business judgment following a thorough process conducted with the guidance of experienced advisors, and after careful evaluation of alternatives. Given the Debtors’ desires to wind down and not continue as a going-concern, the financing marketing process did not yield any actionable interest. Indeed, it became clear that the DIP Financing was the best available financing source, and PBIH expressed a desire and willingness to move quickly to commit to provide financing on favorable economic terms. DRF Logistics’s advisors, with the oversight of an independent board of managers, negotiated the DIP Financing with PBIH in good faith and at arm’s length, and the Debtors believe that they have obtained the best financing available in an amount sufficient to fund operations and the costs of the Chapter 11 Cases on reasonable terms. Accordingly, the Court should authorize the Debtors’ entry into the DIP Documents as an exercise of the Debtors’ business judgment.

B. Even if Entire Fairness Standard Applies, Entry into DIP Financing Should be Approved

32. Although business judgment is the proper standard for review and approval of the DIP Financing, the DIP Financing passes muster under the entire fairness standard as well. Following the Hilco Transaction (as defined in the Kaup Declaration), PBIH is not an “insider” of the Debtors within the meaning of section 101(31) of the Bankruptcy Code. Thus, the DIP Financing can and should be approved under the business judgement rule, especially given that DRF Logistics’s board of managers, which is fully independent, oversaw the negotiation process and approved entry into the DIP Financing on behalf of the Debtors.

33. The business judgment rule applies unless: (i) the directors did not make a decision; (ii) the directors' decision was uninformed; (iii) the directors were not disinterested or independent; or (iv) the directors were grossly negligent. *See In re Los Angeles Dodgers LLC*, 457 B.R. at 313. As set forth in the Lansio Declaration, the Debtors and their advisors went to great lengths to ensure independent board of managers (who are unaffiliated with Pitney Bowes) made an informed and reasonable decisions in their selection and negotiation of the proposed DIP Financing and, therefore, should be entitled to the deference of the business judgment rule.

34. Even if the Court were to apply the "entire fairness" standard to analyze the DIP Financing, the DIP Financing should be approved. The entire fairness standard consists of "two aspects, fair dealing and fair price, both of which must be examined together in resolving the ultimate question of entire fairness." *Rosenblatt v. Getty Oil Co.*, 493 A.2d 929, 937 (Del. 1985). Ordinarily, the party seeking to consummate the challenged transaction bears the burden of proving entire fairness. *See Kahn v. Lynch Comm'ns Sys., Inc.*, 638 A.2d 1110, 1117 (Del. 1994). The burden of proving unfairness "shifts . . . entirely" to the challenging party, however, where the challenged transaction was approved by an independent committee of directors. *Rosenblatt*, 493 A.2d at 937. Where a controlling shareholder did not dictate the terms of the transaction and an independent negotiator had real bargaining power, which was exercised on an arm's-length basis, the burden to prove unfairness falls to the challenging party. *Kahn*, 638 A.2d at 1117. Indeed, the business judgment rule is set aside only upon a showing that the debtor's directors were uninformed, grossly negligent, or lacking independence. *See In re Los Angeles Dodgers LLC*, 457 B.R. 308, 313 (Bank. D. Del. 2011); *In re Mid-State Raceway, Inc.*, 323 B.R. 40, 58 (Bankr. S.D.N.Y. 2005) ("To overcome the business judgment rule, the entity opposing the decision by the directors must establish that they acted in bad faith or with fraudulent intent.").

35. With respect to fair dealing, as set forth in the Lansio Declaration, PBIH and the Debtors were represented by separate advisors in negotiating the terms of the DIP Financing, and the independent managers on DRF Logistics's board oversaw the debtor-in-possession financing process and ultimately approved the DIP Financing. Multiple iterations of a term sheet, budget, and draft definitive documents were traded and negotiated between the Debtors and DIP Lender. The process, therefore, was at all times conducted in good faith and at arm's length. Further, the terms of the DIP Financing are likewise fair, reasonable, and consistent with market comparables for similar financings. As set forth in the Lansio Declaration, no third-party source of financing was available, which provides further support for the competitiveness of the terms. Accordingly, the Debtors' entry into the DIP Financing satisfies the entire fairness standard to the extent such standard applies.

C. Debtors Should Be Authorized to Obtain DIP Financing on a Secured and Superpriority Basis

36. The Debtors satisfy the requirements for relief under section 364 of the Bankruptcy Code, which authorizes a debtor to obtain secured or superpriority financing under certain circumstances. Specifically, section 364(c) of the Bankruptcy Code provides that:

If the trustee is unable to obtain unsecured credit allowable under section 503(b)(1) of this title as an administrative expense, the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt:

(1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of this title;

(2) secured by a lien on property of the estate that is not otherwise subject to a lien; or

(3) secured by a junior lien on property of the estate that is subject to a lien.

11 U.S.C. § 364(c).

37. To satisfy the requirements of section 364(c) of the Bankruptcy Code, courts will consider whether (i) the debtor made reasonable effort, but failed, to obtain unsecured credit under sections 364(a) and 364(b) of the Bankruptcy Code, (ii) the credit transaction benefits the debtor as necessary to preserve estate assets, and (iii) the terms of the credit transaction are fair, reasonable, and adequate, given the circumstances of the debtor and proposed lender. *See In re Republic Airways Holdings Inc.*, No. 16-10429(SHL) 2016 WL 2616717, at *11 (Bankr. S.D.N.Y. May 4, 2016); *In re Los Angeles Dodgers LLC*, 457 B.R. at 312–13; *In re Ames Dep’t Stores, Inc.*, 115 B.R. at 40. Section 364, however, “imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable.” *Bray v. Shenandoah Fed. Savs. & Loan Ass’n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986).

38. The DIP Financing satisfies all three prongs. First, as stated above, the Debtors contacted seven third-party lenders, in addition to PBIH, to seek proposals for postpetition financing. No parties except PBIH submitted proposals. The Court should, therefore, authorize the Debtors to provide PBIH with superpriority administrative expense status for any DIP Obligations as provided for in section 364(c)(1) of the Bankruptcy Code, in each case, in accordance with the DIP Note and Orders.

39. Second, the DIP Financing is necessary to preserve the Debtors’ estates. The Debtors require access to the DIP Financing to ensure they have sufficient liquidity to operate their businesses and administer their estates in the ordinary course during the wind-down and duration of the Chapter 11 Cases. The Debtors’ operating cash flow may not be sufficient to fund ongoing operations and expenses for the projected duration of the Chapter 11 Cases, including costs associated with the Chapter 11 Cases. Without sufficient cash to fund the Chapter 11 Cases

and administrative costs (including ordinary course operating expenses), the Debtors risk diminishing value of their assets at a time when preservation of such value is critical.

40. Third, the terms of the DIP Financing are fair, reasonable, and adequate under the circumstances. As stated in the Lansio Declaration, Chiu Declaration, and this Motion, the DIP Financing represents the most favorable source of financing and is designed to provide the Debtors with sufficient liquidity for the duration of the Chapter 11 Cases through the wind-down period.

D. Debtors Should Be Authorized to Pay Interest and Other Amounts Required by DIP Documents

41. DIP Loans will accrue interest at 10% per annum monthly, which will be payable in kind. In addition, in connection with the DIP Financing, the Debtors have agreed to pay the following amounts to the DIP Lender:

- ***Upfront Fee:*** on the date of the Initial Draw, Borrower shall pay in cash to DIP Lender an upfront fee equal to 2.00% of the DIP Commitment, which shall be fully earned upon entry of the Interim Order and payable in kind; and
- ***Undrawn Commitment Fee:*** on the last business day of each month, a fee equal to 1.00% of the unused DIP Commitment during the preceding month, shall accrue and payable in kind.

42. Under the DIP Documents, the Debtors are also required to pay all fees, premiums and expenses under the DIP Financing on the Closing Date (as defined in the DIP Note), including the reasonable and documented out-of-pocket fees and expenses of counsel to the DIP Lender.

43. As set forth in the Lansio Declaration, the Debtors submit that the interest rate, Upfront Fee, and the Undrawn Commitment Fee, and the other amounts payable to the DIP Lender in connection with the DIP Financing, in the aggregate, are fair and reasonable under the circumstances of the Chapter 11 Cases, particularly in light of the benefits received by the Debtors’

estates through the proposed DIP Financing. Accordingly, the Debtors should be authorized to pay such amounts.

E. Debtors Should Be Permitted to Use Cash Collateral

44. For the reasons set forth herein, the Debtors require use of Cash Collateral for the continued operation of the Debtors' businesses during the wind-down period and smooth entry into the Chapter 11 Cases. Section 363(c) of the Bankruptcy Code governs a debtor's use of a secured creditor's cash collateral. Section 363(c) provides, in pertinent part, that:

The trustee may not use, sell, or lease cash collateral . . . unless—

(A) each entity that has an interest in such cash collateral consents;

or

(B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section [363].

11 U.S.C. § 363(c)(2). Furthermore, section 363(e) provides that “on request of an entity that has an interest in property . . . proposed to be used, sold, or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest.” 11 U.S.C. § 363(e)

45. The Debtors have satisfied the requirements of sections 363(c)(2) and (e), and should be authorized to use Cash Collateral. Oaktree has consented to such use and waived any requirement for the Debtors to provide adequate protection. Accordingly, the Court should grant the Debtors the authority to use Cash Collateral under section 363(c) of the Bankruptcy Code.

F. Carve-Out Is Appropriate

46. The DIP Financing subjects the DIP Lender's security interests, superpriority administrative expense claims, and the adequate protection claims and liens to the Carve-Out (as defined in the Interim Order). Without the Carve-Out, the Debtors' estates or other parties in interest could be harmed because the services professionals might otherwise provide in

the Chapter 11 Cases could be restricted. *See In re Ames Dep't Stores*, 115 B.R. at 38 (observing that courts insist on Carve-Outs for professionals representing parties in interest because “[a]bsent such protection, the collective rights and expectations of all parties in interest are sorely prejudiced”). Additionally, the Carve-Out protects against administrative insolvency during the pendency of the Chapter 11 Cases by ensuring that assets are available to pay U.S. Trustee fees and professional fees of the Debtors and any statutory committee. Accordingly, the Debtors submit that the Carve-Out is reasonable and appropriate under the circumstances.

G. DIP Lender Should Be Deemed Good Faith Lender under Section 364(e)

47. Section 364(e) of the Bankruptcy Code protects a good faith lender’s right to collect on loans extended to a debtor, and its rights with respect to liens securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Section 364(e) provides that:

The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

11 U.S.C. § 364(e).

48. As explained herein and in the Lansio Declaration, DIP Financing negotiations were conducted in good faith and at arm’s length. The proceeds of the DIP Loans will be used only for purposes that are permissible under the Bankruptcy Code. Accordingly, the Court should find that the DIP Lender is a “good faith” lender within the meaning of section 364(e) of the Bankruptcy Code, and therefore entitled to all of the protections afforded by that section.

H. Modification of Automatic Stay Is Warranted

49. The relief requested herein contemplates a modification of the Automatic Stay (if applicable) to (i) permit the Debtors to grant the security interests, liens, and superpriority claims described above and to perform such acts as may be requested to assure the perfection and priority of such security interests and liens, and (ii) permit the DIP Lender to exercise rights and remedies under certain circumstances. These provisions were part of the *quid pro quo* for the Debtors' ability to obtain the DIP Financing as provided in the DIP Note and in the Interim Order. Notably, the exercise of remedies (including remedies with respect to prepetition claims and collateral) will be subject to five business days' notice to allow the Debtors to contest whether a default has occurred and is occurring. Moreover, following the delivery of such notice, but prior to exercising certain remedies, the DIP Lender is required to file a motion seeking an emergency hearing for relief from the Automatic Stay (the "**Stay Relief Hearing**"). Until the Court adjudicates the DIP Lender's stay relief motion, the Debtors may use the proceeds of the DIP Financing (to the extent drawn prior to the occurrence of the Event of Default (as defined in the DIP Note)) in accordance with the DIP Note and Approved Budget. Under these circumstances, the Debtors believe that the extent of the modifications to the Automatic Stay under the Interim Order are reasonable and should be approved.

50. Stay modifications of this kind are ordinary and standard features of debtor-in-possession financing arrangements and, in the Debtors' business judgment, are reasonable and fair under the circumstances of the Chapter 11 Cases. *See, e.g., In re Sheridan Holding Company II, LLC*, No. 19-35198 (MI) (Bankr. S.D. Tex. October 21, 2019) (Docket No. 178) (modifying automatic stay as necessary to effectuate the terms of the order); *In re Vanguard Natural Resources, Inc.*, No. 19-31786 (DRJ) (Bankr. S.D. Tex. April 3, 2019) (Docket No. 118) (same); *In re Southcross Holdings LP*, No. 16-20111 (MI) (Bankr. S.D. Tex. Apr. 11, 2016) (Docket No.

183) (same); *In re Autoseis, Inc.*, No. 14-20130 (RSS) (Bankr. S.D. Tex. Mar. 27, 2014) (Docket No. 64) (same); *In re ATP Oil & Gas Corp.*, No. 12-36187 (MI) (Bankr. S.D. Tex. Aug. 21, 2012) (Docket No. 135) (same).

I. Debtors Require Immediate Access to DIP Financing

51. The Court may grant interim relief in respect of a motion filed pursuant to section 363(c) or 364 of the Bankruptcy Code if, as here, interim relief is “necessary to avoid immediate and irreparable harm to the estate pending a final hearing.” Fed. R. Bankr. P. 4001(b)(2), (c)(2). In examining requests for interim relief under this rule, courts generally apply the same business judgment standard applicable to other business decisions. *See In re Ames Dep’t Stores*, 115 B.R. at 36.

52. The Debtors and their estates will suffer immediate and irreparable harm if the interim relief requested herein is not granted promptly. The Debtors have an immediate need for access to the DIP Financing, to preserve the value Debtors’ estates and provide assurances to employees, vendors, and other stakeholders that the Debtors have the financial wherewithal to continue operating during the pendency of the Chapter 11 Cases. Accordingly, for the reasons set forth above, prompt entry of the Interim Order is necessary to avoid value-destruction that would lead to immediate and irreparable harm to the Debtors’ estates.

J. Request for Final Hearing

53. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtors request that the Court set a date for consideration of entry of the Final Order. The Debtors request that they be authorized to serve a copy of the signed Interim Order, which fixes the time and date for the filing of any objections by first class mail upon the notice parties listed below. The Debtors further request that the Court consider such notice of the Final Hearing to be sufficient notice under Bankruptcy Rule 4001(c)(2).

Debtors Have Satisfied Bankruptcy Rule 6003(b)

54. Pursuant to Bankruptcy Local Rule 9013-1, the Debtors respectfully request emergency consideration of this Motion under Bankruptcy Rule 6003, which provides that the Court may grant relief within the first 21 days after the Petition Date to the extent such relief is necessary to avoid immediate and irreparable harm. As described herein and in the Lansio Declaration, the relief requested is essential to avoid the immediate and irreparable harm that would be caused by the Debtors' inability to transition smoothly into chapter 11. Accordingly, the Debtors submit that the requirements of Bankruptcy Rule 6003 are satisfied.

**Debtors' Compliance with
Bankruptcy Rule 6004(a) and Waiver of Bankruptcy Rule 6004(h)**

55. To implement the foregoing successfully, the Debtors request that the Court find that notice of the Motion is adequate under Bankruptcy Rule 6004(a), and waive the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As explained above, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

Reservation of Rights

56. Nothing contained herein is intended to be or shall be deemed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' or any party in interest's rights to dispute the amount of, basis for, or validity of any claim, (iii) a waiver or limitation of the Debtors' or any other party in interest's rights under the Bankruptcy Code or any other applicable nonbankruptcy law, (iv) a waiver of the obligation of any party in interest to file a proof of claim, (v) an agreement or obligation to pay any claims, (vi) a

waiver of any claims or causes of action that may exist against any creditor or interest holder, or (vii) an approval, assumption, adoption, or rejection of any executory contract or unexpired lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve all of their rights with respect to the foregoing matters. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' or any other party in interest's rights to dispute such claim subsequently.

Notice

57. Notice of this Motion will be served on any party entitled to notice pursuant to Bankruptcy Rule 2002 and any other party entitled to notice pursuant to Bankruptcy Local Rule 9013-1(d).

No Previous Request

58. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Orders granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: August 9, 2024
Houston, Texas

/s/ Gabriel A. Morgan

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*Proposed Attorneys for Debtors
and Debtors in Possession*

Certificate of Service

I hereby certify that on August 9, 2024, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Gabriel A. Morgan

Gabriel A. Morgan

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: DRF LOGISTICS, LLC, <i>et al.</i>, Debtors. ¹	§ § § § § § §	Chapter 11 Case No. 24-90447 (CML) (Jointly Administered) Re: Docket No. ____
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**INTERIM ORDER (I) AUTHORIZING DEBTORS TO
(A) OBTAIN POSTPETITION FINANCING AND (B) USE CASH
COLLATERAL, (II) GRANTING LIENS AND PROVIDING SUPERPRIORITY
ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING AUTOMATIC STAY,
(IV) SCHEDULING FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

Upon the motion (the “**DIP Motion**”)² of DRF Logistics, LLC and DRF, LLC, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), pursuant to sections 105, 362, 363, 364(c), 364(e), 503, 506(c), and 507 of the “**Bankruptcy Code**”, Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014, Bankruptcy Local Rules 2002-1, 4001-1(b), 4002-1(i), and 9013-1, and the Complex Case Procedures, seeking entry of this interim order (including all exhibits, schedules, and annexes hereto, this “**Interim Order**”) and the Final Order (as defined below) as applicable, among other things:

- (i) authorizing DRF Logistics, LLC (in such capacity, the “**Borrower**”) to obtain postpetition financing (the “**DIP Financing**”) pursuant to a senior secured, superpriority debtor-in-possession multi-draw term promissory note, consisting of term loans in an aggregate principal amount of up to \$47 million (the commitments in respect thereof, the “**DIP Commitments**” and such loans, the “**DIP Loans**”) from the DIP Lender (as defined below) of which \$45 million will be available immediately upon entry of this

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: DRF Logistics, LLC (6861) and DRF, LLC (7236). The Debtors’ mailing address is 7171 Southwest Parkway, Bldg. 300, Suite 400, Austin, TX 78735.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the DIP Motion or the DIP Note (as defined herein).

Interim Order to be distributed in one or more draws (the “**Initial Draws**”) until entry of the Final Order, with the remainder to be available subject to and upon entry of the Final Order, in each case subject to the terms and conditions set forth in that certain Debtor In Possession Secured Multi-Draw Term Promissory Note attached hereto in substantially final form as **Exhibit 1** (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the “**DIP Note**”), by and among the Borrower, DRF, LLC, as guarantor (“**Guarantor**” and together with the Borrower, “**Credit Parties**”) and Pitney Bowes International Holdings, Inc. (the “**DIP Lender**”);

- (ii) authorizing the Credit Parties to execute, deliver and perform their obligations under the DIP Note and all other loan or security documentation related to the DIP Loans, including, as applicable, security agreements, pledge agreements, account control agreements, mortgages, deeds, and such other documents that may be necessary or reasonably required to implement the DIP Loans in accordance with the DIP Note and/or that may be reasonably requested by the DIP Lender in connection with the DIP Loans, in each case, as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof and hereof (collectively, together with the DIP Note, this Interim Order, and, upon entry thereof, the Final Order, the “**DIP Documents**”);
- (iii) authorizing the Credit Parties to incur loans, advances, extensions of credit, financial accommodations, reimbursement obligations, interest, fees and premiums, costs, expenses and other liabilities, and all other obligations (including indemnities and similar obligations, whether contingent or absolute) due or payable under the DIP Documents (collectively, the “**DIP Obligations**”), and to perform such other and further acts as may be necessary, desirable or appropriate in connection therewith;
- (iv) subject and subordinate to the Carve-Out (as defined below), granting to the DIP Lender allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code in respect of all DIP Obligations;
- (v) subject and subordinate to the Carve-Out, granting to the DIP Lender valid, enforceable, non-avoidable and automatically perfected liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code on all DIP Collateral (as defined below), including all Cash Collateral (as defined below), on the terms described herein, including, subject only to and effective upon entry of the Final Order, the proceeds of any avoidance actions, which security interests and liens shall be subject to the priorities set forth herein;
- (vi) authorizing the DIP Lender to take all commercially reasonable actions to implement and effectuate the terms of this Interim Order;

- (vii) subject to entry of the Final Order granting such relief, waiving the Debtors' right to surcharge the DIP Collateral pursuant to section 506(c) of the Bankruptcy Code;
- (viii) subject to entry of the Final Order granting such relief, waiving the equitable doctrine of "marshaling" and other similar doctrines with respect to the DIP Collateral for the benefit of any party other than the DIP Lender;
- (ix) authorizing the Debtors to use proceeds of the DIP Loans and Cash Collateral solely in accordance with this Interim Order and the DIP Documents, as applicable;
- (x) authorizing the Debtors to pay the principal, interest, fees, expenses, reimbursements, and other amounts payable under the DIP Documents as such become earned, due and payable to the extent provided in, and in accordance with, the DIP Documents;
- (xi) vacating and modifying the automatic stay under section 362 of the Bankruptcy Code (the "**Automatic Stay**") to the extent necessary to permit the Debtors and the DIP Lender to implement and effectuate the terms and provisions of this Interim Order, the DIP Documents and, upon entry, the Final Order, to deliver any notices of default or termination described below and as further set forth herein;
- (xii) waiving any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of this Interim Order and, upon entry, the Final Order; and
- (xiii) scheduling a final hearing (the "**Final Hearing**") to consider final approval of the DIP Financing and use of Cash Collateral pursuant to a proposed final order³ (the "**Final Order**"), as set forth in the DIP Motion and the DIP Documents filed with this Court.

The Court having considered the interim relief requested in the DIP Motion, the exhibits attached thereto, the *Declaration of Lisa K. Lansio in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "**Lansio Declaration**"), the *Declaration of*

³ A proposed Final Order will be filed with this Court prior to the Final Hearing.

Robin Chiu in Support of First-Day Motions and Applications (the “**Chiu Declaration**”) the available DIP Documents, and the evidence submitted and arguments made at the interim hearing held on August 9, 2024 (the “**Interim Hearing**”); and due and sufficient notice under the circumstances of the Interim Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and all applicable Bankruptcy Local Rules; and the Interim Hearing having been held and concluded; and all objections, if any, to the interim relief requested in the DIP Motion having been withdrawn, resolved or overruled by the Court; and it appearing that approval of the interim relief requested in the DIP Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, is otherwise fair and reasonable and in the best interests of the Debtors and their estates, and is essential for the continued operation of the Debtors’ businesses and the preservation of the value of the Debtors’ property; and it appearing that the Credit Parties’ entry into the DIP Documents is a sound and prudent exercise of the Debtors’ business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor.

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:⁴

A. *Petition Date.* On August 8, 2024 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”). On August [•], 2024, this Court entered an order approving the joint administration of the chapter 11 cases.

⁴ The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. *Debtors in Possession.* The Debtors have continued in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

C. *Jurisdiction and Venue.* This Court has core jurisdiction over and authority with respect to these chapter 11 cases, the DIP Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(a)–(b) and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of Texas*, dated May 24, 2012. Consideration of the DIP Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). This Court may enter a final order consistent with Article III of the United States Constitution. Venue for these chapter 11 cases and proceedings on the DIP Motion is proper before this Court pursuant to 28 U.S.C. § 1408. Sections 105, 362, 363, 364(c), 364(e), 503, 506(c), and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014, and Bankruptcy Local Rules 2002-1, 4001-1(b), 4002-1(i), and 9013-1 provide the bases for the relief sought in the DIP Motion and granted herein.

D. *Committee Formation.* As of the date hereof, the United States Trustee for the Southern District of Texas (the “**U.S. Trustee**”) has not appointed an official committee of unsecured creditors in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code (a “**Creditors’ Committee**”).

E. *Notice.* The Interim Hearing was held pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Proper, timely, adequate, and sufficient notice of the DIP Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules, and no other or further notice was required under the circumstances to enter this

Interim Order. The interim relief granted herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing.

F. *Need for Postpetition Financing.* The Debtors have an immediate need to obtain the DIP Financing in order to, among other things, maintain, administer, and preserve certain limited operations and maximize the value of their estates, and to fund general corporate needs and expenses of the chapter 11 cases. The access of the Debtors to sufficient working capital and liquidity through the incurrence of new indebtedness under the DIP Documents and other financial accommodations provided under the DIP Documents are necessary to, among other things, maximize the value of the property of the Debtors' estates and effectuate an orderly wind-down of the Debtors' business.

G. *No Credit Available on More Favorable Terms.* The Debtors are unable to obtain (i) financing on more favorable terms from sources other than the DIP Lender under the DIP Documents, (ii) adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense, (iii) credit for money borrowed with priority over any or all administrative expenses of the kind specified in sections 503(b) or 507(b) of the Bankruptcy Code, or (iv) secured credit allowable under sections 364(c)(1), 364(c)(2), and 364(c)(3) of the Bankruptcy Code without granting to the DIP Lenders the DIP Liens (as defined below) and the DIP Superpriority Claims (as defined below), in each case as provided for herein, subject to the Carve-Out to the extent set forth herein, under the terms and conditions set forth in this Interim Order and in the DIP Documents. Accordingly, the DIP Financing is the best source of credit available to the Debtors and in the best interests of the Debtors and their estates.

H. *Extension of Financing.* The DIP Lender has indicated a willingness to provide the DIP Financing (and the DIP Loans thereunder) to the Borrower in accordance with the

DIP Documents (including the Approved Budget (as defined below)) and subject to (a) the entry of this Interim Order and the Final Order, as applicable, (b) approval of the Milestones, and (c) findings by this Court that such financing is essential to the Debtors' estates, that the DIP Lender has extended such credit in good faith, and that the DIP Lender's claims, superpriority claims, security interests and liens, rights, and other protections granted pursuant to and in connection with this Interim Order (and the Final Order) and the DIP Financing (including the DIP Superpriority Claims and the DIP Liens), will not be affected by any subsequent reversal, modification, vacatur, or amendment of, as the case may be, this Interim Order, the Final Order, or any other order, as provided in section 364(e) of the Bankruptcy Code.

I. *Business Judgment and Good Faith Pursuant to Section 364(e).* Based on the DIP Motion, the Lansio Declaration, the Chiu Declaration, and the record presented to this Court at the Interim Hearing, the use of Cash Collateral and the terms of the DIP Financing, including the DIP Liens are fair and reasonable, consistent with the Bankruptcy Code, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration, and have been negotiated in good faith and at arm's length among the Debtors and the DIP Lender, and all of the Debtors' obligations and indebtedness arising under, in respect of, or in connection with, the DIP Financing or the DIP Documents, including, all loans made to the Borrower pursuant to the DIP Documents and any other DIP Obligations shall be deemed to have been extended by the DIP Lender in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code. The DIP Lender (and the successors and assigns thereof) shall be and is entitled to the full protection of section 364(e) of the

Bankruptcy Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

J. *No Control.* The DIP Lender (a) does not control the Debtors or their properties or operations or have authority to determine the manner in which any Debtors' operations are conducted and (b) is not a control person of the Debtors.

K. *Immediate Entry.* Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2) and Bankruptcy Local Rule 4001-1(b). Absent granting the relief set forth in this Interim Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Financing, in accordance with the DIP Documents and this Interim Order, and the permitted use of Cash Collateral, in accordance with this Interim Order, are therefore in the best interests of the Debtors' estates and consistent with the Debtors' exercise of their fiduciary duties. The DIP Motion and this Interim Order comply with the requirements of Bankruptcy Local Rule 4001-1(b).

L. *Corporate Authority.* Each Debtor has all requisite corporate power and authority to execute and deliver the DIP Documents to which it is a party and to perform its obligations thereunder.

M. *Cash Collateral.* As used herein, the term "**Cash Collateral**" shall mean all of the Debtors' cash, wherever located and held, including cash in deposit accounts, that constitutes or will constitute "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code, and all collateral in which, pursuant to that certain Secured Senior Takeback Note, dated August 8, 2024 (as may be amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof and hereof, the "**Oaktree Takeback Note**") entered into between the Debtors and OPPS XI PTBW Holdings, L.P.

and OPPS XII PTBW Holdings, L.P. (“**Oaktree**”), the Debtors have granted Oaktree a security interest.

Based upon the foregoing findings and conclusions, the DIP Motion and the record before this Court with respect to the DIP Motion, and after due consideration and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. *Motion Granted.* The interim relief sought in the DIP Motion is granted, the interim financing described herein is authorized and approved, and the use of Cash Collateral on an interim basis is authorized, in each case subject to the terms and conditions set forth in the DIP Documents and this Interim Order. All objections to this Interim Order to the extent not withdrawn, waived, settled, or resolved are hereby denied and overruled on the merits.

2. *DIP Obligations.* The Debtors are immediately authorized to enter into the DIP Documents and to incur and to perform the DIP Obligations in accordance with and subject to the terms and conditions of this Interim Order and the DIP Documents, and to deliver all instruments, certificates, agreements, and documents that may be required or necessary for the performance by the Credit Parties under the DIP Documents and the creation and perfection of the DIP Liens described and provided for herein. The Debtors are hereby authorized to pay, in accordance with this Interim Order, all principal, interest, fees, payments, expenses (whether arising pre- or post-petition), indemnities, and other amounts described herein and in the DIP Documents (including the DIP Obligations) as such amounts become due and without need to obtain further Court approval. Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute legal, valid, binding, and non-avoidable obligations of the Credit Parties, enforceable against Credit Parties and their estates in accordance with the terms of the DIP

Documents and this Interim Order, and any successors thereto, including any trustee appointed in these chapter 11 cases, or in any case under chapter 7 of the Bankruptcy Code upon the conversion of any of these chapter 11 cases, or in any other proceedings superseding or related to any of the foregoing (collectively, the “**Successor Cases**”). Upon execution and delivery of the DIP Documents, the DIP Obligations will include all loans and any other indebtedness or obligations, contingent or absolute, which may now or from time to time be owing by any of the Credit Parties to the DIP Lender, in such capacity, in each case, arising under the DIP Documents (including this Interim Order) and secured by the DIP Collateral, including all principal, interest, costs, fees, expenses, premiums, indemnities and other amounts owed by the Credit Parties to the DIP Lender under the DIP Documents (including this Interim Order); *provided, however*, that except as otherwise set forth in this paragraph 2, the DIP Obligations shall not include any prepetition claims that the DIP Lender may have against any Debtor other than in its capacity as DIP Lender. The Credit Parties shall be jointly and severally liable for the DIP Obligations. Except as permitted hereby, no obligation, payment, transfer, or grant of security hereunder or under the DIP Documents to the DIP Lender (including its Representatives (as defined below)) arising under the DIP Documents shall be stayed, restrained, voidable, avoidable, or recoverable, under the Bankruptcy Code or under any applicable law (including under sections 502(d), 544, and 547 to 550 of the Bankruptcy Code or under any applicable state Uniform Voidable Transactions Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law), or subject to any defense, avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual, or otherwise), disallowance,

impairment, claim, counterclaim, cross-claim, or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

3. *Authorization to Borrow.* The Borrower is hereby authorized to borrow up to an aggregate amount of the Initial Draws, in each case for the purposes described in this Interim Order; *provided, however*, that the use of the proceeds of the DIP Loans (including the Initial Draws) shall be subject to and in accordance with the terms and conditions of this Interim Order and the DIP Documents, including the Approved Budget (subject to any Permitted Variances).

4. *Authorization to Use Cash Collateral.* The Credit Parties have an immediate need to use Cash Collateral in connection with the orderly wind-down of their business and are hereby authorized to use the Cash Collateral in accordance with this Interim Order. For the avoidance of doubt, Oaktree has consented to the Debtors use of Cash Collateral and is waiving any request for adequate protection to which it may be entitled under the Bankruptcy Code.

5. *No Obligation to Extend Credit.* The DIP Lender shall have no obligation to make any loan or extension of credit under the DIP Documents (and the Debtors shall not make any request therefor) unless all conditions precedent to the making of such loan or extension of credit under the DIP Documents, this Interim Order, or the Final Order, as applicable, have been satisfied or waived in accordance with the terms of the DIP Documents.

6. *Amendment of the DIP Documents.* The DIP Documents may be amended, restated, amended and restated, modified, or supplemented from time to time by the Credit Parties and the DIP Lenders (acting in accordance with the terms of the DIP Note) without further order of this Court; *provided, however*, that any amendment, modification, waiver, or supplement to the DIP Documents that (i) shortens the maturity date under the DIP Note, (ii) increases the aggregate commitments thereunder, (iii) increases the interest rate or fees payable thereunder, or (iv) releases

any DIP Liens (each, a “**Material DIP Amendment**”), shall be provided to the U.S. Trustee and counsel to the Creditors’ Committee or other statutory committee (if any) and filed with this Court no later than three business days prior to the anticipated date of effectiveness of any such Material DIP Amendment. If no written objection to the Material DIP Amendment is made by the U.S. Trustee or the Creditors’ Committee or other statutory committee (if any) within such three business day period, then, without further application to or order of the Court, such Material DIP Amendment shall automatically be deemed approved and effective. If a written objection is made by the U.S. Trustee or the Creditors’ Committee or other statutory committee (if any) within such three business day period, then such Material DIP Amendment shall be subject to a hearing and approval of this Court. The foregoing shall be without prejudice to the Debtors’ right to seek approval from this Court of any Material DIP Amendment on an expedited basis. For the avoidance of doubt, updates, modifications, and supplements to the Approved Budget and the extension of any Milestone by agreement of the DIP Lender shall not constitute a Material DIP Amendment or require further approval of this Court.

7. *DIP Liens.* Effective as of the Petition Date, in each case subject and subordinate only to the Carve-Out and the Permitted Liens (as defined below), if any, to secure the DIP Obligations, the DIP Lender is granted, without the necessity of the execution, recordation or filing by the Borrower of any mortgages, security agreements, account control agreements, pledge agreements, financing statements, intellectual property filing or other similar documents, any notation of certificates of title for titled goods or other similar documents, instruments, deeds, charges or certificates, or the possession or control by the DIP Lender of, or over, any collateral, the following security interests and liens (all such security interests and liens granted to the DIP

Lender pursuant to this Interim Order and the DIP Documents, the “**DIP Liens**” and the property subject to the DIP Liens, the “**DIP Collateral**”):

- (a) *Section 364(c)(2) DIP Liens.* Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, non-avoidable, and automatically and fully-perfected first priority senior security interest (subject and subordinate only to the Carve-Out) in, and lien upon, all tangible and intangible prepetition and postpetition property of each of the Credit Parties and their estates, whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date is not subject to valid, perfected, and non-avoidable liens (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code), including any unencumbered cash of the Debtors and any investment of such cash, accounts, inventory, goods, contract rights, instruments, documents, chattel paper, patents, trademarks, copyrights and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, intercompany claims, contracts, owned real estate, real property leaseholds, fixtures, deposit accounts, commercial tort claims, securities accounts, investment property, letter-of-credit rights, supporting obligations, vehicles, plants, machinery and equipment, real property, leases (and proceeds from the disposition thereof), all of the issued and outstanding capital stock of Debtor DRF, LLC and a portion of the issued and outstanding capital stock of non-Debtor Pitney Bowes Global Ecommerce (APAC) Co. Ltd. (as set forth in the DIP Documents), beneficial interests in any trust, money, goodwill, causes of action, including, upon entry of the Final Order, the proceeds of avoidance actions, and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of any of the collateral described above, whether in existence on the Petition Date or thereafter created, acquired or arising and wherever located; *provided, however*, that the DIP Lender shall use commercially reasonable efforts to first obtain recoveries from DIP Collateral other than the proceeds of avoidance actions.
- (b) *Section 364(c)(3) DIP Liens.* Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected security interest in, and lien upon, all tangible and intangible prepetition and postpetition property of each of the Credit Parties, whether existing on the Petition Date or thereafter acquired, and all cash and non-cash proceeds, rents, products, substitutes, accruals and profits of such property that is subject and subordinate only to (i) the Carve Out and (ii) liens existing on the Petition Date (to the extent valid, enforceable, perfected and not subject to avoidance as of the Petition Date or perfected after the Petition Date pursuant to section 546(b) of the Bankruptcy Code) other than the liens granted pursuant to the Oaktree Takeback Note (collectively, the

“**Permitted Liens**”), which security interests and liens in favor of the DIP Lender shall be immediately junior and subordinate to any such Permitted Liens.

- (c) *Excluded Property*. Notwithstanding the foregoing, the liens granted pursuant to this Interim Order shall not attach to any Excluded Property, and no Excluded Property shall constitute DIP Collateral.

8. *DIP Superpriority Claims*. Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative expense claims against the Credit Parties on a joint and several basis (without the need to file any proof of claim) with priority over any and all claims against any of the Credit Parties, now existing or hereafter arising, of any kind whatsoever, including all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code and any and all administrative expenses or other claims arising under sections 105, 326, 327, 328, 330, 331, 362, 363, 364, 365, 503, 506, 507, 546, 726, 1113, or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other consensual or non-consensual lien, levy or attachment, which allowed superpriority administrative expense claims (the “**DIP Superpriority Claims**”) of the DIP Lender shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which DIP Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of any of the Credit Parties and their estates and all products and proceeds thereof in accordance with the DIP Documents and this Interim Order. The DIP Superpriority Claims shall be subject and subordinate only to the Carve-Out. The DIP Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy

Code in the event that this Interim Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

9. *Priority of DIP Liens and DIP Superpriority Claims.* Other than as set forth herein or permitted under the DIP Documents, the DIP Liens and the DIP Superpriority Claims (a) shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code or, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code, (b) shall not be subject or subordinate to or made *pari passu* with (i) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or otherwise, (ii) any intercompany or affiliate liens of any of the Credit Parties or security interests of any of the Credit Parties, or (iii) unless otherwise provided for in the DIP Documents or in this Interim Order, any liens or security interests arising after the Petition Date, including any other liens or security interests under section 363 or 364 of the Bankruptcy Code, and (c) shall be valid and enforceable against any trustee or any other estate representative elected or appointed in these chapter 11 cases or a Successor Case, and/or upon the dismissal of any of these chapter 11 cases.

10. *Perfection of DIP Liens.*

(a) This Interim Order shall be sufficient and conclusive evidence of the validity, attachment, enforceability, perfection, and priority of the DIP Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document that may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the DIP Liens, or to entitle the DIP Liens to the priority granted herein and the other DIP Documents.

(b) Notwithstanding the foregoing, the DIP Lender may, in its sole discretion, file such financing statements, deeds of trust, mortgages, security agreements, notices

of liens and other similar documents, and is hereby granted relief from the Automatic Stay in order to do so, and all such financing such financing statements, deeds of trust, mortgages, security agreements, notices and other agreements or documents shall be deemed to have been filed or recorded at the time and on the Petition Date. Subject in all instances to the terms of the DIP Documents, the Credit Parties shall execute and deliver to the DIP Lender all such financing statements, deeds of trust, mortgages, security agreements, notices and other documents or instruments, and otherwise cooperate and assist in any such filings, as the DIP Lender may reasonably request to further evidence, confirm, validate or perfect, or to ensure the contemplated priority of, the DIP Liens. The DIP Lender, in its sole discretion, may file a photocopy of this Interim Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which any Credit Party has real or personal property and, in such event, the subject filing or recording officer shall be authorized to file or record such copy of this Interim Order.

(c) Any provision of any lease, contract, or other agreement that requires (i) the consent or approval of one or more landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity, for any Debtor to pledge, grant, sell, assign, or otherwise transfer any such leasehold or contractual interest, or the proceeds thereof, or other postpetition collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code and shall have no force and effect with respect to the grant of postpetition liens in such leasehold or contractual interest or the proceeds of any assignment and/or sale thereof by the Debtors, in favor of the DIP Lender in accordance with the terms of this Interim Order or the other DIP Documents.

11. *Budget.* The Credit Parties may use the proceeds of the DIP Loans in accordance with the Approved Budget (subject to any Permitted Variances), the DIP Documents, and this Interim Order. The budget attached to the DIP Note as Schedule 1 shall constitute the initial budget (the “**Initial DIP Budget**”) that reflects, among other things, the Debtors’ anticipated operating receipts, anticipated operating disbursements, anticipated non-operating disbursements, net operating cash flow and liquidity for each calendar week covered thereby. Commencing on September 5, 2024, and every fourth Thursday thereafter, the Borrower shall submit a revised proposed budget to the DIP Lender for approval solely in accordance with the DIP Note (each a “**Subsequent DIP Budget**”). Once a Subsequent DIP Budget is approved by the DIP Lender in writing in accordance with the DIP Note (the Initial DIP Budget and each approved Subsequent DIP Budget shall constitute, without duplication, an “**Approved Budget**”), it shall modify, replace, supplement, or supersede, as applicable, the then-applicable Approved Budget for the periods covered thereby.

12. *Carve-Out.*

(a) *Priority of Carve-Out.* Each of the DIP Liens, the DIP Superiority Claims, and any other liens, claims, or interests that the DIP Lender or any its Affiliates⁵ hold, own or control in relation to the Debtors or their Affiliates, shall be subject and subordinate only to payment of the Carve-Out. The Carve-Out shall be senior to all claims and liens, including DIP Superpriority Claims and DIP Liens, over any assets of the Debtors, including any DIP Collateral, as set forth in this Interim Order.

⁵ “*Affiliate(s)*” shall, with respect to an Entity (as defined in section 101(15) of the Bankruptcy Code), have the meaning set forth in section 101(2) of the Bankruptcy Code as if such Entity were a debtor in a case under the Bankruptcy Code.

(b) *Carve-Out*. As used in this Interim Order, the “**Carve-Out**” means the sum of (i) all unpaid fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate, pursuant to 31 U.S.C. § 3717 (without regard to the notice set forth in clause (iii) below); (ii) all unpaid reasonable and documented fees and expenses up to \$100,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in clause (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, final order, or otherwise, all accrued but unpaid fees and expenses (the “**Allowed Professional Fees**”) incurred by persons or firms retained or proposed to be retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the “**Debtor Professionals**”) and the Creditors’ Committee or other statutory committee (if any) pursuant to section 328 or 1103 of the Bankruptcy Code (collectively, the “**Committee Professionals**” and, together with the Debtor Professionals, the “**Professional Persons**”), at any time before or on the first business day following the delivery of the Carve-Out Trigger Notice (as defined below) and without regard to whether such fees or expenses are provided for in any Approved Budget or were invoiced after the Carve-Out Trigger Date (as defined below) and any unpaid portion of a transaction fee of up to \$250,000 payable to Triple P Securities, LLC and Triple P RTS, LLC the Debtors’ restructuring advisor, in respect of consummation of the DIP Loans, whether allowed by this Court prior to or after delivery of a Carve-Out Trigger Notice (the amounts set forth in this clause (iii) being the “**Pre-Carve-Out Trigger Notice Cap**”), (iv) Allowed Professional Fees of Debtor Professionals incurred after the first business day following the Carve-Out Trigger Date in an aggregate amount not to exceed \$2,500,000 (the amount set forth in this clause (iv) being the “**Debtor Post-Carve-Out Trigger Notice Cap**”), and (v) Allowed Professional Fees of the Creditors’ Committee or other statutory

committee (if any) incurred after the first business day following the Carve-Out Trigger Date in an aggregate amount not to exceed \$250,000 (the amount set forth in this clause (v), together with the Debtor Post-Carve-Out Trigger Notice Cap, the “**Post-Carve-Out Trigger Notice Cap**”, and, such Post-Carve-Out Trigger Notice Cap together with the Pre-Carve-Out Trigger Notice Cap, the “**Carve-Out Cap**”); *provided* that nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement, or compensation described in this paragraph 12(b). For purposes of this Interim Order, the “**Carve-Out Trigger Notice**” shall mean a written notice (which may be via electronic mail) delivered by the DIP Lender to Weil, Gotshal & Manges LLP (“**Weil**”), as proposed counsel to the Debtors, the U.S. Trustee, and the counsel to the Creditors’ Committee or other statutory committee (if any), which notice may be delivered following the occurrence and during the continuation of an Event of Default (a “**DIP Note Event of Default**”) and acceleration of the DIP Obligations, stating that the Carve-Out has been invoked. The Post-Carve-Out Trigger Notice Cap shall not be reduced or increased by the amount of any compensation or reimbursement of expenses paid prior to the occurrence of a DIP Note Event of Default in respect of which the Carve-Out is invoked.

(c) *Professional Fee Account.* As soon as reasonably practicable following entry of this Interim Order, the Debtors shall transfer cash, including proceeds from DIP Loans, in an amount equal to (i) the total budgeted (or actual, if available) weekly fees and expenses incurred or to be incurred by Professional Persons (such fees and expenses of Professional Persons, the “**Professional Fees**”) between the Petition Date and the first weekly period set forth in the Approved Budget into a segregated account not subject to control, liens, security interests, or claims of the DIP Lender (the “**Professional Fee Account**”). Thereafter, on a weekly basis, the Debtors shall transfer into the Professional Fee Account cash, including DIP

Loan proceeds, in an amount equal to the aggregate unpaid amount of Weekly Estimated Fees and Expenses (as defined below) included in all Weekly Statements (as defined below) received by the Debtors. The Professional Fee Account shall not be subject to the control of the DIP Lender, and the funds transferred to the Professional Fee Account shall not be subject to the DIP Liens, nor constitute DIP Collateral.

(d) *Pre-Carve-Out Trigger Notice.* Prior to the delivery of a Carve-Out Trigger Notice, on the third business day of each week starting with the first full calendar week following the date of this Interim Order, each Professional Person shall deliver to the Debtors, the DIP Lender, and their respective advisors a weekly statement (each, a “**Weekly Statement**”) setting forth a good-faith estimate of the amount of accrued but unpaid fees and expenses incurred by such Professional Person during the preceding week (“**Weekly Estimated Fees and Expenses**”), and the Debtors shall, on a weekly basis, transfer cash proceeds from DIP Loans or cash on hand into the Professional Fee Account in an amount equal to the aggregate amount of Weekly Estimated Fees and Expenses based on the Weekly Statements submitted by each Professional Person (and if no such estimate is provided in a given week, then the amount forecasted for such Professional Person in the Approved Budget) that remain unpaid (and that were not previously funded to the Professional Fee Account). The Debtors shall use funds held in the Professional Fee Account exclusively to pay Allowed Professional Fees as they become allowed and payable pursuant to the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, in accordance with any orders of the Court; *provided* that the Debtor’s obligations to pay Allowed Professional Fees shall not be limited or be deemed limited to funds held in the Professional Fee Account.

(e) *Post-Carve-Out Trigger Notice.* On the date on which a Carve-Out Trigger Notice is delivered in accordance with this paragraph 12 of this Interim Order (“**Carve-Out Trigger Date**”), the Carve-Out Trigger Notice shall (i) constitute a demand to the Borrower to utilize all cash (including cash on hand and any available cash thereafter held by any Debtor) to fund into the Professional Fee Account an amount equal to (A) the Pre-Carve Out Trigger Notice Cap and (B) the Post-Carve-Out Trigger Notice Cap ((A) and (B), each to the extent not previously funded to the Professional Fee Account, including after giving effect to the last sentence of this paragraph), and (ii) notwithstanding anything in the DIP Documents to the contrary, including with respect to the existence of any default or DIP Note Event of Default or any termination of the DIP Commitments thereunder following a DIP Note Event of Default, be deemed a draw request and notice of borrowing under the DIP Note in an amount equal to the lesser of (A) the Carve-Out Cap, and (B) the amount of the undrawn commitments under the DIP Note, in each case, only to the extent in excess of the amounts funded pursuant to clause (i) of this sentence. Following the delivery of a Carve-Out Trigger Notice, each Professional Person shall promptly deliver one (1) additional statement to the Debtors, the DIP Lender, and their respective advisors setting forth a good-faith estimate of the amount of accrued but unpaid fees and expenses incurred by such Professional Person during the period following the period covered by the most recent Weekly Statement previously delivered by such Professional Person through and including the Carve-Out Trigger Date, and the Debtors shall transfer such amounts to the Professional Fee Account.

(f) Subject to paragraph 12(e), (i) an amount equal to the Post-Carve-Out Notice Cap shall promptly be funded into the Professional Fee Account on the Carve-Out Trigger Date and (ii) after delivery of a required Carve-Out Notice, if the Carve-Out Account has not been funded with the full amount of the Pre-Carve-Out Trigger Notice Cap, such amount shall

promptly be funded within two business days of delivery of such Carve-Out Trigger Notice as set forth herein. In no event shall the DIP Lender sweep or foreclose on cash] (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Professional Fee Account has been fully funded in the amount set forth in paragraph 12(e). If, after paying all amounts set forth in this paragraph 12, the Professional Fee Account has not been reduced to zero, all remaining funds in the Professional Fee Account shall be distributed to the Debtors or their estates and be subject to the DIP Collateral and DIP Liens of the DIP Lender.

(g) Notwithstanding anything to the contrary in this Interim Order or the DIP Documents, (i) disbursements by the Debtors from the Professional Fee Account shall not constitute loans or indebtedness under the DIP Documents or otherwise increase or reduce the DIP Obligations, (ii) the failure of the Professional Fee Account to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve-Out, (iii) nothing contained herein shall constitute a cap or limitation on the amount that the Professional Persons may assert as administrative expense claims against the Debtors on account of Allowed Professional Fees incurred by such Professional Persons, and (iv) the Carve-Out and the entitlement of the Professional Persons to the Professional Fee Account proceeds shall be senior to all liens and claims, including those securing the DIP Obligations. For the avoidance of doubt, nothing herein shall be construed to impair the ability of any party to object to the fees, expenses, reimbursement, or compensation described in this paragraph 12.

(h) *Payment of Carve-Out on or After the Carve-Out Trigger Date.* Any payment or reimbursement made after the occurrence of the Carve-Out Trigger Date in respect of any Allowed Professional Fees incurred after the occurrence of the Carve-Out Trigger Date shall permanently reduce the Carve-Out Cap on a dollar-for-dollar basis

(i) *No Direct Obligation to Pay Allowed Professional Fees.* The DIP Lender shall not be responsible for the payment or reimbursement of any fees or expenses of any Professional Person incurred in connection with these chapter 11 cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Lender, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement; *provided, however*, that nothing herein shall limit the DIP Lender's obligations to honor its obligations under the DIP Note and this Interim Order to provide funding to the Debtors and to fund any shortfall as contemplated in paragraph 12(e) above to the extent of any undrawn DIP Commitments.

(j) *Security Interests in Residual Carve-Out Funds.* The DIP Lender shall have a security interest in any residual cash balance remaining in the Professional Fee Account after all Allowed Professional Fees have been paid in full pursuant to an order of this Court.

13. *Events of Default; Rights and Remedies Upon Event of Default.*

(a) Upon the occurrence and during the continuation of a DIP Note Event of Default that has not been waived by the DIP Lender or otherwise cured in accordance with the DIP Documents (an "**Event of Default Occurrence**"), and following delivery of a written notice (a "**Default Notice**") on not less than five business days' notice (such five business day period, the "**Remedies Notice Period**") by the DIP Lender to counsel to the Debtors, counsel to the Creditors' Committee or other statutory committee (if any), and the U.S. Trustee (the "**Remedies Notice Parties**"), the DIP Lender may (and the Automatic Stay is hereby modified, except as otherwise set forth herein) without further notice to, hearing of, or order from this Court,

unless this Court orders otherwise (*provided, that*, during the Remedies Notice Period, the Debtors, the Creditors' Committee or other statutory committee (if any), and/or any party in interest shall be entitled to seek an emergency hearing before the Court, and must provide prompt notice of such hearing to counsel to the DIP Lender, to contest whether an Event of Default Occurrence has occurred and/or to seek authority for the non-consensual use of Cash Collateral, and *provided, further*, that if a request for such hearing is made prior to the end of the Remedies Notice Period, then the Remedies Notice Period shall be continued until the Court hears and rules with respect thereto): (i) terminate any and all obligations of the DIP Lender in connection with the DIP Loans (including to make any further DIP Loans (except with respect to the funding of the Carve-Out in accordance with this Interim Order)) and the authority for the use of Cash Collateral under this Interim Order and the DIP Documents, as applicable; (ii) declare the DIP Obligations (subject only to the Carve-Out) immediately accelerated and due and payable for all purposes, rights, and remedies, without presentment, demand, protest or other notice of any kind, all of which are expressly waived by the Borrower; (iii) terminate or reduce the DIP Commitments to the extent any such commitments remain outstanding; (iv) terminate the DIP Note and the DIP Loans thereunder with respect to any future liability or obligation of the DIP Lender, but, for the avoidance of doubt, without affecting any of the DIP Liens, the DIP Superpriority Claims, or the DIP Obligations and any rights of the DIP Lender provided by this Interim Order; (v) invoke the right to charge interest at the default rate under the DIP Documents; and (vi) deliver the Carve-Out Trigger Notice. Upon delivery of a Default Notice by the DIP Lender and during the Remedies Notice Period, without further notice or order of this Court, the Borrower's ability to borrow under the DIP Note and incur additional DIP Obligations shall be suspended and the DIP Lender shall have no obligation to provide any DIP Loans or other financial accommodation, except in respect

of borrowing under the DIP Note to fund the Carve-Out in accordance with paragraph 12(e) hereof. Notwithstanding delivery of a Default Notice, the Debtors may use the proceeds of the DIP Loans (only to the extent already drawn prior to the occurrence of a DIP Note Event of Default that is continuing or for the funding of the Carve-Out in accordance with this Interim Order), and other DIP Collateral in accordance with the terms of this Interim Order (including in respect of borrowing under the DIP Note to fund the Carve-Out in accordance with this Interim Order) and the Approved Budget (including any Permitted Variance).

(b) Upon an Event of Default Occurrence, the DIP Lender, prior to exercising any rights or remedies with respect to the DIP Collateral, shall be required to file a motion with the Court seeking emergency relief and an emergency hearing before the Court (a **“Stay Relief Hearing”**) on at least five business days’ written notice to the Remedies Notice Parties, and the Debtors agree not to object to the shortening of notice of such Stay Relief Hearing. At such Stay Relief Hearing, the DIP Lender may seek Court approval to enforce any other rights or remedies (in addition to those set forth in paragraph 13(a) above) with respect to the DIP Collateral and the DIP Liens, including (i) the enforcement of DIP Liens, including foreclosure on all or any portion of the DIP Collateral, occupying the Debtors’ premises, or sale or disposition of all or any part of the DIP Collateral, or (ii) any other remedies permitted under this Interim Order, the DIP Documents, or applicable law. If the DIP Lender is permitted by the Court to take any enforcement action with respect to the DIP Collateral following the Stay Relief Hearing, the Debtors shall cooperate with the DIP Lender in its effort to enforce its security interest in and liens on the DIP Collateral, and shall not take or direct any person or entity to take any action designed or intended to hinder or restrict in any respect the DIP Lender from enforcing its security interests in and liens on the DIP Collateral. For the avoidance of doubt, prior to the entry by this Court of

an order granting stay relief to the DIP Lender, the Debtors may use the proceeds of the DIP Loans (to the extent already drawn prior to the occurrence of a DIP Note Event of Default that is continuing) or Cash Collateral in accordance with the Approved Budget (including Permitted Variances) and the terms of the DIP Documents and this Interim Order, as applicable.

(c) Notwithstanding the occurrence of a DIP Note Event of Default and/or termination of the DIP Commitments, all of the rights, remedies, benefits, and protections provided to the DIP Lender under the DIP Documents and this Interim Order shall survive. For the avoidance of doubt, irrespective of any Remedies Notice Period, the DIP Lender shall not be obligated to provide any DIP Loans or advances at any time upon the occurrence and continuation of a DIP Note Event of Default.

14. *Credit Bidding.* Subject to the lien priorities set forth herein, the DIP Lender shall have the right to credit bid pursuant to section 363(k) of the Bankruptcy Code, in accordance with the DIP Documents, up to the full amount of the DIP Obligations in any sale of the DIP Collateral outside the ordinary course of business, without the need for further Court order authorizing the same and whether any such sale is effectuated through sections 363(k), 1123 or 1129(b) of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise, in each case unless the Court for cause orders otherwise.

15. *Maintenance of DIP Collateral.* Upon entry of this Interim Order and to the fullest extent provided by applicable law, the DIP Lender is, and is deemed to be, without any further action or notice, named as an additional insured and loss payee on each insurance policy maintained by the Debtors that in any way relates to the DIP Collateral, and shall act in that capacity and distribute any proceeds recovered or received in respect of any such insurance policies.

16. *Disposition of DIP Collateral.* The Credit Parties shall not sell, transfer, lease, encumber or otherwise dispose of any portion of the DIP Collateral, except as otherwise permitted by the DIP Documents or an order of this Court.

17. *Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification of Stay of this Interim Order.* Based on the findings set forth in this Interim Order and in accordance with section 364(e) of the Bankruptcy Code, in the event any or all of the provisions of this Interim Order are hereafter appealed, reversed, modified or amended, vacated or stayed by a subsequent order of the Court or any other court of competent jurisdiction, the DIP Lender is entitled to the full protections provided in section 364(e) of the Bankruptcy Code, and no such appeal, reversal, modification or amendment or, vacatur or stay shall affect the validity or enforceability of any DIP Loans or other advances made hereunder or the liens or priority authorized or created hereby. Notwithstanding any such appeal, reversal, modification or amendment, vacatur or stay, any claim granted to the DIP Lender hereunder arising prior to the effective date of such appeal, reversal, modification or amendment, or vacatur or stay of any DIP Liens or of the DIP Superpriority Claims granted to the DIP Lender shall be governed in all respects by the original provisions of this Interim Order, and the DIP Lender shall be entitled to, and is hereby granted, all the rights, remedies, privileges and benefits arising under sections 364(e) and 363(m) of the Bankruptcy Code, this Interim Order, and the DIP Documents with respect to any such lien or claim. Because the DIP Loans are made in reliance on this Interim Order, the DIP Obligations incurred by the Borrower or owed to the DIP Lender prior to the effective date of any appeal, reversal, modification or amendment, or vacatur or stay of this Interim Order shall not, as a result of any subsequent order in these chapter 11 cases or in any Successor Cases, be disallowed or subordinate, lose their lien priority or superpriority administrative expense claim status, or be

deprived of the benefit of the status of the liens and claims granted to the DIP Lender under this Interim Order.

18. *Payment of Fees and Expenses.* The Debtors are authorized to and shall pay, without further Court order, the fees and expenses of the DIP Lender required by the DIP Note, including the fees and expenses of attorneys or advisors retained by the DIP Lender in accordance with the DIP Note. Subject to the review procedures set forth in this paragraph 18, payment of such fees and expenses shall not be subject to allowance or review by this Court or subject to the U.S. Trustee guidelines; *provided, however*, that any time that such professionals seek payment of fees and expenses from the Debtors prior to confirmation of a chapter 11 plan, each applicable professional shall provide summary copies of its invoices including aggregate amounts of fees and expenses and total amount of time on a per-professional basis (which shall not be required to contain time detail and which may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney client privilege or of any benefits of the attorney work product doctrine or any other evidentiary privilege or protection recognized under applicable law) to the Debtors, counsel to any Creditors' Committee or other statutory committee (if any), and the U.S. Trustee (together, the "**Review Parties**"); *provided, however*, that the U.S. Trustee reserves its right to request additional details regarding the services rendered and expenses incurred by such professionals (an "**Information Request**"). Any objections raised by any Review Party with respect to such invoices must be in writing and state with particularity the grounds therefor and must be submitted to the applicable professional within ten calendar days after the receipt by the Review Parties (the "**Review Period**"), which shall not be extended by the

delivery of an Information Request or the timing of any reply thereto. If no written objection is received by 12:00 p.m., prevailing Eastern Time, on the end date of the Review Period, the Debtors shall pay such invoices within five business days after the end of the Review Period. If an objection to a professional's invoice is received within the Review Period, the Debtors shall promptly pay the undisputed amount of the invoice without the necessity of filing formal fee applications, regardless of whether such amounts arose or were incurred before or after the Petition Date, and this Court shall have jurisdiction to determine the disputed portion of such invoice if the parties are unable to resolve the dispute consensually. No attorney or advisor to the DIP Lender shall be required to file an application seeking compensation for services or reimbursement of expenses with this Court. Any and all fees, costs, and expenses paid prior to the Petition Date by any of the Debtors to the DIP Lender in connection with or with respect to the DIP Financing are hereby approved in full and shall not be subject to recharacterization, avoidance, subordination, disgorgement or any similar form of recovery by the Debtors or any other person.

19. *Proofs of Claim.* The DIP Lender shall not be required to file proofs of claim in these chapter 11 cases or any Successor Cases with respect to their DIP Obligations under the DIP Documents, and the evidence presented with the DIP Motion and the record established at the Interim Hearing are deemed sufficient to, and do, constitute proofs of claim with respect to the DIP Obligations, secured status, and priority. Notwithstanding any order entered by this Court in relation to the establishment of a bar date in these chapter 11 cases or any Successor Cases to the contrary, the DIP Lender is authorized, but not directed or required, to file a proof of claim in any of these chapter 11 cases or any Successor Cases for any claim allowed herein. Any such proof of claim may (but is not required to be) filed as one consolidated proof of claim against all the Debtors, rather than as separate proofs of claim against each Debtor.

20. *No Third-Party Rights.* Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect or incidental beneficiary.

21. *Limitation on Charging Expenses Against Collateral.* Except to the extent of the Carve-Out and subject to entry of a Final Order granting such relief, no costs or expenses of administration of these chapter 11 cases or any Successor Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral (including Cash Collateral) pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lender and no consent shall be implied from any other action, inaction, or acquiescence by the DIP Lender, and nothing contained in this Interim Order shall be deemed to be a consent by the DIP Lender to any charge, lien, assessment, or claims against the DIP Collateral under section 506(c) of the Bankruptcy Code or otherwise.

22. *No Marshaling.* Subject to entry of a Final Order granting such relief, in no event shall the DIP Lender be subject to the equitable doctrine of “marshaling” or any similar doctrine with respect to the DIP Collateral or the DIP Obligations.

23. *Limitation of Liability.* In determining to make any loan or other extension of credit under the DIP Documents, to permit the use of the DIP Collateral (including Cash Collateral), or in exercising any rights or remedies as and when permitted pursuant to this Interim Order or the DIP Documents, the DIP Lender shall not (a) have any liability to any third party or be deemed to be in “control” of the Debtors or operations of the Debtors, (b) owe any fiduciary duty to the Debtors, their respective creditors, or estates, or (c) be deemed to be acting as a “Responsible Person” or “Owner” or “Operator” or “managing agent” with respect to the operation

or management of any of the Debtors (as such terms or similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, *et seq.*, as amended, or any other federal or state statute, including the Internal Revenue Code). Furthermore, nothing in this Interim Order shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lender of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their respective Affiliates in the operation of their businesses or in connection with their winddown efforts.

24. *Indemnification.* The DIP Lender has acted in good faith and without negligence, misconduct, or violation of public policy or law, in respect of all actions taken by it in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the DIP Financing and the use of Cash Collateral, including in respect of the granting of the DIP Liens, any challenges or objections to the DIP Financing, the DIP Documents, and all other documents related to and all transactions contemplated by the foregoing. Accordingly, without limitation to any other right to indemnification, the DIP Lender shall be and hereby is indemnified (as applicable) to the extent, and subject to any limitations, provided in the DIP Documents, including Section 8 of the DIP Note. The Debtors agree that no exception or defense in contract, law, or equity exists as of the date of this Interim Order to any obligation set forth, as the case may be, in this paragraph 25 or in the DIP Documents, to indemnify and/or hold harmless the DIP Lender and any such defenses are hereby waived.

25. *Interim Order Governs.* In the event of any inconsistency between the provisions of this Interim Order or the DIP Documents, the provisions of this Interim Order shall govern. Notwithstanding anything to the contrary in any other order entered by this Court, (a) all payments and actions by any of the Debtors made pursuant to any authorization contained in any

other order entered by this Court shall be consistent with and subject to the requirements set forth in this Interim Order and the DIP Documents, including the Approved Budget (subject to Permitted Variances) and all other terms and conditions hereof and (b) to the extent there is any inconsistency between the terms of such other order and this Interim Order, this Interim Order shall control, in each case, except to the extent expressly provided otherwise in such other order.

26. *Binding Effect; Successors and Assigns.* The DIP Documents and the provisions of this Interim Order, including all findings herein, shall be binding upon all parties in interest in these chapter 11 cases, including the DIP Lender, any statutory or non-statutory committees appointed or formed in these chapter 11 cases, the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Lender and the Debtors and their respective successors and assigns; *provided, however*, that the DIP Lender shall have no obligation to extend any financing to any chapter 7 trustee, chapter 11 trustee or similar responsible person appointed for the estates of the Debtors.

27. *Effectiveness.* This Interim Order shall constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052 and shall take effect and be fully enforceable as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 7062, or 9014 of the Bankruptcy Rules or any Bankruptcy Local Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

28. *Payments Held in Trust.* Except as expressly permitted in this Interim Order or the DIP Documents and except with respect to the Debtors, in the event that any person or entity receives any payment on account of a security interest in DIP Collateral, receives any DIP Collateral or any proceeds of DIP Collateral or receives any other payment with respect thereto from any other source prior to indefeasible payment in full in cash of all DIP Obligations and termination of all DIP Commitments, such person or entity shall be deemed to have received, and shall hold, any such payment or proceeds of DIP Collateral in trust for the benefit of the DIP Lender and shall immediately turn over the proceeds to the DIP Lender, or as otherwise instructed by this Court, for application in accordance with the DIP Documents and this Interim Order.

29. *Payments Free and Clear.* Any and all payments or proceeds remitted to the DIP Lender pursuant to the provisions of this Interim Order, the DIP Documents or any subsequent order of the Court shall be irrevocable, received free and clear of any claim, charge, assessment or other liability, including any such claim or charge arising out of or based on, directly or indirectly, section 506(c) of the Bankruptcy Code, whether asserted or assessed by, through, or on behalf of the Debtors or their estates.

30. *Bankruptcy Rules.* The requirements of Bankruptcy Rules 4001, 6003 and 6004, in each case to the extent applicable, are satisfied by the contents of the DIP Motion.

31. *Necessary Action.* The Debtors and the DIP Lender are authorized to take all reasonable actions as are necessary or appropriate to implement the terms of this Interim Order. In addition, the Automatic Stay is modified to permit Affiliates of the Debtors who are not debtors in the chapter 11 cases to take all reasonable actions as are necessary or appropriate to implement the terms of this Interim Order.

32. *Headings.* Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

33. *Retention of Jurisdiction.* The Court shall retain jurisdiction to enforce the provisions of this Interim Order, and this retention of jurisdiction shall survive the confirmation and consummation of any chapter 11 plan for any one or more of the Debtors notwithstanding the terms or provisions of any such chapter 11 plan or any order confirming any such chapter 11 plan.

34. *Final Hearing.* A final hearing to consider the relief requested in the DIP Motion shall be held on [●] (Prevailing Central Time) and any objections or responses to the DIP Motion shall be filed on or prior to [●] (Prevailing Central Time).

35. *Objections.* Any party in interest objecting to the relief sought at the Final Hearing shall file and serve (via mail and e-mail) written objections, which objections shall be served upon (a) the Office of the United States Trustee for the Southern District of Texas; (b) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ray C. Schrock, Ronit J. Berkovich, Lauren Tauro, and Alexander P. Cohen); (c) if appointed, the Creditors' Committee; (d) the DIP Lender and counsel thereto, Vinson & Elkins LLP, 1114 Avenue of the Americas, Floor 32, New York, NY 10036 (Attn: David Meyer, George Howard, Steven Abramowitz, and Steven Zundell) and 845 Texas Ave Suite 4700, Houston, TX 77002 (Attn: Paul E. Heath); and (e) [●].

36. The Debtors shall promptly serve copies of this Interim Order (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Interim Hearing and to any party that has filed a request for notices with this Court.

Dated: _____, 2024
Houston, Texas

CHRISTOPHER LOPEZ
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

DIP Note

**DEBTOR IN POSSESSION SECURED
MULTI-DRAW TERM PROMISSORY NOTE**

\$47,000,000

New York, New York
August 9, 2024 (the “Effective Date”)

DRF Logistics, LLC, a Delaware limited liability company (the “Borrower”) and DRF, LLC, a Texas limited liability company (the “Guarantor”) intend to commence cases (the date of such commencement, the “Petition Date” and each case, a “Chapter 11 Case” and collectively, the “Chapter 11 Cases”) by filing separate voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), with the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Loan Parties (as defined herein) will continue to operate their respective businesses and manage their respective properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Borrower has requested that Pitney Bowes International Holdings, Inc., a Delaware corporation (the “DIP Lender”) in accordance with the terms of this Debtor in Possession Secured Multi-Draw Term Promissory Note (as amended, restated, amended and restated, supplemented, waived, extended, or otherwise modified from time to time, this “Note”) make Term Loans (as defined herein) evidenced by this Note on the dates and subject to the terms and conditions of this Note. Capitalized terms used herein and not otherwise defined herein shall have the meanings provided in Section 18 of this Note.

1. Term Loans.

(a) Subject to the terms and conditions hereof including the DIP Lender’s receipt of a Borrowing Request (as defined below), the DIP Lender agrees (i) to provide the Borrower with Term Loans in the aggregate original principal amount of up to \$47,000,000 (the “Term Loans”); provided, that (x) upon entry of an Interim Order, the Borrower may borrow up to \$30,000,000 of Term Loans, less any cash on hand as of the Petition Date, in a single drawing (the “Initial Draw”), (y) during the Interim Period, the Borrower, subject to Section 2(c) of this Note, may borrow up to \$15,000,000 of additional Term Loans in one or more drawings (each draw, an “Interim Period Draw”), and (z) upon entry of the Final Order and thereafter, the Borrower may, subject to Section 2(c) of this Note, borrow up to \$2,000,000 of additional Term Loans in one or more drawings (each draw, a “Subsequent Draw”). Subject to the terms and conditions hereof, to the extent the Interim Order does not permit the full amount of the Term Loans to be incurred by the Borrower on or after the Closing Date, the DIP Lender shall advance any remainder amount of the Term Loans that are authorized in the Final Order as set forth above as Subsequent Draws. The Subsequent Draws shall be Term Loans for all purposes of this Note.

(b) The Borrower may request the Term Loans pursuant to written notice (which may be by email) (a “Borrowing Request”) delivered to the DIP Lender no later than 3:00 p.m. one (1) Business Day prior to the proposed borrowing date of the Term Loans on the Closing Date (or such shorter period as the DIP Lender may agree) or, with respect to any Term Loans after the Closing Date, one (1) Business Day prior to the proposed borrowing day of the Term Loans (or such shorter period as the DIP Lender may agree). The Borrowing Request shall be in a form reasonably satisfactory to the DIP Lender. The DIP Lender shall provide each Term Loan in an aggregate amount not to exceed the Commitment. Upon receipt of a Borrowing Request with respect to any Term Loan, subject to the satisfaction (or waiver) of the conditions hereof, DIP Lender shall simultaneously make the proceeds of such Term Loan available to the Borrower on the applicable date of funding of the Term Loan by transferring immediately available funds equal to such proceeds to the Borrower Designated Account. The Commitment shall be permanently reduced upon the making of the relevant Term Loan in an amount equal to such Term Loan advanced by DIP Lender. Any principal amount of the Term Loan which is repaid or prepaid may not be reborrowed.

(c) The aggregate original principal amount of Term Loans outstanding shall not exceed \$47,000,000, subject to any limitation of credit extensions under this Note and the Financing Orders (the “Maximum Amount”).

(d) The DIP Lender shall be entitled to rely upon, and shall be fully protected in relying upon, any Borrowing Request or similar notice believed by the DIP Lender to be genuine. The DIP Lender may assume that each Person executing and/or delivering any such notice was duly authorized, unless the responsible individual acting thereon for the DIP Lender has actual knowledge to the contrary.

(e) The Borrower shall utilize the proceeds of Term Loans, subject to the Financing Orders, to (i) fund general corporate needs, including without limitation working capital and other needs and (ii) pay costs, premiums, fees, and expenses incurred to administer or related to of the Chapter 11 Cases, including fees and expenses of professionals, in each case, solely in accordance with the Budget, subject to any Permitted Variance, (as applicable); provided, that, unless otherwise provided in the Budget, subject to any Permitted Variance, the Restructuring Support Agreement or reasonably approved by the DIP Lender, no portion of any Term Loans shall be used, directly or indirectly: (A) except as permitted by Section 15(d), to make any payment in respect of, or repurchase, redeem, retire or defease any, prepetition Indebtedness, except pursuant to the terms of the Financing Orders or to finance or make any Restricted Payment, (B) to pay any fees or similar amounts payable to any Person who has proposed or may propose to purchase interests in the Borrower or any of its respective Subsidiaries or affiliates or who otherwise has proposed or may propose to invest in the Borrower or any of its respective Subsidiaries or affiliates (including so-called “topping fees,” “exit fees,” and similar amounts), or (C) to make any distribution under a plan of reorganization in the Chapter 11 Cases or any similar proceeding of any of the Subsidiaries or affiliates of the Borrower.

2. Certain Conditions to Making Term Loans.

(a) This Note shall be effective upon receipt by the parties hereto of an executed counterpart of this Note.

(b) The obligation of DIP Lender to fund the Term Loans requested to be made by it shall be subject to the prior or concurrent satisfaction (or waiver) of each of the conditions precedent set forth in this clause (b):

(i) the Borrower shall have paid any Obligations then payable hereunder (including the reasonable and documented out-of-pocket fees and expenses of counsel to the DIP Lender) or under any other DIP Document;

(ii) the Loan Parties shall have delivered corporate resolutions, incumbency certificates and similar documents, in form and substance reasonably satisfactory to DIP Lender with respect to this Note and the other DIP Documents and the transactions contemplated hereby and thereby;

(iii) the Loan Parties shall have delivered a guaranty from the Guarantor in form and substance reasonably satisfactory to DIP Lender with respect to this Note and the other DIP Documents and the transactions contemplated hereby and thereby;

(iv) the Loan Parties shall have delivered fully executed copies of all other DIP Documents, each in form and substance reasonably satisfactory to DIP Lender;

(v) each representation or warranty by any Loan Party contained herein or in any other DIP Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such date, except to the extent that such representation or warranty expressly relates to an earlier date;

(vi) (A) with respect to the Term Loan made on or after the Closing Date prior to entry of the Final Order, (1) the Bankruptcy Court shall have entered the Interim Order; and (2) the Interim Order shall not have been stayed, vacated, reversed, modified or amended without DIP Lender's consent or (B) with respect to any Subsequent Draws, (1) the Bankruptcy Court shall have entered the Final Order; and (2) the Final Order shall have not been stayed, vacated, reversed, modified or amended without DIP Lender's consent;

(vii) no Default or Event of Default shall have occurred and be continuing or would result after giving effect to the Term Loans and the transactions contemplated herein;

(viii) after giving effect to the making of the Term Loans, the outstanding principal amount of all Term Loans would not exceed the Maximum Amount;

(ix) the DIP Lender shall have received and approved the Initial Budget in accordance with this Note and the Financing Orders; and

(x) the DIP Lender shall have received, on or before the Closing Date, all documents and instruments, including Uniform Commercial Code financing statements required by law or reasonably requested by the DIP Lender to be filed, registered, published or recorded to create or perfect the Liens intended to be created under the Collateral Documents and all such documents and instruments shall have been so filed, registered, published or recorded or other arrangements reasonably satisfactory to the DIP Lender for such filing, registration, publication or recordation have been made.

(c) No Borrower may request a borrowing of a Term Loan after the Closing Date (and no borrowing will be permitted), if, in each case, as of the date thereof:

(i) the amount of any Drawing causes the Borrower's cash balance to exceed \$5,000,000 after giving effect to the Borrower's forecasted net cashflow for the upcoming Specified Period; provided, however, that any Drawing for a given Specified Period that is not drawn remains available in any subsequent Specified Period to the extent the Borrower complies with the conditions set forth in this Section 2;

(ii) any representation or warranty by any Loan Party contained herein or in any other DIP Document shall be untrue or incorrect in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such date, except to the extent that such representation or warranty expressly relates to an earlier date;

(iii) the Interim Order shall have been stayed, vacated, reversed, modified or amended without DIP Lender's consent;

(iv) after the entry of the Final Order, the Final Order shall have been stayed, vacated, reversed, modified or amended without DIP Lender's consent; and

(v) any Default or Event of Default shall have occurred and be continuing or would result after giving effect to the advance of such Drawing or any release of proceeds of the Term Loans.

Notwithstanding the foregoing, if the DIP Lender determines in its sole discretion that the Borrower has failed to satisfy the conditions precedent set forth in this Section 2 for a Borrowing Request, the DIP Lender may decline to fund such borrowing.

3. Payment of Principal. FOR VALUE RECEIVED, the Borrower promises to pay to the DIP Lender the sum of (x) \$47,000,000 and (y) the sum of all interest on the Term Loan payable in kind in accordance with Section 4, on the Maturity Date, together with all accrued and unpaid interest, fees and expenses to the extent required by this Note.

4. Payment of Interest.

(a) Subject to the terms of this Note, the Term Loans or any portion thereof shall bear interest on the principal amount thereof from time to time outstanding, from the date of the Term Loans until repaid, at a rate per annum equal to 10.00%.

(b) Interest on the Term Loans shall be payable in kind monthly, in arrears, on the last Business Day of each month, commencing on the last Business Day of the month in which the applicable Term Loans is made by automatically and without further action capitalizing and adding such interest to the outstanding principal amount of the Loans. If any payment of any of the Obligations becomes due and payable on a day other than a Business Day, the maturity thereof will be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(c) All computations of fees and interest shall be made by the DIP Lender on the basis of a 360-day year, in each case for the actual number of days occurring in the period for which such fees or interest are payable (including the first day and last day). Each determination by the DIP Lender of an interest rate hereunder shall be final, binding and conclusive on the Borrower (absent manifest error).

(d) So long as an Event of Default shall have occurred and be continuing, and at the election of the DIP Lender, the interest rate applicable to the Obligations shall be increased by two percentage points (2.00%) per annum above the rate of interest otherwise applicable hereunder (the "Default Rate"), and all outstanding Obligations shall bear interest at the Default Rate applicable to such Obligations. Interest at the Default Rate shall accrue from the date of such Event of Default until such Event of Default is cured or waived (notwithstanding when the election by the DIP Lender was made) and shall be payable upon demand.

(e) It is the intention of the parties hereto that the DIP Lender shall conform strictly to usury laws applicable to the Term Loans. Accordingly, if the transactions contemplated hereby or by any other DIP Document would be usurious as to the DIP Lender under laws applicable to the DIP in relation to the Term Loans (including the laws of the United States of America and the State of New York or any other jurisdiction whose laws may be mandatorily applicable to the DIP Lender notwithstanding the other provisions of this Note), then, in that event, notwithstanding anything to the contrary in this Note or any other DIP Document or any agreement entered into in connection with or as security for the Obligations, it is agreed as follows: the aggregate of all consideration which constitutes interest under law applicable to the DIP Lender that is contracted for, taken, reserved, charged or received by the DIP Lender under this Note or any other DIP Document or agreements or otherwise in connection with the Obligations shall under no circumstances exceed the maximum amount allowed by such applicable law, any excess shall be

canceled automatically and if theretofore paid shall be credited by the DIP Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by the DIP Lender to the Borrower). If at any time and from time to time (x) the amount of interest payable to the DIP Lender on any date shall be computed at the highest lawful rate applicable to the DIP Lender pursuant to this Section 4(e) and (y) in respect of any subsequent interest computation period the amount of interest otherwise payable to the DIP Lender would be less than the amount of interest payable to the DIP Lender computed at the highest lawful rate applicable to the DIP Lender, then the amount of interest payable to the DIP Lender in respect of such subsequent interest computation period shall continue to be computed at the highest lawful rate applicable to the DIP Lender until the total amount of interest payable to the DIP Lender shall equal the total amount of interest which would have been payable to the DIP Lender if the total amount of interest had been computed without giving effect to this Section 4(e).

(f) If, after the date hereof, the DIP Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital requirements for banks or bank holding companies, or any change in the interpretation or application thereof by any governmental authority charged with the administration thereof, or (ii) compliance by the DIP Lender or its parent bank holding company with any guideline, request, or directive of any such entity regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on the DIP Lender's or such holding company's capital as a consequence of the DIP Lender's Term Loans hereunder to a level below that which the DIP Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration the DIP Lender's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount reasonably deemed by the DIP Lender to be material, then the DIP Lender may notify the Borrower thereof. Following receipt of such notice, the Borrower agrees to pay the DIP Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable promptly after presentation by the DIP Lender to the Borrower of a statement in the amount and setting forth in reasonable detail the DIP Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, the DIP Lender may use any reasonable averaging and attribution methods.

5. Payments. All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America in same day funds to the DIP Lender at the account as shall be designated in a written notice delivered by the DIP Lender to the Borrower. Each payment made hereunder shall be credited first to interest then due and payable and the remainder of such payment shall be credited to principal, and interest shall thereupon cease to accrue upon the principal so repaid. The Borrower shall make each payment required under this Note prior to 2:00 p.m. New York City time on the date when due, in immediately available funds. Any amounts received after such time on any date may, in the sole discretion of the DIP Lender, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon.

6. Optional Prepayments. Subject to the terms and conditions of the Financing Orders, the Borrower shall have the right at any time and from time to time to prepay the Term Loans under this Note in whole or in part (without premium or penalty) upon two (2) Business Days' written notice to the DIP Lender by 1:00 p.m. New York City time (or such shorter time as the DIP Lender may agree); provided that each such prepayment shall be in a minimum amount of \$100,000. Notice of prepayment having been given as aforesaid, the principal amount specified in such notice shall become due and payable on the prepayment date specified therein in the aggregate original principal amount specified therein unless such repayment is conditioned on the receipt of any third party funds or the consummation of certain transactions which are not received or consummated. Any prepayment or repayment hereunder shall be accompanied by interest on the principal amount of the Note being prepaid or repaid to the date of prepayment or

repayment. Any prepayment made pursuant to this Section 6 shall be applied (a) first to the Term Loans until paid in full and (b) second, to any remaining Obligations as the DIP Lender shall determine in its sole discretion.

7. Mandatory Prepayments. In each case, subject to the terms and conditions of the Financing Orders and the Budget, upon not less than one (1) Business Day prior written notice by the Borrower to the DIP Lender by 1:00 p.m. New York City time:

(a) No later than two (2) Business Days upon receipt by any Loan Party of cash proceeds of any debt securities or other indebtedness not permitted under this Note, the Borrower shall prepay the outstanding principal amount of the Term Loans in an amount equal to all such proceeds, net of underwriting discounts and commissions and other reasonable costs or fees paid to non-affiliates in connection therewith.

(b) Commencing on October 18, 2024, the Borrower shall prepay the DIP Loans within 4 Business Days' of such date if the Borrower's cash on hand as of such date and each Friday thereafter exceeded the amount of remaining disbursements set forth in the Budget plus \$5,000,000.

(c) Nothing in this Section 7 shall be construed to constitute the DIP Lender's consent to any transaction that is not permitted by other provisions of this Note or the other DIP Documents.

(d) Any prepayment made pursuant to this Section 7 shall be applied (i) first to the Term Loans until paid in full, (ii) second, to any remaining Obligations as the DIP Lender shall determine in its sole discretion and (iii) third, any excess remaining to the Borrower.

(e) The DIP Lender may elect prior to any prepayment required under this Section 7 to decline all or any portion of the prepayment.

8. Fees. The Borrower shall pay to the DIP Lender the following fees:

(a) Upfront Fee. On the date of the first Initial Draw, the Borrower shall pay in kind to the DIP Lender an upfront fee (the "Upfront Fee") equal to 2% of the Commitment by automatically and without further action capitalizing and adding such Upfront Fee to the outstanding principal amount of the Loans, subject to the entry of the Interim Order and once paid shall be non-refundable; and

(b) Undrawn Commitment Fee. On the last Business Day of each month and on the Maturity Date, a commitment fee (the "Undrawn Commitment Fee"), equal to 1.00% per annum on the daily unused amount of the Commitment during the preceding month (or other period commencing with the Closing Date or the last date for which the Undrawn Commitment Fee was paid and ending on the Maturity Date), which shall be payable in kind and automatically and without further action capitalizing and adding such Undrawn Commitment Fee to the outstanding principal amount of the Loans, subject to the entry of the Interim Order and once paid shall be non-refundable.

9. Indemnity. The Borrower shall indemnify and hold harmless the DIP Lender and each of its respective affiliates, and each such Person's respective officers, directors, employees, attorneys, agents and representatives (each, an "Indemnified Person"), from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including reasonable attorneys' fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Note and the other DIP Documents and the administration of such credit, and in connection with or arising out of the transactions contemplated

hereunder and thereunder and any actions or failures to act in connection therewith, and legal costs and expenses arising out of or incurred in connection with disputes between the DIP Lender on the one hand and the Loan Parties on the other hand; provided, that (a) the Borrower shall not be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results solely from that Indemnified Person's gross negligence or willful misconduct as determined in a final nonappealable judgment by a court of competent jurisdiction and (b) this Section 8 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. **NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY DIP DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY DIP DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.**

10. Adjustments for Withholding, Capital Adequacy Etc.

(a) All payments to the DIP Lender by the Borrower under this Note shall be made free and clear of and without deduction or withholding for Taxes, unless such Taxes are required by applicable law to be deducted or withheld. If the Borrower shall be required by applicable law to deduct or withhold any Taxes from or in respect of any amount payable under this Note, then (i) if such Tax is an Indemnified Tax, the amount payable shall be increased as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 10), the DIP Lender receives an amount equal to the amount it would have received if no such deduction or withholding had been made, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.

(b) The Borrower agrees to pay (without duplication of any amounts payable pursuant to Section 10(a) or Section 10(c)) to the relevant Governmental Authority in accordance with applicable law any Other Taxes.

(c) Without duplication of any amounts payable pursuant to Section 10(a) or Section 10(b), the Borrower shall indemnify the DIP Lender for the full amount of Indemnified Taxes (including, without limitation, any Indemnified Taxes imposed by any jurisdiction on amounts payable by the Borrower under this Section 10) payable or paid by the DIP Lender and any reasonable expenses (including penalties, interest and expenses) arising from or with respect to such Indemnified Taxes, whether or not they were correctly or legally asserted; *provided* that if the Borrower reasonably believes that such Taxes were not correctly or legally asserted, the DIP Lender shall cooperate in good faith with the Borrower to obtain a refund of such Taxes (which shall be repaid to the Borrower in accordance with Section 10(e)) so long as such efforts would not, in the reasonable discretion of the DIP Lender, result in any additional out-of-pocket costs or expenses not reimbursed by the Borrower or be otherwise materially disadvantageous or burdensome to the Lender. Payment under this indemnification shall be made within ten (10) days after the date the DIP Lender makes a demand thereof. A certificate as to the amount of such Indemnified Taxes submitted to the Borrower by the DIP Lender shall be conclusive evidence, absent manifest error, of the amount due from the Borrower to the DIP Lender.

(d) The Borrower shall furnish to the DIP Lender the original or a certified copy of a receipt evidencing any payment of Taxes made by the Borrower pursuant to this Section 10 within thirty (30) days after the date of any such payment.

(e) If the DIP Lender becomes aware that it has received a refund of any Taxes with respect to which the Borrower has paid any amount pursuant to this Section 10, the DIP Lender shall pay the amount of such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section 10 with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of the DIP Lender and without interest (other than any interest received from the relevant Governmental Authority with respect thereto), to the Borrower promptly after receipt thereof. The Borrower, upon the request of the DIP Lender, shall repay to the DIP Lender the amount paid over pursuant to this paragraph (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that the DIP Lender is required to repay such refund to such Governmental Authority. The DIP Lender shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority. The DIP Lender shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the DIP Lender be required to pay any amount to the Borrower pursuant to this paragraph the payment of which would place the DIP Lender in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

(f) The DIP Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower on or prior to the date hereof (and from time to time thereafter upon the reasonable request of the Borrower), two properly completed and executed copies of Internal Revenue Service Forms W-8 or W-9, as applicable, and properly completed and executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction (if any) required to be made. In addition, the DIP Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not such the DIP Lender is subject to backup withholding or information reporting requirements. The DIP Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall timely update such form or certification or promptly notify the Borrower in writing of its legal inability to do so.

(g) Each party's obligations under this Section shall survive any assignment of rights by, or the replacement of, the DIP Lender, the termination of the Term Loans or Commitments and the repayment, satisfaction or discharge of all obligations under this Note or any of the other DIP Documents.

11. Priority of Obligations and DIP Lender's Liens.

(a) To secure all of the Borrower's Obligations now existing or hereafter arising, the DIP Lender is granted (i) a super-priority administrative claim against each of the Borrower and the Guarantor pursuant to section 364(c)(1) of the Bankruptcy Code, and except as set forth in the Financing Orders, having a priority over all other costs and expenses of administration of any kind, including those specified in, or ordered pursuant to, sections 105, 326, 327, 328, 330, 331, 362, 363, 364, 365, 503, 506, 507, 546, 726, 1113 or 1114 or any other provision of the Bankruptcy Code or otherwise (whether incurred in these Chapter 11 Cases and any Successor Case), and, except as set forth in the Financing Orders, shall at all times be senior to the rights of the Borrower or any domestic or foreign Subsidiary of the Borrower, any successor trustee or estate representative, or any other creditor or party in interest in the Chapter 11 Cases or any Successor Case, and (ii) pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code and subject to clause (b) below, Liens on, and security interests in, the Collateral. The security interests and

Liens granted to the DIP Lender hereunder pursuant to section 364(c)(2) shall not be (A) subject to any Lien or security interest which is avoided and preserved for the benefit of the Loan Parties' estate under section 551 of the Bankruptcy Code, or (B) except as set forth in the Financing Orders, subordinated to or made pari passu with any other Lien or security interest granted under section 364(d) of the Bankruptcy Code or otherwise.

(b) The priority of the DIP Lender's Liens on the Collateral shall be as set forth in the Financing Orders.

(c) Each of the Loan Parties agrees for itself that the Obligations of such Person shall constitute allowed administrative expenses in the Chapter 11 Cases, having priority over all administrative expenses of and unsecured claims against such Person now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, all administrative expenses of the kind specified in, or arising or ordered under, sections 105, 326, 327, 328, 330, 331, 362, 363, 364, 365, 503, 506, 507, 546, 726, 1113 or 1114 of the Bankruptcy Code, except as set forth in the Financing Orders.

12. Further Assurances. The Borrower agrees that it shall, at the Borrower's expense and upon the reasonable request of the DIP Lender, duly execute and deliver or cause to be duly executed and delivered, to the DIP Lender, as the DIP Lender shall direct such Borrower such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the DIP Lender to carry out more effectively the provisions and purposes of this Note or any other DIP Document, including, upon the written request of the DIP Lender and in form and substance reasonably satisfactory to the DIP Lender, security agreements, UCC-1 financing statements and the other Collateral Documents confirming and perfecting the granting to the DIP Lender of the Liens (subject to the Financing Orders) in the Collateral to secure the Obligations.

13. [Reserved].

14. Affirmative Covenants. The Borrower agrees that until the Obligations payable under the DIP Documents shall have been paid in full:

(a) Upon request of the DIP Lender, the Loan Parties will permit any officer, employee, attorney or accountant or agent of the DIP Lender to audit, review, make extracts from or copy, at the Borrower's expense, any and all corporate and financial and other books and records of the Loan Parties at all times during ordinary business hours and, in the absence of an Event of Default, upon reasonable advance notice and to discuss the Loan Parties' affairs with any of their directors, officers, employees, attorneys, or accountants. The Borrower will permit the DIP Lender, or any of its officers, employees, accountants, attorneys or agent, to examine and inspect any Collateral or other property of the Loan Parties at any time during ordinary business hours and, in the absence of an Event of Default, upon reasonable prior notice. Notwithstanding the foregoing, none of the Loan Parties will be required to disclose information to the DIP Lender (or any agent or representative thereof) that is prohibited by applicable law, subject to confidentiality restrictions or is subject to attorney-client or similar privilege or constitutes attorney work product.

(b) (i) The Borrower and its Subsidiaries will comply with all requirements of applicable law, the non-compliance with which could reasonably be expected to have a Material Adverse Effect, except as executed by, or otherwise prohibited by, the provisions of the Bankruptcy Code or as a result of the Chapter 11 Cases and (ii) the Borrower and its Subsidiaries will obtain, maintain in effect and comply with all permits, licenses and similar approvals necessary for the operation of their business as now or hereafter conducted other than to the extent contemplated by the Budget or the Financing Orders.

(c) The Borrower and its Subsidiaries will pay or discharge, when due, (i) all material Taxes, assessments and governmental charges levied or imposed upon them or any properties, income or assets of the Borrower and its Subsidiaries (including, without limitation, the Collateral) or upon or against the creation, perfection or continuance of the security interest, prior to the date on which penalties attach thereto, except in each case (A) where the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or any Subsidiary or (B) Taxes the nonpayment of which is permitted or required by the Bankruptcy Code, (ii) all federal, state, local and foreign Taxes required to be withheld by them, and (iii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of Borrower and its Subsidiaries.

(d) (i) The Borrower and its Subsidiaries will keep and maintain the Collateral and all of its other properties necessary or useful in its business in good condition, repair and working order (normal wear and tear excepted) other than to the extent contemplated by the Budget or the Financing Orders, (ii) the Borrower and its Subsidiaries will defend the Collateral against all claims or demands of all Persons (other than Permitted Encumbrances) claiming the Collateral or any interest therein, and (iii) the Borrower and its Subsidiaries will keep the Collateral free and clear of all security interests, liens and encumbrances, except Permitted Encumbrances.

(e) The Borrower and the Guarantor will use commercially reasonable efforts to wind down their forward delivery and returns businesses as soon as practicable after the Petition Date.

(f) The Borrower and its Subsidiaries will preserve and maintain their existence and all of their rights, privileges and franchises necessary or desirable in the normal conduct of their business, except to the extent contemplated by the Budget or the Financing Orders or as permitted hereunder.

(g) The Borrower and its Subsidiaries shall at all times provide reasonable access for, and reasonable cooperation with, any financial advisors to the DIP Lender.

(h) The Borrower agrees that it shall deliver (which delivery may be made by electronic communication (including email)) to the DIP Lender each of the reports and other items set forth on Annex A attached hereto no later than the times specified therein (or such later time as the DIP Lender may agree). No less than once per week, upon request, the Borrower shall make its senior management and its advisors available at reasonable times and upon reasonable notice to the DIP Lender to discuss the financial position, cash flows, variances, operations, sales process and general case status of the Loan Parties.

(i) The Borrower and the Guarantor each agree that they shall take all actions necessary to cause each of the milestones set forth on Annex B attached hereto (the “**Milestones**”) to occur (as such dates may be extended by the DIP Lender).

15. Negative Covenants. So long as DIP Lender shall have any Term Loan or other Obligation hereunder shall remain unpaid or unsatisfied:

(a) Neither the Borrower nor any of its Subsidiaries shall directly or indirectly, by operation of law or otherwise, (i) form or acquire any Subsidiary, or (ii) merge with, consolidate with, acquire all or substantially all of the assets or Equity Interests of, or otherwise combine with or acquire, any Person, except in the case of this clause (ii), with respect to existing Subsidiaries to the extent consented to by the DIP Lender (which consent shall not be unreasonably withheld), other than, in each case, any such action approved by an order of the Bankruptcy Court.

(b) Neither the Borrower nor any of its Subsidiaries shall create, incur, assume or permit to exist any Indebtedness, except (without duplication), to the extent not prohibited by the Financing Orders, Permitted Indebtedness.

(c) Neither the Borrower nor any of its Subsidiaries shall create, incur, assume or permit to exist any Lien on or with respect to any of its properties or assets (whether now owned or hereafter acquired) except for Permitted Encumbrances.

(d) Neither the Borrower nor any of its Subsidiaries shall make any Restricted Payment, except dividends and distributions by Subsidiaries of the Borrower paid to the Borrower or other wholly-owned Subsidiaries of the Borrower.

(e) Neither the Borrower nor any of its Subsidiaries will assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligations of any other Person (other than the Borrower or any of its Subsidiaries), except the endorsement of negotiable instruments by Borrower and their Subsidiaries for the deposit or collection or similar transactions in the ordinary course of business.

(f) Neither the Borrower nor any of its Subsidiaries will convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets, whether now owned or hereinafter acquired other than (i) the sale of inventory in the ordinary course of business, (ii) the sale or disposition of obsolete equipment, (iii) sales of assets for cash in a single transaction or series of related transactions, the proceeds of which are equal to or less than \$5 million or (iv) the sale of other property on terms acceptable to the DIP Lender.

(g) Neither the Borrower nor any of its Subsidiaries shall consent to any waiver, consent, amendment, restatement, amendment and restatement, supplement or other modification of any of the terms or provisions contained in, or applicable to the Financing Orders. Except for payments permitted by the Financing Orders and the Budget, subject to Permitted Variance, neither the Borrower nor any of its Subsidiaries shall make any payment in respect of, or repurchase, redeem, retire or defease any, prepetition Indebtedness, except as consented to by the DIP Lender in writing (including by email).

(h) Neither the Borrower nor any of its Subsidiaries shall make any investment in, or make loans or advances of money to, any Person (other than another Loan Party), through the direct or indirect lending of money, holding of securities or otherwise.

(i) Neither the Borrower nor any of its Subsidiaries shall change its fiscal year.

(j) For each most recently ended Variance Testing Period, the Borrower shall not permit (x) the Actual Cash Receipts to be less than Budgeted Cash Receipts, in each case, for such Variance Testing Period, by more than the Permitted Variance for such Variance Testing Period and (b) the aggregate amount of Actual Disbursement Amounts to exceed the aggregate amount of Budgeted Disbursement Amounts, in each case, for such Variance Testing Period, by more than the Permitted Variance.

(k) Neither the Borrower nor any of its Subsidiaries shall directly or indirectly, use the Term Loans or the proceeds of the Term Loans, or lend, contribute or otherwise make available the Term Loans or the proceeds of the Term Loans to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as DIP Lender or otherwise) of Sanctions.

16. Events of Default; Rights and Remedies. In accordance with the terms of the Financing Orders, the occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an “Event of Default” hereunder:

(a) The Borrower (i) shall fail to make any payment of principal of, or interest on, or fees owing in respect of, the Term Loans or any of the other Obligations when due and payable, or (ii) to the extent included in the Budget, shall fail to pay or reimburse the DIP Lender for any expense reimbursable hereunder or under any other DIP Document within one (1) Business Day following the DIP Lender’s demands for such reimbursement or payment.

(b) Any Loan Party shall fail to comply with any of the provisions of Sections 1(e), 14(f), 14(g), 14(h), 14(i) and 15 of this Note.

(c) Any Loan Party shall fail to comply with any of other provision of this Note or any of the other DIP Documents (other than any provision embodied in or covered by any other clause of this Section 16) and the same, if capable of being remedied, shall remain unremedied for five (5) Business Days after the earlier of the date a senior officer or any Loan Party becomes aware of such failure and the date written notice of such default shall have been given by the DIP Lender to such Loan Party.

(d) Except for defaults occasioned by the filing of the Chapter 11 Cases and defaults resulting from obligations with respect to which the Bankruptcy Code prohibits any Loan Party from complying or permits any Loan Party not to comply, a default or breach shall occur under any agreement, document or instrument to which any Loan Party is a party that is not cured within any applicable grace period therefor, and such default or breach (i) involves the failure to make any payment when due in respect of any Indebtedness (other than the Obligations) of any Loan Party in excess of \$250,000 in the aggregate, or (ii) causes, or permits any holder of such Indebtedness or a trustee to cause, Indebtedness or a portion thereof in excess of \$250,000 in the aggregate to become due prior to its stated maturity or prior to its regularly scheduled dates of payment, regardless of whether such default is waived, or such right is exercised, by such holder or trustee.

(e) Any representation or warranty herein or in any other DIP Document or in any written statement, report, financial statement or certificate made or delivered to DIP Lender by any Loan Party is untrue or incorrect in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date when made or deemed made.

(f) Any Loan Party shall bring or support a motion in any Chapter 11 Case: (i) to obtain financing from any Person other than DIP Lender under section 364(c) or 364(d) of the Bankruptcy Code, except to the extent the proceeds of such financing would be used to repay in full all of the Obligations under this Note or (ii) to grant any Lien other than Permitted Encumbrances upon or affecting any Collateral, except to the extent the proceeds of any such financing secured by such Lien would be used to repay in full all of the Obligations under this Note.

(g) Any Loan Party fails to comply with the terms of the Shared Services Agreement or the Shared Services Agreement shall be terminated in accordance with its terms.

(h) Any Loan Party fails to comply with the terms of the Restructuring Support Agreement, or the Restructuring Support Agreement shall be terminated with respect to the Loan Parties in accordance with its terms.

(i) The entry of an order by the Bankruptcy Court terminating either exclusive right of any Loan Party to file a chapter 11 plan and solicit acceptance thereof within the period specified in section 1121 of the Bankruptcy Code

(j) The entry of an order in any of the Chapter 11 Cases denying confirmation of a plan or plans of reorganization or liquidation that constitute an Approved Plan.

(k) The entry of an order in any Chapter 11 Case confirming a plan or plans of reorganization or liquidation that does not constitute an Approved Plan or does not otherwise comply with the Restructuring Support Agreement.

(l) The filing of any motion by the Borrower or any Loan Party against the DIP Lender seeking, or the entry of any order in the Chapter 11 Cases in respect of, any claim or claims under Section 506(c) of the Bankruptcy Code against or with respect to the Collateral.

(m) The filing of any plan or plan of reorganization or liquidation that does not constitute an Approved Plan or does not otherwise comply with the Restructuring Support Agreement.

(n) The entry by the Bankruptcy Court of an order authorizing the appointment of an interim or permanent trustee in the Chapter 11 Cases or the appointment of an examiner in the Chapter 11 Cases with expanded powers to operate or manage the financial affairs, business, or reorganization of any Loan Party.

(o) The Chapter 11 Cases, or any of them, shall be dismissed or converted from cases under Chapter 11 to cases under chapter 7 of the Bankruptcy Code.

(p) The entry of an order in any Chapter 11 Case avoiding or requiring repayment of any portion of the payments made on account of the Obligations owing under this Note or the other DIP Documents.

(q) The entry of an order in any Chapter 11 Case granting any other super-priority administrative claim or Lien equal to or superior to that granted to the DIP Lender (other than any such claim or Lien permitted by the Financing Orders), unless (i) consented to by the DIP Lender or (ii) the Obligations are paid in full in cash and the DIP Lender's commitment to make Term Loans is terminated.

(r) The entry of an order by the Bankruptcy Court granting relief from or modifying the automatic stay of section 362 of the Bankruptcy Code to allow any creditor (other than the DIP Lender) to execute upon or enforce a Lien on any Collateral except with respect to Permitted Encumbrances arising prior to the Petition Date in an aggregate amount not to exceed \$1,000,000.

(s) The Financing Orders (or either of them) shall be stayed, amended, modified, reversed or revoked in any respect without the DIP Lender's prior written consent.

(t) There shall commence any suit or action against the DIP Lender by or on behalf of (i) any Loan Party or (ii) any official committee in the Chapter 11 Cases (solely to the extent such committee is granted standing by the Bankruptcy Court to pursue such suit or action), in each case, that asserts a claim or seeks a legal or equitable remedy that would have the effect of subordinating the claim or Lien of DIP Lender arising under the DIP Facility and, if such suit or action is commenced by any Person other than the Borrower or any Subsidiary, officer, or employee of the Borrower, such suit or action shall not have been dismissed or stayed within 10 days after service thereof on the DIP Lender and, if stayed, such stay shall have been lifted.

(u) The entry of an order by the Bankruptcy Court conferring standing to any official committee in the Chapter 11 Cases to pursue any suit or action against the DIP Lender or its affiliates (as defined in section 101(2) of the Bankruptcy Code) (other than the Loan Parties) on behalf of any Loan Party or the Debtors' estates created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

(v) Any provision of any DIP Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any DIP Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any DIP Document has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms) or any Lien created under the Financing Orders shall cease to be a valid and perfected first priority Lien (except as otherwise permitted herein or in the Financing Orders) in any of the Collateral purported to be covered thereby.

(w) Assets of any Loan Party with a fair market value of \$50,000 or more are attached, seized, levied upon or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of any Loan Party and such condition continues for ten (10) days or more.

(x) A breach by any Loan Party of the terms of the Financing Orders.

(y) The failure of the Borrower to achieve any of the Milestones, unless otherwise extended by the DIP Lender in its sole discretion (not to be unreasonably withheld).

(z) Entry of an order authorizing and/or directing the reclamation of goods pursuant to section 546(c) of the Bankruptcy Code in excess of \$500,000.

If any Event of Default shall have occurred and be continuing, then the DIP Lender may, upon written notice to the Borrower and subject to the terms of the Financing Orders: (i) terminate the Commitment of DIP Lender with respect to further Term Loans; (ii) declare all or any portion of the Obligations, including all or any portion of any Term Loan, to be forthwith due and payable; (iii) revoke the Borrower's rights to use Cash Collateral in which the DIP Lender have an interest; and (iv) exercise any rights and remedies under the DIP Documents or at law or in equity, all in accordance with the Financing Orders. Upon the occurrence of an Event of Default and the exercise by the DIP Lender of its rights and remedies under this Note and the other DIP Documents pursuant to clause (iv) above and subject to the Financing Orders, each Loan Party shall assist the DIP Lender in effecting a sale or other disposition of the Collateral upon such terms as are designed to maximize the proceeds obtainable from such sale or other disposition. Except as otherwise provided for in this Note or by applicable law, the Borrower waives: (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by the DIP Lender on which the Borrower may in any way be liable, and hereby ratifies and confirms whatever the DIP Lender may do in this regard; (b) subject to the terms of the Financing Orders, all rights to notice and a hearing prior to the DIP Lender taking possession or control of, or DIP Lender's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing DIP Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal, marshaling and exemption laws.

To the extent permitted by law and subject in all respects to the terms of the Financing Orders, the DIP Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under section 9-207 of the Uniform Commercial Code or otherwise, shall be to deal with it in the same manner as DIP Lender deals with similar securities and property for its own

account, the DIP Lender's duty of care with respect to Collateral in the custody or possession of a bailee or other third person shall be deemed fulfilled if the DIP Lender exercises reasonable care in the selection of the bailee or other third person, and the DIP Lender need not otherwise preserve, protect, insure or care for any Collateral, and the DIP Lender shall not be obligated to preserve any rights any Loan Party may have against prior parties.

Any amount or payment received by the DIP Lender from any Loan Party or from the proceeds of Collateral (subject to the terms of the Financing Orders) following (i) any acceleration of the Obligations under this Note or (ii) at the direction of the DIP Lender after any Event of Default, shall be applied to the Obligations as determined by the DIP Lender in its sole discretion and once paid in full, any excess shall be paid to the Borrower or as otherwise required by applicable law.

17. Reference Agreements. This Note evidences the Term Loans that may be made to Borrower from time to time in the aggregate original principal amount outstanding of up to \$47,000,000 and is issued pursuant to and entitled to the benefits of the Financing Orders, to which reference is hereby made for a more complete statement of the terms and conditions under which the Term Loans evidenced by this Note are made and are to be repaid.

18. Definitions. The following terms used in this Note shall have the following meanings (and any of such terms may, unless the context otherwise requires, be used in the singular or the plural depending on the reference):

"Actual Cash Receipts" shall mean with respect to any period, the actual amount that corresponds to the line item "Total Receipts" as determined by reference to the Budget as then in effect.

"Actual Disbursement Amounts" shall mean with respect to any period, the actual amount that corresponds to the aggregate amount of the line items for "Total Operating Disbursements" and "Total Non-Operating Disbursements" in the Budget as then in effect (which shall exclude the line item for "Restructuring Costs").

"Approved Budget Variance Report" shall mean a report provided by the Borrower to the DIP Lender (a) showing, in each case, on a line item by line item basis, the Actual Cash Receipts and the Actual Disbursement Amounts, in each case as of the last day of the Variance Testing Period then most recently ended, noting therein (i) all variances, on a cumulative basis, from the Budgeted Cash Receipts and the Budgeted Disbursement Amounts, for such period as set forth in the Approved Budget as in effect for such period and (ii) containing an indication as to whether each variance is temporary or permanent and analysis and explanations for all material variances, (iii) certifying compliance or non-compliance in such Variance Testing Period with the Permitted Variances and (iv) including explanations for all material variances and violations, if any, of such covenant and if any such violation exists, setting forth the actions which the Borrower has taken or intend to take with respect thereto and (b) which such reports shall contain supporting information, satisfactory to the DIP Lender in its sole discretion.

"Approved Plan" shall have the meaning set forth in the Restructuring Support Agreement.

"Bankruptcy Code" shall have the meaning given such term in the recital to this Note.

"Bankruptcy Court" shall have the meaning given such term in the recital to this Note.

"Borrower" shall have the meaning given such term in the recital to this Note.

“Borrower Designated Account” means the deposit account designated to the DIP Lender in the applicable Borrowing Request.

“Budget” shall mean a rolling thirteen (13) week forecast of projected receipts and disbursements for the immediately following consecutive thirteen (13) weeks after the date of delivery, which shall be in substantially the form of the Initial Budget or otherwise in form and substance acceptable to the DIP Lender and shall be approved by the DIP Lender, in the DIP Lender’s sole discretion. The initial Budget (the “Initial Budget”) is attached hereto as Exhibit A.

“Budgeted Cash Receipts” shall mean with respect to any period, the amount that corresponds to the line item “Total Receipts” in the Budget as then in effect.

“Budgeted Disbursement Amounts” shall mean with respect to any period, the amount that corresponds to the aggregate amount of the line items for “Total Operating Disbursements” and “Total Non-Operating Disbursements” in the Budget as then in effect (which shall exclude the line item for “Restructuring Costs”).

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday under the laws of the State of New York or any other day on which banking institutions located in the State of New York are authorized or required by law or other governmental action to close.

“Cash Collateral” shall have the meaning given to such term in the Financing Orders.

“Chapter 11 Case” and “Chapter 11 Cases” shall have the respective meanings given such terms in the recital to this Note.

“Closing Date” shall mean the Business Day when each of the conditions applicable to the funding of the Term Loans (other than any Subsequent Draws) and listed in Section 2(b) of this Note shall have been satisfied or waived in a manner satisfactory to the DIP Lender.

“Collateral” shall mean the assets and property covered by the Financing Orders and the other Collateral Documents and any other assets and property, real or personal, tangible or intangible, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the DIP Lender, to secure the Obligations and the Guaranteed Obligations. Without limiting the foregoing, the Collateral shall include all present and future property of each Loan Party under section 541(a) of the Bankruptcy Code (including, without limitation, the proceeds of avoidance actions upon entry of the Final Order) and all proceeds thereof.

“Collateral Documents” shall mean the Guarantee Agreement and the Collateral Agreement and each agreement entered into pursuant to Section 12 hereof and all similar agreements entered into guaranteeing payment of, or granting a Lien upon property as security for payment of the Obligations and the Guaranteed Obligations, including the Financing Orders.

“Commitment” shall mean the commitment of DIP Lender to make the Term Loans to the Borrower in the aggregate original principal amount of \$47,000,000, as the same may be terminated or reduced from time to time in accordance with the terms of this Note.

“Debtors” shall have the meaning given to such term in the Financing Orders.

“Default” shall mean an event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Default Rate” shall have the meaning given such term in Section 4(d) of this Note.

“Designated Jurisdiction” shall mean any country or territory that is the target of a Sanction.

“DIP Documents” shall mean the Note, the Collateral Documents and all other agreements, instruments, documents and certificates executed and delivered to, or in favor of the DIP Lender in connection with this Note. Any reference in this Note or any other DIP Document to a DIP Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, amendments and restatements supplements or other modifications thereto, and shall refer to such DIP Document as the same may be in effect at any and all times such reference becomes operative.

“DIP Lender” shall have the meaning given such term in the recital to this Note.

“DIP Lender’s Liens” means any Liens granted in favor of the DIP Lender pursuant to the Collateral Documents and the Financing Orders over the Collateral.

“Disqualified Equity Interest” means any Equity Interest that (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests) or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise, prior to the date that is 91 days after the Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the date hereof, as of the date hereof), other than (i) upon payment in full of the Obligations and termination of the Commitments or (ii) upon a “change in control” or asset sale or casualty or condemnation event; provided that any payment required pursuant to this clause (ii) shall be subject to the prior repayment in full of the Obligations and termination of the Commitments or (b) is convertible or exchangeable, automatically or at the option of any holder thereof, into (i) any Indebtedness (other than any Indebtedness described in clause (k) of the definition thereof) or (ii) any Equity Interests other than Qualified Equity Interests, in each case at any time prior to the date that is 91 days after the Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the date hereof, as of the date hereof); provided that an Equity Interest in any Person that is issued to any bona fide employee or to any bona fide plan for the benefit of employees or by any such plan to such employees shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Drawing” means, collectively, any Interim Period Draw and any Subsequent Draw.

“Dollars” or “\$” shall mean lawful currency of the United States of America.

“Equity Interests” shall mean, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination (provided, however, that debt securities that are or by their terms may be convertible or exchangeable into or for Equity Interests shall not constitute Equity Interests prior to conversion or exchange thereof).

“Event of Default” shall have the meaning given such term in Section 16 of this Note.

“Excluded Taxes” shall mean any of the following Taxes imposed on or with respect to the DIP Lender or required to be withheld or deducted from a payment to the DIP Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the DIP Lender being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), or (ii) that are Other Connection Taxes, (b) any U.S. federal withholding Taxes imposed on amounts payable to or for the account of the DIP Lender with respect to an applicable interest in Term Loans or Commitment pursuant to a law in effect on the date on which (i) the DIP Lender acquires such interest in the Term Loans or Commitment or (ii) the DIP Lender changes its lending office, except in each case to the extent that, pursuant to Section 10, amounts with respect to such Taxes were payable either to the DIP Lender’s assignor immediately before the DIP Lender became a party hereto or to the DIP Lender immediately before it changed its lending office, (c) Taxes attributable to the DIP Lender’s unreasonable failure to provide the Borrower with the tax documentation described in Section 10(f) hereof, (c) any withholding Taxes imposed under FATCA and (d) in the case of clauses (a) through (c), any interest, additions to Tax or penalties with respect thereto.

“FATCA” shall mean Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Note (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among governmental authorities and implementing such Sections of the Internal Revenue Code.

“Final Order” shall mean the order of the Bankruptcy Court entered in the Chapter 11 Cases after a final hearing pursuant to section 364 of the Bankruptcy Code and Bankruptcy Rule 4001, in form and substance reasonably satisfactory to the DIP Lender, together with all extensions, modifications and amendments thereto, authorizing Borrower to obtain credit, incur Indebtedness, and grant Liens under this Note and/or certain financing documentation, all as set forth in such order.

“Finance Lease Obligations” shall mean, for any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right of use) property of such Person to the extent such obligations are required to be classified and accounted for as a finance lease (or any predecessor or successor classification that results in the reflection of a liability on such Person’s balance sheet) on a balance sheet of such Person.

“Financing Orders” shall mean, collectively, the Interim Order and the Final Order, as applicable.

“GAAP” shall mean generally accepted accounting principles in the United States of America.

“Governmental Authority” shall mean the government of the United States of America, any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or any other foreign entity or government.

“Guaranteed Obligations” shall mean the obligations to be guaranteed by the Guarantor pursuant to the terms of the Guarantee and Collateral Agreement.

“Guarantee and Collateral Agreement” shall mean the Guarantee and Collateral Agreement, date as of the date hereof, made by the Borrower and the Guarantor in favor of the DIP Lender.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (x) trade accounts payable and other accrued or cash management obligations, in each case incurred in the ordinary course of business, (y) any earn-out obligation unless such obligation is not paid promptly after becoming due and payable and (z) Taxes and other accrued expenses), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person, (f) all guarantees by such Person of Indebtedness of others, (g) all Finance Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (j) net obligations of such Person under any hedging agreement and (k) all Disqualified Equity Interests in such Person, valued, as of the date of determination, at the greater of (i) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable) and (ii) the maximum liquidation preference of such Disqualified Equity Interests; provided that the term “Indebtedness” shall not include (A) deferred or prepaid revenue, (B) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty, indemnity or other unperformed obligations of the seller, (C) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (D) obligations in respect of any residual value guarantees on equipment leases, (E) any take-or-pay or similar obligation to the extent such obligation is not shown as a liability on the balance sheet of such Person in accordance with GAAP and (F) asset retirement obligations and obligations in respect of reclamation and workers’ compensation (including pensions and retiree medical care). In addition, for the avoidance of doubt, obligations in respect of customer deposits shall not constitute Indebtedness. The amount of Indebtedness of any Person for purposes of clause (e) above shall (unless such Indebtedness has been assumed by such Person or such Person has otherwise become liable for the payment thereof) be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

“Indemnified Person” shall have the meaning given such term in Section 9 of this Note.

“Indemnified Taxes” shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any DIP Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Initial Draws” shall have the meaning given such term in Section 1(a) of this Note.

“Interim Order” shall mean the interim order of the Bankruptcy Court entered in the Chapter 11 Cases after an interim hearing (assuming satisfaction of the standards prescribed in section 364 of the Bankruptcy Code and Bankruptcy Rule 4001 and other applicable law), together with all extensions, modifications and amendments thereto, reasonably satisfactory in form and substance to the DIP Lender,

authorizing, on an interim basis, Borrower to execute and perform under the terms of this Note and the other DIP Documents.

“Interim Period” means the period beginning upon the entry of the Interim Order through entry of the Final Order.

“Internal Revenue Code” shall mean the Internal Revenue Code of 1986, as amended.

“Lien” shall mean any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Uniform Commercial Code or comparable law of any jurisdiction).

“Loan Party” shall mean the Borrower and the Guarantor.

“Material Adverse Effect” shall mean a material adverse effect on (a) the operations, business, assets, properties or financial condition of the Loan Parties taken as a whole, (b) the ability of the Loan Parties to perform payment or other material obligations under any DIP Document, (c) the legality, validity or enforceability of this Note or any other DIP Document, (d) the rights and remedies of the DIP Lender under any DIP Document, or (e) the validity, perfection or priority of a Lien in favor of DIP Lender on any of the Collateral.

“Maturity Date” shall mean the earliest to occur of (a) November 29, 2024 (as such date may be extended by mutual agreement of the Borrower and the DIP Lender), or (b) the date on which the Term Loans are accelerated pursuant to Section 16.

“Maximum Amount” shall have the meaning given such term in Section 1 of this Note.

“Milestones” shall have the meaning given such term in Section 14(j) of this Note.

“Monthly Estimate” shall have the meaning given such term in Section 14(i) of this Note.

“Note” shall have the meaning given such term in the recital to this Note.

“Obligations” shall mean all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by the Borrower to DIP Lender arising under the Note or any of the other DIP Documents, and all covenants and duties regarding such amounts, of any kind or nature, present or future, arising under the Note or any of the other DIP Documents. This term includes all principal, interest, fees, charges, expenses, attorneys’ fees and any other sum chargeable to the Borrower under the Note or any of the other DIP Documents.

“OFAC” shall mean the Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Connection Taxes” means, with respect to any DIP Lender, Taxes imposed as a result of a present or former connection between such DIP Lender and the jurisdiction imposing such Tax (other than connections arising from such DIP Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a Lien under, engaged in

any other transaction pursuant to, or enforced any DIP Document, or sold or assigned an interest in any DIP Document).

“Other Taxes” shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes, charges, financial institutions duties, debits Taxes or similar levies which arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Note or any of the other DIP Documents.

“Payment Office” shall mean such account, office or offices of the DIP Lender as may be designated in writing from time to time by the DIP Lender to the Borrower.

“Permitted Encumbrances” shall mean the following encumbrances: (a) Liens for taxes or assessments or other governmental charges (i) not yet due and payable, (ii) that are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP, or (iii) the nonpayment of which is permitted or required by the Bankruptcy Code; (b) pledges or deposits of money securing statutory obligations under workmen’s compensation, unemployment insurance, social security or public liability laws or similar legislation (excluding Liens under ERISA); (c) pledges or deposits of money securing bids, tenders, contracts (other than contracts for the payment of money) or leases to which any Loan Party is a party as lessee made in the ordinary course of business; (d) carriers’, warehousemen’s, suppliers’ or other similar possessory liens arising in the ordinary course of business; (e) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which any Loan Party is a party; (f) zoning restrictions, easements, licenses, or other restrictions on the use of any real estate or other minor irregularities in title (including leasehold title) thereto so long as the same do not materially impair the use, value, or marketability of such real estate; (g) the DIP Lender’s Liens; (h) Liens existing on the Petition Date (to the extent valid, enforceable, perfected and not subject to avoidance as of the Petition Date or perfected after the Petition Date pursuant to section 546(b) of the Bankruptcy Code); (i) to the extent constituting Liens, Liens on goods delivered to any Loan Party after the Petition Date under any consignment or similar title retention agreements and (j) Liens granted pursuant to any Financing Order.

“Permitted Indebtedness” shall mean: (a) current Indebtedness incurred in the ordinary course of business for inventory, supplies, equipment, services, taxes or labor; (b) Indebtedness arising under this Note and the other DIP Documents; (c) deferred taxes and other expenses incurred in the ordinary course of business; (d) any Indebtedness existing on the Petition Date (including the Take Back Note); and (e) administrative expenses of the Borrower for which the Bankruptcy Court has not directed payment.

“Permitted Variance” shall mean, with respect to any Variance Testing Period, (a) in respect of the aggregate amount of Actual Disbursement Amounts, 15% and (b) in respect of Actual Cash Receipts, 15%.

“Person” shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

“Petition Date” shall have the meaning given such term in the recital to this Note.

“Plan” means a plan of reorganization in the Chapter 11 Cases.

“Qualified Equity Interests” means Equity Interests of the Borrower, other than Disqualified Equity Interests.

“Related Fund” shall mean, with respect to any Person, an affiliate of such Person, or a fund or account managed by such Person or an affiliate of such Person.

“Related Parties” shall mean, with respect to any specified Person, such Person’s affiliates and the respective managers, administrators, trustees, partners, investors, directors, officers, employees, agents, advisors, sub-advisors or other representatives of such Person and such Person’s affiliates.

“Restricted Payment” shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to any Person’s stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment.

“Restructuring Support Agreement” means that certain Restructuring Support Agreement dated as of August 9, 2024 by and among the Borrower, the Guarantor, Pitney Bowes, Inc., OPPS XI PTBW Holdings, L.P., OPPS XII PTBW Holdings, L.P. and the other parties party thereto from time to time, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Sanction” shall mean any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority.

“Shared Services Agreement” shall mean the shared services agreement dated as of August 9, 2024 between Pitney Bowes Inc., the Borrower and the Guarantor, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Specified Period” shall mean any two (2) week period immediately following any Drawing (but excluding the date of such Drawing).

“Subsequent Draw” shall have the meaning given such term in Section 1(a) of this Note.

“Subsidiary” of a Person shall mean a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Take Back Note” means that certain secured senior takeback note between the Loan Parties, as payors and OPPS XI PTBW Holdings, L.P. and OPPS XII PTBW Holdings, L.P., each a Delaware limited partnership, as payee.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any

Governmental Authority and all related or similar liabilities, including any interest, additions to tax or penalties applicable thereto.

“Term Loans” shall have the meaning given such term in Section 1 of this Note.

“Variance Testing Period” shall mean the three week period ending August 30, 2024 and thereafter the three week period ending on each Friday thereafter.

19. Representations and Warranties. The Borrower and each of the other Loan Parties represents as follows:

(a) the Borrower and each of the Loan Parties are duly formed and/or organized and validly existing under the laws of their jurisdictions of incorporation or formation;

(b) upon entry of the Financing Orders, the execution and delivery of this Note and the other DIP Documents and the performance by the Borrower of the Borrower’s obligations hereunder and under the other DIP Documents are within its corporate powers, have been duly authorized by all necessary corporate action of the Borrower, have received all necessary bankruptcy, insolvency or governmental approvals, and do not and will not contravene or conflict with any provisions of applicable material law or of the Borrower’s corporate charter or by-laws or of any agreements binding upon or applicable to the Borrower or any of its Subsidiaries or any of their properties;

(c) the Chapter 11 Cases have been duly authorized by all necessary legal and corporate action by or on behalf of each Loan Party and have been duly and properly commenced;

(d) upon entry of the Financing Orders, this Note and each other DIP Document is the legal, valid and binding obligation, enforceable against the Borrower in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally, including the entry of the Financing Orders and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(e) the Borrower and the Loan Parties have good and marketable title to, or valid leasehold interests in, all of its material property and assets; none of the properties and assets of the Borrower and its Subsidiaries are subject to any Liens other than Permitted Encumbrances;

(f) no written statement furnished by or on behalf of the Borrower and its Subsidiaries to the DIP Lender pursuant to the terms of this Note (other than any projections, the Budget, estimates and information of a general economic nature or general industry nature), when taken as a whole, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not materially misleading in light of all of the circumstances under which they were made;

(g) upon entry of the Financing Orders, the Liens granted to the DIP Lender pursuant to the Collateral Documents and the Financing Orders will at all times be fully perfected Liens in and to the Collateral described therein, subject, as to priority, only to Permitted Prior Liens or other Liens permitted to have such priority under the Financing Orders;

(h) except for proceedings in the Chapter 11 Cases, no action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of the Borrower, threatened against the Borrower or its Subsidiaries before any governmental authority or before any arbitrator or panel of arbitrators that challenges the rights or powers of the Borrower or its Subsidiaries to enter into or perform

any of its obligations under the DIP Documents to which it is a party, or the validity or enforceability of any DIP Document or any action taken thereunder;

(i) each Loan Party is in compliance in all respects with the requirements of all laws and regulations and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (i) such requirement of law or regulation or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (ii) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(j) none of the Loan Parties is an “investment company”, “affiliated person”, “promoter” of, or “principal underwriter” of or for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended;

(k) no Loan Party, nor, to the knowledge of the Loan Parties, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is, (i) currently the subject or target of any Sanctions or (ii) located, organized or resident in a Designated Jurisdiction;

(l) since the Petition Date, there has been no event or circumstance that has had or would reasonably be expected to have a Material Adverse Effect; and

(m) the Borrower and its Subsidiaries have filed all material federal, state, local, foreign and other Tax returns and reports required to be filed, and have paid all material federal, state, local, foreign and other Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable other than (i) those not yet delinquent or that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves with respect thereto are maintained on the books of the Borrower and its Subsidiaries in accordance with GAAP and (ii) Taxes the nonpayment of which is permitted or required by the Bankruptcy Code.

20. DIP Lender.

(a) Rights, Exculpation, Etc. The DIP Lender and its directors, officers, agents or employees shall not be liable for any action taken or omitted to be taken by them under or in connection with this Note or the other DIP Documents, except for their own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction.

(b) Reliance. The DIP Lender shall be entitled to rely upon any written notices, statements, certificates, orders or other documents or any telephone message believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person, and with respect to all matters pertaining to this Note or any of the other DIP Documents and its duties hereunder or thereunder, upon advice of counsel selected by it.

(c) Subject to the Financing Orders, the DIP Lender may in its sole discretion, but is under no obligation to credit bid any part of the Obligations or to purchase or retain or acquire any portion of the Collateral.

21. Miscellaneous.

(a) All notices and other communications provided for hereunder shall be in writing (including facsimile communication) and mailed, emailed or delivered as follows:

If to Borrower: DRF Logistics, LLC
27 Waterview Drive
Shelton, CT 06484
Attn: Eric Kaup
Email: ekaup@hilcoglobal.com

And Portage Point Partners
640 Fifth Avenue, 10th Floor
New York, NY 10019
Attn: Thomas Studebaker
Email: tstudebaker@pppllc.com

with copies to: Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attn: Lauren Tauro and Vynessa Nemunaitis
Email: Lauren.Tauro@weil.com;
Vynessa.Nemunaitis@weil.com

If to DIP Lender: Pitney Bowes International Holdings, Inc.
3001 Summer Steet
Stamford
Connecticut
06926-0700
Attn: Daniel Goldstein & Daniel Goldstein
Email: Debbie.salce@pb.com
Daniel.Goldstein@pb.com

with copies to: BRG
99 High Street
27th Floor
Boston
MA 02110
Attn: Mackenzie Shea
Email: MShea@thinkbrg.com

Vinson & Elkins LLP
1114 Avenue of the Americas
32nd Floor
New York
NY 10036
Attn: Tzvi Werzberger
Email: tworzberger@velaw.com

All such notices and communications shall, when mailed or sent by overnight courier, be effective when deposited in the mails or delivered to the overnight courier, as the case may be, or when sent by email be effective when confirmation is received.

(b) The Borrower shall reimburse the DIP Lender for all reasonable and documented out-of-pocket expenses incurred in connection with the negotiation and preparation of the DIP Documents and the obtaining of approval of the DIP Documents by the Bankruptcy Court, including fees, costs and expenses of financial and other advisors. Subject to the foregoing, the Borrower shall reimburse the DIP Lender for all reasonable and documented out-of-pocket fees, costs and expenses, including fees, costs and expenses of financial and other advisors, in connection with:

(i) any amendment, modification or waiver of, consent with respect to, or termination or enforcement of, any of the DIP Documents or advice in connection with the administration of the Term Loans made pursuant hereto or its rights hereunder or thereunder;

(ii) the review of pleadings and documents related to the Chapter 11 Cases and any subsequent chapter 7 case, attendance at meetings related to the Chapter 11 Cases and any subsequent Chapter 7 case, and general monitoring of the Chapter 11 Cases and any subsequent chapter 7 case;

(iii) any litigation, contest, dispute, suit, proceeding or action (whether instituted by the DIP Lender, the Borrower or any other Person, and whether as a party, witness or otherwise) in any way relating to the Collateral, any of the DIP Documents or any other agreement to be executed or delivered in connection herewith or therewith, including any litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against Borrower or any other Person that may be obligated to the DIP Lender by virtue of the DIP Documents, including any such litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the Term Loans during the pendency of one or more Events of Default;

(iv) any attempt to enforce any remedies of the DIP Lender against any or all of the Borrower or any other Person that may be obligated to the DIP Lender by virtue of any of the DIP Documents, including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the Term Loans during the pendency of one or more Events of Default;

(v) any work-out or restructuring of the Term Loans during the pendency of one or more Events of Default; and

(vi) any efforts to (A) monitor the Term Loans or any of the other Obligations, (B) evaluate, observe or assess of the Borrower or its respective affairs, (C) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of any of the Collateral and (D) monitor any sales;

all of which shall be payable in accordance with the terms of the Financing Orders. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: fees, costs and expenses of accountants, appraisers, investment bankers, management and other consultants and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal or other advisory services. All expenses incurred by the DIP Lender shall receive super-priority

administrative expense status per section 364 of the Bankruptcy Code (subject to the Financing Orders).

(c) No failure or delay on the part of the DIP Lender or any other holder of this Note to exercise any right, power or privilege under this Note and no course of dealing between Borrower and the DIP Lender shall impair such right, power or privilege or operate as a waiver of any default or an acquiescence therein, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies expressly provided in this Note are cumulative to, and not exclusive of, any rights or remedies that the DIP Lender would otherwise have. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the DIP Lender to any other or further action in any circumstances without notice or demand.

(d) Borrower and any endorser of this Note hereby consent to renewals and extensions of time at or after the maturity hereof without notice, and hereby waive diligence, presentment, protest, demand and notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder.

(e) If any provision in or obligation under this Note shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(f) THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE DIP LENDER HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

(g) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Bankruptcy Court and, if the Bankruptcy Court does not have (or abstains from) jurisdiction, the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Note or any DIP Document, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court.

(h) THE BORROWER AND, BY THEIR ACCEPTANCE OF THIS NOTE, THE DIP LENDER AND ANY SUBSEQUENT HOLDER OF THIS NOTE, HEREBY IRREVOCABLY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS NOTE AND THE DIP LENDER'S/BORROWER'S RELATIONSHIP THAT IS BEING ESTABLISHED. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and, by their acceptance of this Note, the DIP Lender and any subsequent holder of this Note, each (i) acknowledges

that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this relationship, and that each will continue to rely on this waiver in their related future dealings and (ii) further warrants and represents that each has reviewed this waiver with its legal counsel and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. **THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING) THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS NOTE.** In the event of litigation, this provision may be filed as a written consent a trial by the court.

(i) The Borrower shall not have the right to assign their obligations or liabilities under this Note without the prior written consent of the DIP Lender. The DIP Lender may, with the prior written consent of, to the extent no Event of Default then exists, the Borrower (which consent of the Borrower shall not be required for any assignment to the DIP Lender, a Related Fund or an affiliate of the DIP Lender or a DIP Lender or which consent shall not be unreasonably conditioned, withheld or delayed), assign to one or more entities all or any part of, or may grant participation's to one or more entities in or to all or any part of, the amounts outstanding hereunder, and to the extent of any such assignment or participation (unless otherwise stated therein) the assignee or participant shall have the same rights and benefits hereunder as it would have if it were a DIP Lender hereunder. An assigning DIP Lender shall deliver to the assignor DIP Lender (and notify the Borrower thereof) an assignment agreement in a form approved by the assigning DIP Lender, which shall include a description of the assignment and include customary instructions from the assigning DIP Lender and such assignee with respect to the making of payments and other communications with the assigning DIP Lender and such assignee and all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations.

(j) [Reserved].

(k) [Reserved].

(l) [Reserved].

(m) No provision of this Note may be amended or waived unless such amendment or waiver is in writing and is signed by the Borrower and the DIP Lender.

(n) This Note may be executed and delivered in any number of counterparts, and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. Execution of this Note via facsimile or electronic mail shall be effective, and signatures received via facsimile or electronic mail shall be binding upon the parties hereto and shall be effective as originals. The parties hereto irrevocably and unreservedly agree that this Note may be executed by way of electronic signatures and the parties agree that neither this Note, nor any part hereof, shall be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

(o) This Note, the other DIP Documents, and all Liens created hereby or pursuant to the Collateral Documents or any other DIP Document shall be binding upon the Borrower and each other Loan Party, the estates of the Borrower, and any trustee or successor in interest of the Borrower and each other Loan Party in the Chapter 11 Case or any subsequent case commenced under chapter 7 of the Bankruptcy Code, and shall not be subject to section 365 of the Bankruptcy Code. This Note and the other DIP Documents and the Financing Orders shall be binding upon, and inure to the benefit of, the successors of the DIP Lender and the DIP Lender and each of their respective permitted assigns, transferees and

endorsees. The Liens created by this Note, and the other DIP Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of the Chapter 11 Case or any other bankruptcy case of any Loan Party to a case under chapter 7 of the Bankruptcy Code or in the event of dismissal of the Chapter 11 Case or the release of any Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the DIP Lender file financing statements or otherwise perfect its security interests or Liens under applicable law.

(p) In the event of any inconsistency between the terms and conditions of this Note and the Financing Orders, the provisions of the Financing Orders shall govern and control.

(q) **THIS WRITTEN PROMISSORY NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

* * * * *

IN WITNESS WHEREOF, the Borrower and the Guarantor have caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place first above written.

DRF LOGISTICS LLC, as Borrower

By:

Name: Eric Kaup

Title: Chief Restructuring Officer

DRF, LLC, as Guarantor

By:

Name: Eric Kaup

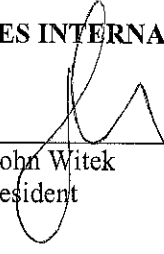
Title: Chief Restructuring Officer

A handwritten signature in black ink, appearing to read 'Eric Kaup', is written over a horizontal line. The signature is stylized with large, sweeping loops and a long, trailing flourish that extends to the right.

Acknowledged and Agreed

PITNEY BOWES INTERNATIONAL HOLDINGS, INC., as DIP Lender

By:


Name: John Witek

Title: President

[SIGNATURE PAGE TO DEBTOR IN POSSESSION SECURED MULTI-DRAW TERM PROMISSORY NOTE]

EXHIBIT A

Budget

See attached.

DRF Logistics, LLC
Cash Flow Forecast
8/8/2024
(\$ in millions)

Week Number	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Total-18 Weeks
Week Ending	8/9/2024	8/16/2024	8/23/2024	8/30/2024	9/6/2024	9/13/2024	9/20/2024	9/27/2024	10/4/2024	10/11/2024	10/18/2024	10/25/2024	11/1/2024	11/8/2024	11/15/2024	11/22/2024	11/29/2024	12/6/2024	
Cash Receipts																			
Operating Receipts	\$ 1.7	\$ 1.5	\$ 1.7	\$ 2.3	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 4.6	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 3.7	\$ 3.3	\$ 2.7	\$ 71.4
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Receipts	\$ 1.7	\$ 1.5	\$ 1.7	\$ 2.3	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 4.6	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 3.7	\$ 3.3	\$ 2.7	\$ 71.4
Operating Disbursements																			
USPS	\$ -	\$ (7.8)	\$ (0.6)	\$ (0.2)	\$ (0.1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8.8)
Payroll, Taxes & Benefits	-	(2.5)	(1.5)	(3.4)	(1.5)	(1.2)	(0.0)	(0.4)	(0.0)	(0.2)	-	(0.1)	-	(0.1)	-	(0.1)	-	(0.1)	(11.3)
Non-Debtor Payroll	-	(0.4)	-	(0.7)	-	(0.5)	-	(0.3)	-	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)	-	-	(2.7)
Rent (Excl. Utilities)	-	-	-	-	(2.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.8)
Utilities	-	-	-	-	(0.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.7)
Equipment Costs	-	(0.6)	(0.0)	(0.0)	(3.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.0)
Transportation	-	(4.6)	(2.3)	(1.1)	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.1)
Other Variable Costs	-	(1.0)	(0.1)	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.1)
Other Related AP	-	(0.7)	(0.7)	(0.7)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	-	-	-	-	(4.7)
Other Expenses (TSA Allocations)	(0.2)	-	(0.1)	-	(0.1)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.5)
Total Operating Disbursements	\$ (0.2)	\$ (17.5)	\$ (5.3)	\$ (6.2)	\$ (10.1)	\$ (1.9)	\$ (0.3)	\$ (0.9)	\$ (0.3)	\$ (0.7)	\$ (0.2)	\$ (0.5)	\$ (0.2)	\$ (0.5)	\$ (0.0)	\$ (0.3)	\$ (0.0)	\$ (3.7)	\$ (48.8)
Operating Cash Flow	\$ 1.6	\$ (16.1)	\$ (3.6)	\$ (3.9)	\$ (3.6)	\$ 4.6	\$ 6.2	\$ 5.6	\$ 4.3	\$ 3.3	\$ 3.8	\$ 3.5	\$ 3.8	\$ 3.5	\$ 4.0	\$ 3.4	\$ 3.3	\$ (1.0)	\$ 22.7
Cumulative Operating Cash Flow	1.6	(14.5)	(18.1)	(21.9)	(25.5)	(20.9)	(14.7)	(9.1)	(4.7)	(1.4)	2.3	5.8	9.6	13.1	17.0	20.4	23.7	22.7	22.7
Non-Operating Receipts																			
Asset Sale / Liquidation Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.2
FFL TSA Receipt	-	0.9	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	1.1
M&A Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Receipts	\$ -	\$ 0.9	\$ -	\$ -	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.3
Non-Operating Disbursements																			
Deferred Federal Income Tax Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer and Postage Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.7)	-	-	-	-	(2.7)
FFL TSA Disbursement	-	(0.9)	-	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.1)
Shared Services - Administrative Fee	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.1)
Utility Deposits	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
Total Non-Operating Disbursements	\$ (0.0)	\$ (1.2)	\$ (0.0)	\$ -	\$ (0.2)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ (2.7)	\$ (0.0)	\$ -	\$ (0.0)	\$ 0.2	\$ (3.9)
Restructuring Costs																			
Debtor WARN and Benefits Payout	\$ -	\$ -	\$ (0.5)	\$ (1.2)	\$ -	\$ -	\$ (9.0)	\$ (3.5)	\$ -	\$ (0.0)	\$ -	\$ (0.2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.1)	\$ (14.5)
Non-Debtor WARN and Benefits Payout (Shared Services)	-	-	-	(0.6)	-	-	-	(0.5)	-	(0.0)	-	(0.1)	-	-	-	-	-	(0.1)	(1.3)
Critical Vendor Prepetition AP	-	(3.8)	(2.3)	-	(1.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.5)
Wind-Down Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.5)
UST Fees	-	-	-	-	-	-	-	-	-	-	-	-	(0.5)	-	-	-	-	-	(0.5)
Professional Fees	-	(1.4)	(1.3)	(1.3)	(1.3)	(2.4)	(1.2)	(1.0)	(0.9)	(1.9)	(0.8)	(0.8)	(0.9)	(2.1)	(1.0)	(1.0)	(1.1)	(1.0)	(21.5)
Total Restructuring Costs	\$ -	\$ (5.1)	\$ (4.1)	\$ (3.1)	\$ (2.8)	\$ (2.4)	\$ (10.3)	\$ (5.0)	\$ (0.9)	\$ (1.9)	\$ (0.8)	\$ (1.1)	\$ (1.4)	\$ (2.1)	\$ (1.0)	\$ (1.0)	\$ (1.1)	\$ (4.1)	\$ (48.3)
Total Disbursements	\$ (0.2)	\$ (23.8)	\$ (9.4)	\$ (9.3)	\$ (13.1)	\$ (4.3)	\$ (10.5)	\$ (5.9)	\$ (1.2)	\$ (2.6)	\$ (1.1)	\$ (1.6)	\$ (1.7)	\$ (5.4)	\$ (1.0)	\$ (1.3)	\$ (1.1)	\$ (7.7)	\$ (101.0)
Beginning Cash Flow (Book)	\$ -	\$ 31.6	\$ 10.2	\$ 12.5	\$ 5.5	\$ 4.1	\$ 6.3	\$ 4.2	\$ 4.9	\$ 8.3	\$ 9.7	\$ 12.6	\$ 15.0	\$ 17.3	\$ 15.9	\$ 15.0	\$ 13.7	\$ 12.7	\$ -
Net Cash Flow	1.6	(21.4)	(7.7)	(7.0)	(6.4)	2.2	(4.0)	0.6	3.4	1.4	2.9	2.4	2.3	(1.4)	3.0	2.4	2.3	(4.9)	(28.3)
DIP Draw	30.0	-	10.0	-	5.0	-	2.0	-	-	-	-	-	-	-	-	-	-	-	47.0
(DIP Repayment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(3.7)	(3.4)	(7.7)	(18.7)
DIP Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash (Book)	\$ 31.6	\$ 10.2	\$ 12.5	\$ 5.5	\$ 4.1	\$ 6.3	\$ 4.2	\$ 4.9	\$ 8.3	\$ 9.7	\$ 12.6	\$ 15.0	\$ 17.3	\$ 15.9	\$ 15.0	\$ 13.7	\$ 12.7	\$ -	\$ -
DIP Funding Roll Forward																			
Beginning DIP Balance	\$ -	\$ 30.9	\$ 30.9	\$ 40.9	\$ 40.9	\$ 46.3	\$ 46.3	\$ 48.3	\$ 48.3	\$ 48.7	\$ 48.7	\$ 48.7	\$ 48.7	\$ 49.1	\$ 49.1	\$ 45.2	\$ 41.5	\$ 38.1	\$ -
Borrowing	30.0	-	10.0	-	5.0	-	2.0	-	-	-	-	-	-	-	-	-	-	-	47.0
PIK	-	-	-	-	0.3	-	-	-	0.4	-	-	-	0.4	-	-	-	-	0.3	1.5
Commitment Fee	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9
Undrawn Fee	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(3.7)	(3.4)	(7.7)	(18.7)
Ending DIP Balance	\$ 30.9	\$ 30.9	\$ 40.9	\$ 40.9	\$ 46.3	\$ 46.3	\$ 48.3	\$ 48.3	\$ 48.7	\$ 48.7	\$ 48.7	\$ 48.7	\$ 49.1	\$ 49.1	\$ 45.2	\$ 41.5	\$ 38.1	\$ 30.7	\$ 30.7

Annex A

Deliver (which delivery may be made by electronic communication (including email)) to the DIP Lender, each of the financial statements, reports, or other items set forth below at the following times in form reasonably satisfactory to the DIP Lender:

by 5:00 p.m. (Eastern time) on September 4, 2024 and every Wednesday thereafter,	(a) an Approved Budget Variance Report for the immediately ending three week period, as set forth in Section 15(j) of the Note;
by 5:00 p.m. (Eastern time) on September 5, 2024, and every fourth Thursday thereafter,	(b) a revised proposed budget (it being understood that upon written approval of such proposed budget by the DIP Lender (and not before such written approval), in its sole discretion, such proposed budget shall become the “ <u>Budget</u> ”) and which shall be in form and substance acceptable to the DIP Lender and DIP Lender;
promptly, but in any event within one (1) Business Day after Borrower has knowledge of any event or condition that constitutes a Default,	(c) copies of all material pleadings, motions, applications or financial information filed by any Borrower with the Bankruptcy Court including but not limited to as required in the Milestones;
upon the request of the DIP Lender,	(d) notice of such event or condition and a statement of the curative action that Borrower propose to take with respect thereto;
upon the request of the DIP Lender,	(e) any other information relating to the business, financial, legal or corporate affairs of the Borrower or its Subsidiaries, as set forth in Section 14(a) of the Note.

Annex B

Milestones

1. No later than August 9, 2024, the Petition Date shall have occurred;
2. No later than the date that is 2 Business Days after the Petition Date, the Bankruptcy Court shall have entered the Interim Order, in form and substance acceptable to the DIP Lender;
3. No later than the date that is 7 calendar days after the Petition Date, the Debtors shall have filed the Approved Plan and a disclosure statement (the “**Disclosure Statement**”), in form and substance acceptable to the DIP Lender;
4. No later than 14 calendar days after the Petition Date, the Debtors shall have filed a motion (the “**SSA Motion**”), in form and substance acceptable to the DIP Lender, seeking approval of the Shared Services Agreement;
5. No later than 45 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Final Order, in form and substance acceptable to the DIP Lender;
6. No later than the date that is the earlier of (a) 45 calendar days after the Petition Date and (b) 30 calendar days after the appointment of a statutory committee of unsecured creditors (if any), the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving the SSA Motion;
7. No later than the date that is 50 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, setting forth the claims bar date;
8. No later than the date that is 60 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, approving the Disclosure Statement and authorizing the Debtors to solicit the Approved Plan;
9. No later than November 15, 2024, the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving and confirming the Approved Plan; *provided*, that this Milestone shall be automatically extended by the same number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender; and
10. No later than November 29, 2024, the effective date of the Approved Plan shall have occurred; *provided*, that this Milestone shall be automatically extended by the same number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender.

Exhibit B

Initial Budget

DRF Logistics, LLC
Cash Flow Forecast
8/8/2024
(\$ in millions)

Week Number	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Total-18 Weeks
Week Ending	8/9/2024	8/16/2024	8/23/2024	8/30/2024	9/6/2024	9/13/2024	9/20/2024	9/27/2024	10/4/2024	10/11/2024	10/18/2024	10/25/2024	11/1/2024	11/8/2024	11/15/2024	11/22/2024	11/29/2024	12/6/2024	
Cash Receipts																			
Operating Receipts	\$ 1.7	\$ 1.5	\$ 1.7	\$ 2.3	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 4.6	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 3.7	\$ 3.3	\$ 2.7	\$ 71.4
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Receipts	\$ 1.7	\$ 1.5	\$ 1.7	\$ 2.3	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 4.6	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 3.7	\$ 3.3	\$ 2.7	\$ 71.4
Operating Disbursements																			
USPS	\$ -	\$ (7.8)	\$ (0.6)	\$ (0.2)	\$ (0.1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8.8)
Payroll, Taxes & Benefits	-	(2.5)	(1.5)	(3.4)	(1.5)	(1.2)	(0.0)	(0.4)	(0.0)	(0.2)	-	(0.1)	-	(0.1)	-	(0.1)	-	(0.1)	(11.3)
Non-Debtor Payroll	-	(0.4)	-	(0.7)	-	(0.5)	-	(0.3)	-	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)	(2.7)
Rent (Excl. Utilities)	-	-	-	-	(2.0)	-	-	-	-	-	-	-	-	-	-	-	-	(1.8)	(3.8)
Utilities	-	-	-	-	(0.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.7)
Equipment Costs	-	(0.6)	(0.0)	(0.0)	(3.7)	-	-	-	-	-	-	-	-	-	-	-	-	(1.7)	(6.0)
Transportation	-	(4.6)	(2.3)	(1.1)	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.1)
Other Variable Costs	-	(1.0)	(0.1)	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.1)
Other Related AP	-	(0.7)	(0.7)	(0.7)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	-	-	-	-	(4.7)
Other Expenses (TSA Allocations)	(0.2)	-	(0.1)	-	(0.1)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.5)
Total Operating Disbursements	\$ (0.2)	\$ (17.5)	\$ (5.3)	\$ (6.2)	\$ (10.1)	\$ (1.9)	\$ (0.3)	\$ (0.9)	\$ (0.3)	\$ (0.7)	\$ (0.2)	\$ (0.5)	\$ (0.2)	\$ (0.5)	\$ (0.0)	\$ (0.3)	\$ (0.0)	\$ (3.7)	\$ (48.8)
Operating Cash Flow	\$ 1.6	\$ (16.1)	\$ (3.6)	\$ (3.9)	\$ (3.6)	\$ 4.6	\$ 6.2	\$ 5.6	\$ 4.3	\$ 3.3	\$ 3.8	\$ 3.5	\$ 3.8	\$ 3.5	\$ 4.0	\$ 3.4	\$ 3.3	\$ (1.0)	\$ 22.7
Cumulative Operating Cash Flow	1.6	(14.5)	(18.1)	(21.9)	(25.5)	(20.9)	(14.7)	(9.1)	(4.7)	(1.4)	2.3	5.8	9.6	13.1	17.0	20.4	23.7	22.7	22.7
Non-Operating Receipts																			
Asset Sale / Liquidation Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.2
FFL TSA Receipt	-	0.9	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	1.1
M&A Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Receipts	\$ -	\$ 0.9	\$ -	\$ -	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.3
Non-Operating Disbursements																			
Deferred Federal Income Tax Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer and Postage Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.7)	-	-	-	-	(2.7)
FFL TSA Disbursement	-	(0.9)	-	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.1)
Shared Services - Administrative Fee	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.1)
Utility Deposits	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
Total Non-Operating Disbursements	\$ (0.0)	\$ (1.2)	\$ (0.0)	\$ -	\$ (0.2)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ (2.7)	\$ (0.0)	\$ -	\$ (0.0)	\$ 0.2	\$ (3.9)
Restructuring Costs																			
Debtor WARN and Benefits Payout	\$ -	\$ -	\$ (0.5)	\$ (1.2)	\$ -	\$ -	\$ (9.0)	\$ (3.5)	\$ -	\$ (0.0)	\$ -	\$ (0.2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.1)	\$ (14.5)
Non-Debtor WARN and Benefits Payout (Shared Services)	-	-	-	(0.6)	-	-	-	(0.5)	-	(0.0)	-	(0.1)	-	-	-	-	-	(0.1)	(1.3)
Critical Vendor Prepetition AP	-	(3.8)	(2.3)	-	(1.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.5)
Wind-Down Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.5)	(2.5)
UST Fees	-	-	-	-	-	-	-	-	-	-	-	-	(0.5)	-	-	-	-	(0.5)	(1.0)
Professional Fees	-	(1.4)	(1.3)	(1.3)	(1.3)	(2.4)	(1.2)	(1.0)	(0.9)	(1.9)	(0.8)	(0.8)	(0.9)	(2.1)	(1.0)	(1.0)	(1.1)	(1.0)	(21.5)
Total Restructuring Costs	\$ -	\$ (5.1)	\$ (4.1)	\$ (3.1)	\$ (2.8)	\$ (2.4)	\$ (10.3)	\$ (5.0)	\$ (0.9)	\$ (1.9)	\$ (0.8)	\$ (1.1)	\$ (1.4)	\$ (2.1)	\$ (1.0)	\$ (1.0)	\$ (1.1)	\$ (4.1)	\$ (48.3)
Total Disbursements	\$ (0.2)	\$ (23.8)	\$ (9.4)	\$ (9.3)	\$ (13.1)	\$ (4.3)	\$ (10.5)	\$ (5.9)	\$ (1.2)	\$ (2.6)	\$ (1.1)	\$ (1.6)	\$ (1.7)	\$ (5.4)	\$ (1.0)	\$ (1.3)	\$ (1.1)	\$ (7.7)	\$ (101.0)
Beginning Cash Flow (Book)	\$ -	\$ 31.6	\$ 10.2	\$ 12.5	\$ 5.5	\$ 4.1	\$ 6.3	\$ 4.2	\$ 4.9	\$ 8.3	\$ 9.7	\$ 12.6	\$ 15.0	\$ 17.3	\$ 15.9	\$ 15.0	\$ 13.7	\$ 12.7	\$ -
Net Cash Flow	1.6	(21.4)	(7.7)	(7.0)	(6.4)	2.2	(4.0)	0.6	3.4	1.4	2.9	2.4	2.3	(1.4)	3.0	2.4	2.3	(4.9)	(28.3)
DIP Draw	30.0	-	10.0	-	5.0	-	2.0	-	-	-	-	-	-	-	-	-	-	-	47.0
(DIP Repayment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(3.7)	(3.4)	(7.7)	(18.7)
DIP Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash (Book)	\$ 31.6	\$ 10.2	\$ 12.5	\$ 5.5	\$ 4.1	\$ 6.3	\$ 4.2	\$ 4.9	\$ 8.3	\$ 9.7	\$ 12.6	\$ 15.0	\$ 17.3	\$ 15.9	\$ 15.0	\$ 13.7	\$ 12.7	\$ -	\$ -
DIP Funding Roll Forward																			
Beginning DIP Balance	\$ -	\$ 30.9	\$ 30.9	\$ 40.9	\$ 40.9	\$ 46.3	\$ 46.3	\$ 48.3	\$ 48.3	\$ 48.7	\$ 48.7	\$ 48.7	\$ 48.7	\$ 49.1	\$ 49.1	\$ 45.2	\$ 41.5	\$ 38.1	\$ -
Borrowing	30.0	-	10.0	-	5.0	-	2.0	-	-	-	-	-	-	-	-	-	-	-	47.0
PIK	-	-	-	-	0.3	-	-	-	0.4	-	-	-	0.4	-	-	-	-	0.3	1.5
Commitment Fee	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9
Undrawn Fee	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(3.7)	(3.4)	(7.7)	(18.7)
Ending DIP Balance	\$ 30.9	\$ 30.9	\$ 40.9	\$ 40.9	\$ 46.3	\$ 46.3	\$ 48.3	\$ 48.3	\$ 48.7	\$ 48.7	\$ 48.7	\$ 48.7	\$ 49.1	\$ 49.1	\$ 45.2	\$ 41.5	\$ 38.1	\$ 30.7	\$ 30.7

Exhibit C

DIP Note

**DEBTOR IN POSSESSION SECURED
MULTI-DRAW TERM PROMISSORY NOTE**

\$47,000,000

New York, New York
August 9, 2024 (the "Effective Date")

DRF Logistics, LLC, a Delaware limited liability company (the "Borrower") and DRF, LLC, a Texas limited liability company (the "Guarantor") intend to commence cases (the date of such commencement, the "Petition Date" and each case, a "Chapter 11 Case" and collectively, the "Chapter 11 Cases") by filing separate voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), with the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court"). The Loan Parties (as defined herein) will continue to operate their respective businesses and manage their respective properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Borrower has requested that Pitney Bowes International Holdings, Inc., a Delaware corporation (the "DIP Lender") in accordance with the terms of this Debtor in Possession Secured Multi-Draw Term Promissory Note (as amended, restated, amended and restated, supplemented, waived, extended, or otherwise modified from time to time, this "Note") make Term Loans (as defined herein) evidenced by this Note on the dates and subject to the terms and conditions of this Note. Capitalized terms used herein and not otherwise defined herein shall have the meanings provided in Section 18 of this Note.

1. Term Loans.

(a) Subject to the terms and conditions hereof including the DIP Lender's receipt of a Borrowing Request (as defined below), the DIP Lender agrees (i) to provide the Borrower with Term Loans in the aggregate original principal amount of up to \$47,000,000 (the "Term Loans"); provided, that (x) upon entry of an Interim Order, the Borrower may borrow up to \$30,000,000 of Term Loans, less any cash on hand as of the Petition Date, in a single drawing (the "Initial Draw"), (y) during the Interim Period, the Borrower, subject to Section 2(c) of this Note, may borrow up to \$15,000,000 of additional Term Loans in one or more drawings (each draw, an "Interim Period Draw"), and (z) upon entry of the Final Order and thereafter, the Borrower may, subject to Section 2(c) of this Note, borrow up to \$2,000,000 of additional Term Loans in one or more drawings (each draw, a "Subsequent Draw"). Subject to the terms and conditions hereof, to the extent the Interim Order does not permit the full amount of the Term Loans to be incurred by the Borrower on or after the Closing Date, the DIP Lender shall advance any remainder amount of the Term Loans that are authorized in the Final Order as set forth above as Subsequent Draws. The Subsequent Draws shall be Term Loans for all purposes of this Note.

(b) The Borrower may request the Term Loans pursuant to written notice (which may be by email) (a "Borrowing Request") delivered to the DIP Lender no later than 3:00 p.m. one (1) Business Day prior to the proposed borrowing date of the Term Loans on the Closing Date (or such shorter period as the DIP Lender may agree) or, with respect to any Term Loans after the Closing Date, one (1) Business Day prior to the proposed borrowing day of the Term Loans (or such shorter period as the DIP Lender may agree). The Borrowing Request shall be in a form reasonably satisfactory to the DIP Lender. The DIP Lender shall provide each Term Loan in an aggregate amount not to exceed the Commitment. Upon receipt of a Borrowing Request with respect to any Term Loan, subject to the satisfaction (or waiver) of the conditions hereof, DIP Lender shall simultaneously make the proceeds of such Term Loan available to the Borrower on the applicable date of funding of the Term Loan by transferring immediately available funds equal to such proceeds to the Borrower Designated Account. The Commitment shall be permanently reduced upon the making of the relevant Term Loan in an amount equal to such Term Loan advanced by DIP Lender. Any principal amount of the Term Loan which is repaid or prepaid may not be reborrowed.

(c) The aggregate original principal amount of Term Loans outstanding shall not exceed \$47,000,000, subject to any limitation of credit extensions under this Note and the Financing Orders (the “Maximum Amount”).

(d) The DIP Lender shall be entitled to rely upon, and shall be fully protected in relying upon, any Borrowing Request or similar notice believed by the DIP Lender to be genuine. The DIP Lender may assume that each Person executing and/or delivering any such notice was duly authorized, unless the responsible individual acting thereon for the DIP Lender has actual knowledge to the contrary.

(e) The Borrower shall utilize the proceeds of Term Loans, subject to the Financing Orders, to (i) fund general corporate needs, including without limitation working capital and other needs and (ii) pay costs, premiums, fees, and expenses incurred to administer or related to of the Chapter 11 Cases, including fees and expenses of professionals, in each case, solely in accordance with the Budget, subject to any Permitted Variance, (as applicable); provided, that, unless otherwise provided in the Budget, subject to any Permitted Variance, the Restructuring Support Agreement or reasonably approved by the DIP Lender, no portion of any Term Loans shall be used, directly or indirectly: (A) except as permitted by Section 15(d), to make any payment in respect of, or repurchase, redeem, retire or defease any, prepetition Indebtedness, except pursuant to the terms of the Financing Orders or to finance or make any Restricted Payment, (B) to pay any fees or similar amounts payable to any Person who has proposed or may propose to purchase interests in the Borrower or any of its respective Subsidiaries or affiliates or who otherwise has proposed or may propose to invest in the Borrower or any of its respective Subsidiaries or affiliates (including so-called “topping fees,” “exit fees,” and similar amounts), or (C) to make any distribution under a plan of reorganization in the Chapter 11 Cases or any similar proceeding of any of the Subsidiaries or affiliates of the Borrower.

2. Certain Conditions to Making Term Loans.

(a) This Note shall be effective upon receipt by the parties hereto of an executed counterpart of this Note.

(b) The obligation of DIP Lender to fund the Term Loans requested to be made by it shall be subject to the prior or concurrent satisfaction (or waiver) of each of the conditions precedent set forth in this clause (b):

(i) the Borrower shall have paid any Obligations then payable hereunder (including the reasonable and documented out-of-pocket fees and expenses of counsel to the DIP Lender) or under any other DIP Document;

(ii) the Loan Parties shall have delivered corporate resolutions, incumbency certificates and similar documents, in form and substance reasonably satisfactory to DIP Lender with respect to this Note and the other DIP Documents and the transactions contemplated hereby and thereby;

(iii) the Loan Parties shall have delivered a guaranty from the Guarantor in form and substance reasonably satisfactory to DIP Lender with respect to this Note and the other DIP Documents and the transactions contemplated hereby and thereby;

(iv) the Loan Parties shall have delivered fully executed copies of all other DIP Documents, each in form and substance reasonably satisfactory to DIP Lender;

(v) each representation or warranty by any Loan Party contained herein or in any other DIP Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such date, except to the extent that such representation or warranty expressly relates to an earlier date;

(vi) (A) with respect to the Term Loan made on or after the Closing Date prior to entry of the Final Order, (1) the Bankruptcy Court shall have entered the Interim Order; and (2) the Interim Order shall not have been stayed, vacated, reversed, modified or amended without DIP Lender's consent or (B) with respect to any Subsequent Draws, (1) the Bankruptcy Court shall have entered the Final Order; and (2) the Final Order shall have not been stayed, vacated, reversed, modified or amended without DIP Lender's consent;

(vii) no Default or Event of Default shall have occurred and be continuing or would result after giving effect to the Term Loans and the transactions contemplated herein;

(viii) after giving effect to the making of the Term Loans, the outstanding principal amount of all Term Loans would not exceed the Maximum Amount;

(ix) the DIP Lender shall have received and approved the Initial Budget in accordance with this Note and the Financing Orders; and

(x) the DIP Lender shall have received, on or before the Closing Date, all documents and instruments, including Uniform Commercial Code financing statements required by law or reasonably requested by the DIP Lender to be filed, registered, published or recorded to create or perfect the Liens intended to be created under the Collateral Documents and all such documents and instruments shall have been so filed, registered, published or recorded or other arrangements reasonably satisfactory to the DIP Lender for such filing, registration, publication or recordation have been made.

(c) No Borrower may request a borrowing of a Term Loan after the Closing Date (and no borrowing will be permitted), if, in each case, as of the date thereof:

(i) the amount of any Drawing causes the Borrower's cash balance to exceed \$5,000,000 after giving effect to the Borrower's forecasted net cashflow for the upcoming Specified Period; provided, however, that any Drawing for a given Specified Period that is not drawn remains available in any subsequent Specified Period to the extent the Borrower complies with the conditions set forth in this Section 2;

(ii) any representation or warranty by any Loan Party contained herein or in any other DIP Document shall be untrue or incorrect in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such date, except to the extent that such representation or warranty expressly relates to an earlier date;

(iii) the Interim Order shall have been stayed, vacated, reversed, modified or amended without DIP Lender's consent;

(iv) after the entry of the Final Order, the Final Order shall have been stayed, vacated, reversed, modified or amended without DIP Lender's consent; and

(v) any Default or Event of Default shall have occurred and be continuing or would result after giving effect to the advance of such Drawing or any release of proceeds of the Term Loans.

Notwithstanding the foregoing, if the DIP Lender determines in its sole discretion that the Borrower has failed to satisfy the conditions precedent set forth in this Section 2 for a Borrowing Request, the DIP Lender may decline to fund such borrowing.

3. Payment of Principal. FOR VALUE RECEIVED, the Borrower promises to pay to the DIP Lender the sum of (x) \$47,000,000 and (y) the sum of all interest on the Term Loan payable in kind in accordance with Section 4, on the Maturity Date, together with all accrued and unpaid interest, fees and expenses to the extent required by this Note.

4. Payment of Interest.

(a) Subject to the terms of this Note, the Term Loans or any portion thereof shall bear interest on the principal amount thereof from time to time outstanding, from the date of the Term Loans until repaid, at a rate per annum equal to 10.00%.

(b) Interest on the Term Loans shall be payable in kind monthly, in arrears, on the last Business Day of each month, commencing on the last Business Day of the month in which the applicable Term Loans is made by automatically and without further action capitalizing and adding such interest to the outstanding principal amount of the Loans. If any payment of any of the Obligations becomes due and payable on a day other than a Business Day, the maturity thereof will be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(c) All computations of fees and interest shall be made by the DIP Lender on the basis of a 360-day year, in each case for the actual number of days occurring in the period for which such fees or interest are payable (including the first day and last day). Each determination by the DIP Lender of an interest rate hereunder shall be final, binding and conclusive on the Borrower (absent manifest error).

(d) So long as an Event of Default shall have occurred and be continuing, and at the election of the DIP Lender, the interest rate applicable to the Obligations shall be increased by two percentage points (2.00%) per annum above the rate of interest otherwise applicable hereunder (the "Default Rate"), and all outstanding Obligations shall bear interest at the Default Rate applicable to such Obligations. Interest at the Default Rate shall accrue from the date of such Event of Default until such Event of Default is cured or waived (notwithstanding when the election by the DIP Lender was made) and shall be payable upon demand.

(e) It is the intention of the parties hereto that the DIP Lender shall conform strictly to usury laws applicable to the Term Loans. Accordingly, if the transactions contemplated hereby or by any other DIP Document would be usurious as to the DIP Lender under laws applicable to the DIP in relation to the Term Loans (including the laws of the United States of America and the State of New York or any other jurisdiction whose laws may be mandatorily applicable to the DIP Lender notwithstanding the other provisions of this Note), then, in that event, notwithstanding anything to the contrary in this Note or any other DIP Document or any agreement entered into in connection with or as security for the Obligations, it is agreed as follows: the aggregate of all consideration which constitutes interest under law applicable to the DIP Lender that is contracted for, taken, reserved, charged or received by the DIP Lender under this Note or any other DIP Document or agreements or otherwise in connection with the Obligations shall under no circumstances exceed the maximum amount allowed by such applicable law, any excess shall be

canceled automatically and if theretofore paid shall be credited by the DIP Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by the DIP Lender to the Borrower). If at any time and from time to time (x) the amount of interest payable to the DIP Lender on any date shall be computed at the highest lawful rate applicable to the DIP Lender pursuant to this Section 4(e) and (y) in respect of any subsequent interest computation period the amount of interest otherwise payable to the DIP Lender would be less than the amount of interest payable to the DIP Lender computed at the highest lawful rate applicable to the DIP Lender, then the amount of interest payable to the DIP Lender in respect of such subsequent interest computation period shall continue to be computed at the highest lawful rate applicable to the DIP Lender until the total amount of interest payable to the DIP Lender shall equal the total amount of interest which would have been payable to the DIP Lender if the total amount of interest had been computed without giving effect to this Section 4(e).

(f) If, after the date hereof, the DIP Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital requirements for banks or bank holding companies, or any change in the interpretation or application thereof by any governmental authority charged with the administration thereof, or (ii) compliance by the DIP Lender or its parent bank holding company with any guideline, request, or directive of any such entity regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on the DIP Lender's or such holding company's capital as a consequence of the DIP Lender's Term Loans hereunder to a level below that which the DIP Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration the DIP Lender's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount reasonably deemed by the DIP Lender to be material, then the DIP Lender may notify the Borrower thereof. Following receipt of such notice, the Borrower agrees to pay the DIP Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable promptly after presentation by the DIP Lender to the Borrower of a statement in the amount and setting forth in reasonable detail the DIP Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, the DIP Lender may use any reasonable averaging and attribution methods.

5. Payments. All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America in same day funds to the DIP Lender at the account as shall be designated in a written notice delivered by the DIP Lender to the Borrower. Each payment made hereunder shall be credited first to interest then due and payable and the remainder of such payment shall be credited to principal, and interest shall thereupon cease to accrue upon the principal so repaid. The Borrower shall make each payment required under this Note prior to 2:00 p.m. New York City time on the date when due, in immediately available funds. Any amounts received after such time on any date may, in the sole discretion of the DIP Lender, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon.

6. Optional Prepayments. Subject to the terms and conditions of the Financing Orders, the Borrower shall have the right at any time and from time to time to prepay the Term Loans under this Note in whole or in part (without premium or penalty) upon two (2) Business Days' written notice to the DIP Lender by 1:00 p.m. New York City time (or such shorter time as the DIP Lender may agree); provided that each such prepayment shall be in a minimum amount of \$100,000. Notice of prepayment having been given as aforesaid, the principal amount specified in such notice shall become due and payable on the prepayment date specified therein in the aggregate original principal amount specified therein unless such repayment is conditioned on the receipt of any third party funds or the consummation of certain transactions which are not received or consummated. Any prepayment or repayment hereunder shall be accompanied by interest on the principal amount of the Note being prepaid or repaid to the date of prepayment or

repayment. Any prepayment made pursuant to this Section 6 shall be applied (a) first to the Term Loans until paid in full and (b) second, to any remaining Obligations as the DIP Lender shall determine in its sole discretion.

7. Mandatory Prepayments. In each case, subject to the terms and conditions of the Financing Orders and the Budget, upon not less than one (1) Business Day prior written notice by the Borrower to the DIP Lender by 1:00 p.m. New York City time:

(a) No later than two (2) Business Days upon receipt by any Loan Party of cash proceeds of any debt securities or other indebtedness not permitted under this Note, the Borrower shall prepay the outstanding principal amount of the Term Loans in an amount equal to all such proceeds, net of underwriting discounts and commissions and other reasonable costs or fees paid to non-affiliates in connection therewith.

(b) Commencing on October 18, 2024, the Borrower shall prepay the DIP Loans within 4 Business Days' of such date if the Borrower's cash on hand as of such date and each Friday thereafter exceeded the amount of remaining disbursements set forth in the Budget plus \$5,000,000.

(c) Nothing in this Section 7 shall be construed to constitute the DIP Lender's consent to any transaction that is not permitted by other provisions of this Note or the other DIP Documents.

(d) Any prepayment made pursuant to this Section 7 shall be applied (i) first to the Term Loans until paid in full, (ii) second, to any remaining Obligations as the DIP Lender shall determine in its sole discretion and (iii) third, any excess remaining to the Borrower.

(e) The DIP Lender may elect prior to any prepayment required under this Section 7 to decline all or any portion of the prepayment.

8. Fees. The Borrower shall pay to the DIP Lender the following fees:

(a) Upfront Fee. On the date of the first Initial Draw, the Borrower shall pay in kind to the DIP Lender an upfront fee (the "Upfront Fee") equal to 2% of the Commitment by automatically and without further action capitalizing and adding such Upfront Fee to the outstanding principal amount of the Loans, subject to the entry of the Interim Order and once paid shall be non-refundable; and

(b) Undrawn Commitment Fee. On the last Business Day of each month and on the Maturity Date, a commitment fee (the "Undrawn Commitment Fee"), equal to 1.00% per annum on the daily unused amount of the Commitment during the preceding month (or other period commencing with the Closing Date or the last date for which the Undrawn Commitment Fee was paid and ending on the Maturity Date), which shall be payable in kind and automatically and without further action capitalizing and adding such Undrawn Commitment Fee to the outstanding principal amount of the Loans, subject to the entry of the Interim Order and once paid shall be non-refundable.

9. Indemnity. The Borrower shall indemnify and hold harmless the DIP Lender and each of its respective affiliates, and each such Person's respective officers, directors, employees, attorneys, agents and representatives (each, an "Indemnified Person"), from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including reasonable attorneys' fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Note and the other DIP Documents and the administration of such credit, and in connection with or arising out of the transactions contemplated

hereunder and thereunder and any actions or failures to act in connection therewith, and legal costs and expenses arising out of or incurred in connection with disputes between the DIP Lender on the one hand and the Loan Parties on the other hand; provided, that (a) the Borrower shall not be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results solely from that Indemnified Person's gross negligence or willful misconduct as determined in a final nonappealable judgment by a court of competent jurisdiction and (b) this Section 8 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. **NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY DIP DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES THAT MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY DIP DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.**

10. Adjustments for Withholding, Capital Adequacy Etc.

(a) All payments to the DIP Lender by the Borrower under this Note shall be made free and clear of and without deduction or withholding for Taxes, unless such Taxes are required by applicable law to be deducted or withheld. If the Borrower shall be required by applicable law to deduct or withhold any Taxes from or in respect of any amount payable under this Note, then (i) if such Tax is an Indemnified Tax, the amount payable shall be increased as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 10), the DIP Lender receives an amount equal to the amount it would have received if no such deduction or withholding had been made, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.

(b) The Borrower agrees to pay (without duplication of any amounts payable pursuant to Section 10(a) or Section 10(c)) to the relevant Governmental Authority in accordance with applicable law any Other Taxes.

(c) Without duplication of any amounts payable pursuant to Section 10(a) or Section 10(b), the Borrower shall indemnify the DIP Lender for the full amount of Indemnified Taxes (including, without limitation, any Indemnified Taxes imposed by any jurisdiction on amounts payable by the Borrower under this Section 10) payable or paid by the DIP Lender and any reasonable expenses (including penalties, interest and expenses) arising from or with respect to such Indemnified Taxes, whether or not they were correctly or legally asserted; *provided* that if the Borrower reasonably believes that such Taxes were not correctly or legally asserted, the DIP Lender shall cooperate in good faith with the Borrower to obtain a refund of such Taxes (which shall be repaid to the Borrower in accordance with Section 10(e)) so long as such efforts would not, in the reasonable discretion of the DIP Lender, result in any additional out-of-pocket costs or expenses not reimbursed by the Borrower or be otherwise materially disadvantageous or burdensome to the Lender. Payment under this indemnification shall be made within ten (10) days after the date the DIP Lender makes a demand thereof. A certificate as to the amount of such Indemnified Taxes submitted to the Borrower by the DIP Lender shall be conclusive evidence, absent manifest error, of the amount due from the Borrower to the DIP Lender.

(d) The Borrower shall furnish to the DIP Lender the original or a certified copy of a receipt evidencing any payment of Taxes made by the Borrower pursuant to this Section 10 within thirty (30) days after the date of any such payment.

(e) If the DIP Lender becomes aware that it has received a refund of any Taxes with respect to which the Borrower has paid any amount pursuant to this Section 10, the DIP Lender shall pay the amount of such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section 10 with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of the DIP Lender and without interest (other than any interest received from the relevant Governmental Authority with respect thereto), to the Borrower promptly after receipt thereof. The Borrower, upon the request of the DIP Lender, shall repay to the DIP Lender the amount paid over pursuant to this paragraph (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that the DIP Lender is required to repay such refund to such Governmental Authority. The DIP Lender shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority. The DIP Lender shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority. Notwithstanding anything to the contrary in this paragraph (e), in no event will the DIP Lender be required to pay any amount to the Borrower pursuant to this paragraph the payment of which would place the DIP Lender in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

(f) The DIP Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower on or prior to the date hereof (and from time to time thereafter upon the reasonable request of the Borrower), two properly completed and executed copies of Internal Revenue Service Forms W-8 or W-9, as applicable, and properly completed and executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction (if any) required to be made. In addition, the DIP Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not such the DIP Lender is subject to backup withholding or information reporting requirements. The DIP Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall timely update such form or certification or promptly notify the Borrower in writing of its legal inability to do so.

(g) Each party's obligations under this Section shall survive any assignment of rights by, or the replacement of, the DIP Lender, the termination of the Term Loans or Commitments and the repayment, satisfaction or discharge of all obligations under this Note or any of the other DIP Documents.

11. Priority of Obligations and DIP Lender's Liens.

(a) To secure all of the Borrower's Obligations now existing or hereafter arising, the DIP Lender is granted (i) a super-priority administrative claim against each of the Borrower and the Guarantor pursuant to section 364(c)(1) of the Bankruptcy Code, and except as set forth in the Financing Orders, having a priority over all other costs and expenses of administration of any kind, including those specified in, or ordered pursuant to, sections 105, 326, 327, 328, 330, 331, 362, 363, 364, 365, 503, 506, 507, 546, 726, 1113 or 1114 or any other provision of the Bankruptcy Code or otherwise (whether incurred in these Chapter 11 Cases and any Successor Case), and, except as set forth in the Financing Orders, shall at all times be senior to the rights of the Borrower or any domestic or foreign Subsidiary of the Borrower, any successor trustee or estate representative, or any other creditor or party in interest in the Chapter 11 Cases or any Successor Case, and (ii) pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code and subject to clause (b) below, Liens on, and security interests in, the Collateral. The security interests and

Liens granted to the DIP Lender hereunder pursuant to section 364(c)(2) shall not be (A) subject to any Lien or security interest which is avoided and preserved for the benefit of the Loan Parties' estate under section 551 of the Bankruptcy Code, or (B) except as set forth in the Financing Orders, subordinated to or made pari passu with any other Lien or security interest granted under section 364(d) of the Bankruptcy Code or otherwise.

(b) The priority of the DIP Lender's Liens on the Collateral shall be as set forth in the Financing Orders.

(c) Each of the Loan Parties agrees for itself that the Obligations of such Person shall constitute allowed administrative expenses in the Chapter 11 Cases, having priority over all administrative expenses of and unsecured claims against such Person now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, all administrative expenses of the kind specified in, or arising or ordered under, sections 105, 326, 327, 328, 330, 331, 362, 363, 364, 365, 503, 506, 507, 546, 726, 1113 or 1114 of the Bankruptcy Code, except as set forth in the Financing Orders.

12. Further Assurances. The Borrower agrees that it shall, at the Borrower's expense and upon the reasonable request of the DIP Lender, duly execute and deliver or cause to be duly executed and delivered, to the DIP Lender, as the DIP Lender shall direct such Borrower such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the DIP Lender to carry out more effectively the provisions and purposes of this Note or any other DIP Document, including, upon the written request of the DIP Lender and in form and substance reasonably satisfactory to the DIP Lender, security agreements, UCC-1 financing statements and the other Collateral Documents confirming and perfecting the granting to the DIP Lender of the Liens (subject to the Financing Orders) in the Collateral to secure the Obligations.

13. [Reserved].

14. Affirmative Covenants. The Borrower agrees that until the Obligations payable under the DIP Documents shall have been paid in full:

(a) Upon request of the DIP Lender, the Loan Parties will permit any officer, employee, attorney or accountant or agent of the DIP Lender to audit, review, make extracts from or copy, at the Borrower's expense, any and all corporate and financial and other books and records of the Loan Parties at all times during ordinary business hours and, in the absence of an Event of Default, upon reasonable advance notice and to discuss the Loan Parties' affairs with any of their directors, officers, employees, attorneys, or accountants. The Borrower will permit the DIP Lender, or any of its officers, employees, accountants, attorneys or agent, to examine and inspect any Collateral or other property of the Loan Parties at any time during ordinary business hours and, in the absence of an Event of Default, upon reasonable prior notice. Notwithstanding the foregoing, none of the Loan Parties will be required to disclose information to the DIP Lender (or any agent or representative thereof) that is prohibited by applicable law, subject to confidentiality restrictions or is subject to attorney-client or similar privilege or constitutes attorney work product.

(b) (i) The Borrower and its Subsidiaries will comply with all requirements of applicable law, the non-compliance with which could reasonably be expected to have a Material Adverse Effect, except as executed by, or otherwise prohibited by, the provisions of the Bankruptcy Code or as a result of the Chapter 11 Cases and (ii) the Borrower and its Subsidiaries will obtain, maintain in effect and comply with all permits, licenses and similar approvals necessary for the operation of their business as now or hereafter conducted other than to the extent contemplated by the Budget or the Financing Orders.

(c) The Borrower and its Subsidiaries will pay or discharge, when due, (i) all material Taxes, assessments and governmental charges levied or imposed upon them or any properties, income or assets of the Borrower and its Subsidiaries (including, without limitation, the Collateral) or upon or against the creation, perfection or continuance of the security interest, prior to the date on which penalties attach thereto, except in each case (A) where the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or any Subsidiary or (B) Taxes the nonpayment of which is permitted or required by the Bankruptcy Code, (ii) all federal, state, local and foreign Taxes required to be withheld by them, and (iii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of Borrower and its Subsidiaries.

(d) (i) The Borrower and its Subsidiaries will keep and maintain the Collateral and all of its other properties necessary or useful in its business in good condition, repair and working order (normal wear and tear excepted) other than to the extent contemplated by the Budget or the Financing Orders, (ii) the Borrower and its Subsidiaries will defend the Collateral against all claims or demands of all Persons (other than Permitted Encumbrances) claiming the Collateral or any interest therein, and (iii) the Borrower and its Subsidiaries will keep the Collateral free and clear of all security interests, liens and encumbrances, except Permitted Encumbrances.

(e) The Borrower and the Guarantor will use commercially reasonable efforts to wind down their forward delivery and returns businesses as soon as practicable after the Petition Date.

(f) The Borrower and its Subsidiaries will preserve and maintain their existence and all of their rights, privileges and franchises necessary or desirable in the normal conduct of their business, except to the extent contemplated by the Budget or the Financing Orders or as permitted hereunder.

(g) The Borrower and its Subsidiaries shall at all times provide reasonable access for, and reasonable cooperation with, any financial advisors to the DIP Lender.

(h) The Borrower agrees that it shall deliver (which delivery may be made by electronic communication (including email)) to the DIP Lender each of the reports and other items set forth on Annex A attached hereto no later than the times specified therein (or such later time as the DIP Lender may agree). No less than once per week, upon request, the Borrower shall make its senior management and its advisors available at reasonable times and upon reasonable notice to the DIP Lender to discuss the financial position, cash flows, variances, operations, sales process and general case status of the Loan Parties.

(i) The Borrower and the Guarantor each agree that they shall take all actions necessary to cause each of the milestones set forth on Annex B attached hereto (the “**Milestones**”) to occur (as such dates may be extended by the DIP Lender).

15. Negative Covenants. So long as DIP Lender shall have any Term Loan or other Obligation hereunder shall remain unpaid or unsatisfied:

(a) Neither the Borrower nor any of its Subsidiaries shall directly or indirectly, by operation of law or otherwise, (i) form or acquire any Subsidiary, or (ii) merge with, consolidate with, acquire all or substantially all of the assets or Equity Interests of, or otherwise combine with or acquire, any Person, except in the case of this clause (ii), with respect to existing Subsidiaries to the extent consented to by the DIP Lender (which consent shall not be unreasonably withheld), other than, in each case, any such action approved by an order of the Bankruptcy Court.

(b) Neither the Borrower nor any of its Subsidiaries shall create, incur, assume or permit to exist any Indebtedness, except (without duplication), to the extent not prohibited by the Financing Orders, Permitted Indebtedness.

(c) Neither the Borrower nor any of its Subsidiaries shall create, incur, assume or permit to exist any Lien on or with respect to any of its properties or assets (whether now owned or hereafter acquired) except for Permitted Encumbrances.

(d) Neither the Borrower nor any of its Subsidiaries shall make any Restricted Payment, except dividends and distributions by Subsidiaries of the Borrower paid to the Borrower or other wholly-owned Subsidiaries of the Borrower.

(e) Neither the Borrower nor any of its Subsidiaries will assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligations of any other Person (other than the Borrower or any of its Subsidiaries), except the endorsement of negotiable instruments by Borrower and their Subsidiaries for the deposit or collection or similar transactions in the ordinary course of business.

(f) Neither the Borrower nor any of its Subsidiaries will convey, sell, lease, assign, transfer or otherwise dispose of any of its property, business or assets, whether now owned or hereinafter acquired other than (i) the sale of inventory in the ordinary course of business, (ii) the sale or disposition of obsolete equipment, (iii) sales of assets for cash in a single transaction or series of related transactions, the proceeds of which are equal to or less than \$5 million or (iv) the sale of other property on terms acceptable to the DIP Lender.

(g) Neither the Borrower nor any of its Subsidiaries shall consent to any waiver, consent, amendment, restatement, amendment and restatement, supplement or other modification of any of the terms or provisions contained in, or applicable to the Financing Orders. Except for payments permitted by the Financing Orders and the Budget, subject to Permitted Variance, neither the Borrower nor any of its Subsidiaries shall make any payment in respect of, or repurchase, redeem, retire or defease any, prepetition Indebtedness, except as consented to by the DIP Lender in writing (including by email).

(h) Neither the Borrower nor any of its Subsidiaries shall make any investment in, or make loans or advances of money to, any Person (other than another Loan Party), through the direct or indirect lending of money, holding of securities or otherwise.

(i) Neither the Borrower nor any of its Subsidiaries shall change its fiscal year.

(j) For each most recently ended Variance Testing Period, the Borrower shall not permit (x) the Actual Cash Receipts to be less than Budgeted Cash Receipts, in each case, for such Variance Testing Period, by more than the Permitted Variance for such Variance Testing Period and (b) the aggregate amount of Actual Disbursement Amounts to exceed the aggregate amount of Budgeted Disbursement Amounts, in each case, for such Variance Testing Period, by more than the Permitted Variance.

(k) Neither the Borrower nor any of its Subsidiaries shall directly or indirectly, use the Term Loans or the proceeds of the Term Loans, or lend, contribute or otherwise make available the Term Loans or the proceeds of the Term Loans to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as DIP Lender or otherwise) of Sanctions.

16. Events of Default; Rights and Remedies. In accordance with the terms of the Financing Orders, the occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an “Event of Default” hereunder:

(a) The Borrower (i) shall fail to make any payment of principal of, or interest on, or fees owing in respect of, the Term Loans or any of the other Obligations when due and payable, or (ii) to the extent included in the Budget, shall fail to pay or reimburse the DIP Lender for any expense reimbursable hereunder or under any other DIP Document within one (1) Business Day following the DIP Lender’s demands for such reimbursement or payment.

(b) Any Loan Party shall fail to comply with any of the provisions of Sections 1(e), 14(f), 14(g), 14(h), 14(i) and 15 of this Note.

(c) Any Loan Party shall fail to comply with any of other provision of this Note or any of the other DIP Documents (other than any provision embodied in or covered by any other clause of this Section 16) and the same, if capable of being remedied, shall remain unremedied for five (5) Business Days after the earlier of the date a senior officer or any Loan Party becomes aware of such failure and the date written notice of such default shall have been given by the DIP Lender to such Loan Party.

(d) Except for defaults occasioned by the filing of the Chapter 11 Cases and defaults resulting from obligations with respect to which the Bankruptcy Code prohibits any Loan Party from complying or permits any Loan Party not to comply, a default or breach shall occur under any agreement, document or instrument to which any Loan Party is a party that is not cured within any applicable grace period therefor, and such default or breach (i) involves the failure to make any payment when due in respect of any Indebtedness (other than the Obligations) of any Loan Party in excess of \$250,000 in the aggregate, or (ii) causes, or permits any holder of such Indebtedness or a trustee to cause, Indebtedness or a portion thereof in excess of \$250,000 in the aggregate to become due prior to its stated maturity or prior to its regularly scheduled dates of payment, regardless of whether such default is waived, or such right is exercised, by such holder or trustee.

(e) Any representation or warranty herein or in any other DIP Document or in any written statement, report, financial statement or certificate made or delivered to DIP Lender by any Loan Party is untrue or incorrect in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date when made or deemed made.

(f) Any Loan Party shall bring or support a motion in any Chapter 11 Case: (i) to obtain financing from any Person other than DIP Lender under section 364(c) or 364(d) of the Bankruptcy Code, except to the extent the proceeds of such financing would be used to repay in full all of the Obligations under this Note or (ii) to grant any Lien other than Permitted Encumbrances upon or affecting any Collateral, except to the extent the proceeds of any such financing secured by such Lien would be used to repay in full all of the Obligations under this Note.

(g) Any Loan Party fails to comply with the terms of the Shared Services Agreement or the Shared Services Agreement shall be terminated in accordance with its terms.

(h) Any Loan Party fails to comply with the terms of the Restructuring Support Agreement, or the Restructuring Support Agreement shall be terminated with respect to the Loan Parties in accordance with its terms.

(i) The entry of an order by the Bankruptcy Court terminating either exclusive right of any Loan Party to file a chapter 11 plan and solicit acceptance thereof within the period specified in section 1121 of the Bankruptcy Code

(j) The entry of an order in any of the Chapter 11 Cases denying confirmation of a plan or plans of reorganization or liquidation that constitute an Approved Plan.

(k) The entry of an order in any Chapter 11 Case confirming a plan or plans of reorganization or liquidation that does not constitute an Approved Plan or does not otherwise comply with the Restructuring Support Agreement.

(l) The filing of any motion by the Borrower or any Loan Party against the DIP Lender seeking, or the entry of any order in the Chapter 11 Cases in respect of, any claim or claims under Section 506(c) of the Bankruptcy Code against or with respect to the Collateral.

(m) The filing of any plan or plan of reorganization or liquidation that does not constitute an Approved Plan or does not otherwise comply with the Restructuring Support Agreement.

(n) The entry by the Bankruptcy Court of an order authorizing the appointment of an interim or permanent trustee in the Chapter 11 Cases or the appointment of an examiner in the Chapter 11 Cases with expanded powers to operate or manage the financial affairs, business, or reorganization of any Loan Party.

(o) The Chapter 11 Cases, or any of them, shall be dismissed or converted from cases under Chapter 11 to cases under chapter 7 of the Bankruptcy Code.

(p) The entry of an order in any Chapter 11 Case avoiding or requiring repayment of any portion of the payments made on account of the Obligations owing under this Note or the other DIP Documents.

(q) The entry of an order in any Chapter 11 Case granting any other super-priority administrative claim or Lien equal to or superior to that granted to the DIP Lender (other than any such claim or Lien permitted by the Financing Orders), unless (i) consented to by the DIP Lender or (ii) the Obligations are paid in full in cash and the DIP Lender's commitment to make Term Loans is terminated.

(r) The entry of an order by the Bankruptcy Court granting relief from or modifying the automatic stay of section 362 of the Bankruptcy Code to allow any creditor (other than the DIP Lender) to execute upon or enforce a Lien on any Collateral except with respect to Permitted Encumbrances arising prior to the Petition Date in an aggregate amount not to exceed \$1,000,000.

(s) The Financing Orders (or either of them) shall be stayed, amended, modified, reversed or revoked in any respect without the DIP Lender's prior written consent.

(t) There shall commence any suit or action against the DIP Lender by or on behalf of (i) any Loan Party or (ii) any official committee in the Chapter 11 Cases (solely to the extent such committee is granted standing by the Bankruptcy Court to pursue such suit or action), in each case, that asserts a claim or seeks a legal or equitable remedy that would have the effect of subordinating the claim or Lien of DIP Lender arising under the DIP Facility and, if such suit or action is commenced by any Person other than the Borrower or any Subsidiary, officer, or employee of the Borrower, such suit or action shall not have been dismissed or stayed within 10 days after service thereof on the DIP Lender and, if stayed, such stay shall have been lifted.

(u) The entry of an order by the Bankruptcy Court conferring standing to any official committee in the Chapter 11 Cases to pursue any suit or action against the DIP Lender or its affiliates (as defined in section 101(2) of the Bankruptcy Code) (other than the Loan Parties) on behalf of any Loan Party or the Debtors' estates created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

(v) Any provision of any DIP Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any DIP Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any DIP Document has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms) or any Lien created under the Financing Orders shall cease to be a valid and perfected first priority Lien (except as otherwise permitted herein or in the Financing Orders) in any of the Collateral purported to be covered thereby.

(w) Assets of any Loan Party with a fair market value of \$50,000 or more are attached, seized, levied upon or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of any Loan Party and such condition continues for ten (10) days or more.

(x) A breach by any Loan Party of the terms of the Financing Orders.

(y) The failure of the Borrower to achieve any of the Milestones, unless otherwise extended by the DIP Lender in its sole discretion (not to be unreasonably withheld).

(z) Entry of an order authorizing and/or directing the reclamation of goods pursuant to section 546(c) of the Bankruptcy Code in excess of \$500,000.

If any Event of Default shall have occurred and be continuing, then the DIP Lender may, upon written notice to the Borrower and subject to the terms of the Financing Orders: (i) terminate the Commitment of DIP Lender with respect to further Term Loans; (ii) declare all or any portion of the Obligations, including all or any portion of any Term Loan, to be forthwith due and payable; (iii) revoke the Borrower's rights to use Cash Collateral in which the DIP Lender have an interest; and (iv) exercise any rights and remedies under the DIP Documents or at law or in equity, all in accordance with the Financing Orders. Upon the occurrence of an Event of Default and the exercise by the DIP Lender of its rights and remedies under this Note and the other DIP Documents pursuant to clause (iv) above and subject to the Financing Orders, each Loan Party shall assist the DIP Lender in effecting a sale or other disposition of the Collateral upon such terms as are designed to maximize the proceeds obtainable from such sale or other disposition. Except as otherwise provided for in this Note or by applicable law, the Borrower waives: (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by the DIP Lender on which the Borrower may in any way be liable, and hereby ratifies and confirms whatever the DIP Lender may do in this regard; (b) subject to the terms of the Financing Orders, all rights to notice and a hearing prior to the DIP Lender taking possession or control of, or DIP Lender's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing DIP Lender to exercise any of its remedies; and (c) the benefit of all valuation, appraisal, marshaling and exemption laws.

To the extent permitted by law and subject in all respects to the terms of the Financing Orders, the DIP Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under section 9-207 of the Uniform Commercial Code or otherwise, shall be to deal with it in the same manner as DIP Lender deals with similar securities and property for its own

account, the DIP Lender's duty of care with respect to Collateral in the custody or possession of a bailee or other third person shall be deemed fulfilled if the DIP Lender exercises reasonable care in the selection of the bailee or other third person, and the DIP Lender need not otherwise preserve, protect, insure or care for any Collateral, and the DIP Lender shall not be obligated to preserve any rights any Loan Party may have against prior parties.

Any amount or payment received by the DIP Lender from any Loan Party or from the proceeds of Collateral (subject to the terms of the Financing Orders) following (i) any acceleration of the Obligations under this Note or (ii) at the direction of the DIP Lender after any Event of Default, shall be applied to the Obligations as determined by the DIP Lender in its sole discretion and once paid in full, any excess shall be paid to the Borrower or as otherwise required by applicable law.

17. Reference Agreements. This Note evidences the Term Loans that may be made to Borrower from time to time in the aggregate original principal amount outstanding of up to \$47,000,000 and is issued pursuant to and entitled to the benefits of the Financing Orders, to which reference is hereby made for a more complete statement of the terms and conditions under which the Term Loans evidenced by this Note are made and are to be repaid.

18. Definitions. The following terms used in this Note shall have the following meanings (and any of such terms may, unless the context otherwise requires, be used in the singular or the plural depending on the reference):

"Actual Cash Receipts" shall mean with respect to any period, the actual amount that corresponds to the line item "Total Receipts" as determined by reference to the Budget as then in effect.

"Actual Disbursement Amounts" shall mean with respect to any period, the actual amount that corresponds to the aggregate amount of the line items for "Total Operating Disbursements" and "Total Non-Operating Disbursements" in the Budget as then in effect (which shall exclude the line item for "Restructuring Costs").

"Approved Budget Variance Report" shall mean a report provided by the Borrower to the DIP Lender (a) showing, in each case, on a line item by line item basis, the Actual Cash Receipts and the Actual Disbursement Amounts, in each case as of the last day of the Variance Testing Period then most recently ended, noting therein (i) all variances, on a cumulative basis, from the Budgeted Cash Receipts and the Budgeted Disbursement Amounts, for such period as set forth in the Approved Budget as in effect for such period and (ii) containing an indication as to whether each variance is temporary or permanent and analysis and explanations for all material variances, (iii) certifying compliance or non-compliance in such Variance Testing Period with the Permitted Variances and (iv) including explanations for all material variances and violations, if any, of such covenant and if any such violation exists, setting forth the actions which the Borrower has taken or intend to take with respect thereto and (b) which such reports shall contain supporting information, satisfactory to the DIP Lender in its sole discretion.

"Approved Plan" shall have the meaning set forth in the Restructuring Support Agreement.

"Bankruptcy Code" shall have the meaning given such term in the recital to this Note.

"Bankruptcy Court" shall have the meaning given such term in the recital to this Note.

"Borrower" shall have the meaning given such term in the recital to this Note.

“Borrower Designated Account” means the deposit account designated to the DIP Lender in the applicable Borrowing Request.

“Budget” shall mean a rolling thirteen (13) week forecast of projected receipts and disbursements for the immediately following consecutive thirteen (13) weeks after the date of delivery, which shall be in substantially the form of the Initial Budget or otherwise in form and substance acceptable to the DIP Lender and shall be approved by the DIP Lender, in the DIP Lender’s sole discretion. The initial Budget (the “Initial Budget”) is attached hereto as Exhibit A.

“Budgeted Cash Receipts” shall mean with respect to any period, the amount that corresponds to the line item “Total Receipts” in the Budget as then in effect.

“Budgeted Disbursement Amounts” shall mean with respect to any period, the amount that corresponds to the aggregate amount of the line items for “Total Operating Disbursements” and “Total Non-Operating Disbursements” in the Budget as then in effect (which shall exclude the line item for “Restructuring Costs”).

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday under the laws of the State of New York or any other day on which banking institutions located in the State of New York are authorized or required by law or other governmental action to close.

“Cash Collateral” shall have the meaning given to such term in the Financing Orders.

“Chapter 11 Case” and “Chapter 11 Cases” shall have the respective meanings given such terms in the recital to this Note.

“Closing Date” shall mean the Business Day when each of the conditions applicable to the funding of the Term Loans (other than any Subsequent Draws) and listed in Section 2(b) of this Note shall have been satisfied or waived in a manner satisfactory to the DIP Lender.

“Collateral” shall mean the assets and property covered by the Financing Orders and the other Collateral Documents and any other assets and property, real or personal, tangible or intangible, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the DIP Lender, to secure the Obligations and the Guaranteed Obligations. Without limiting the foregoing, the Collateral shall include all present and future property of each Loan Party under section 541(a) of the Bankruptcy Code (including, without limitation, the proceeds of avoidance actions upon entry of the Final Order) and all proceeds thereof.

“Collateral Documents” shall mean the Guarantee Agreement and the Collateral Agreement and each agreement entered into pursuant to Section 12 hereof and all similar agreements entered into guaranteeing payment of, or granting a Lien upon property as security for payment of the Obligations and the Guaranteed Obligations, including the Financing Orders.

“Commitment” shall mean the commitment of DIP Lender to make the Term Loans to the Borrower in the aggregate original principal amount of \$47,000,000, as the same may be terminated or reduced from time to time in accordance with the terms of this Note.

“Debtors” shall have the meaning given to such term in the Financing Orders.

“Default” shall mean an event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Default Rate” shall have the meaning given such term in Section 4(d) of this Note.

“Designated Jurisdiction” shall mean any country or territory that is the target of a Sanction.

“DIP Documents” shall mean the Note, the Collateral Documents and all other agreements, instruments, documents and certificates executed and delivered to, or in favor of the DIP Lender in connection with this Note. Any reference in this Note or any other DIP Document to a DIP Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, amendments and restatements supplements or other modifications thereto, and shall refer to such DIP Document as the same may be in effect at any and all times such reference becomes operative.

“DIP Lender” shall have the meaning given such term in the recital to this Note.

“DIP Lender’s Liens” means any Liens granted in favor of the DIP Lender pursuant to the Collateral Documents and the Financing Orders over the Collateral.

“Disqualified Equity Interest” means any Equity Interest that (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests) or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise, prior to the date that is 91 days after the Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the date hereof, as of the date hereof), other than (i) upon payment in full of the Obligations and termination of the Commitments or (ii) upon a “change in control” or asset sale or casualty or condemnation event; provided that any payment required pursuant to this clause (ii) shall be subject to the prior repayment in full of the Obligations and termination of the Commitments or (b) is convertible or exchangeable, automatically or at the option of any holder thereof, into (i) any Indebtedness (other than any Indebtedness described in clause (k) of the definition thereof) or (ii) any Equity Interests other than Qualified Equity Interests, in each case at any time prior to the date that is 91 days after the Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the date hereof, as of the date hereof); provided that an Equity Interest in any Person that is issued to any bona fide employee or to any bona fide plan for the benefit of employees or by any such plan to such employees shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Drawing” means, collectively, any Interim Period Draw and any Subsequent Draw.

“Dollars” or “\$” shall mean lawful currency of the United States of America.

“Equity Interests” shall mean, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination (provided, however, that debt securities that are or by their terms may be convertible or exchangeable into or for Equity Interests shall not constitute Equity Interests prior to conversion or exchange thereof).

“Event of Default” shall have the meaning given such term in Section 16 of this Note.

“Excluded Taxes” shall mean any of the following Taxes imposed on or with respect to the DIP Lender or required to be withheld or deducted from a payment to the DIP Lender, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the DIP Lender being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof), or (ii) that are Other Connection Taxes, (b) any U.S. federal withholding Taxes imposed on amounts payable to or for the account of the DIP Lender with respect to an applicable interest in Term Loans or Commitment pursuant to a law in effect on the date on which (i) the DIP Lender acquires such interest in the Term Loans or Commitment or (ii) the DIP Lender changes its lending office, except in each case to the extent that, pursuant to Section 10, amounts with respect to such Taxes were payable either to the DIP Lender’s assignor immediately before the DIP Lender became a party hereto or to the DIP Lender immediately before it changed its lending office, (c) Taxes attributable to the DIP Lender’s unreasonable failure to provide the Borrower with the tax documentation described in Section 10(f) hereof, (c) any withholding Taxes imposed under FATCA and (d) in the case of clauses (a) through (c), any interest, additions to Tax or penalties with respect thereto.

“FATCA” shall mean Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Note (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among governmental authorities and implementing such Sections of the Internal Revenue Code.

“Final Order” shall mean the order of the Bankruptcy Court entered in the Chapter 11 Cases after a final hearing pursuant to section 364 of the Bankruptcy Code and Bankruptcy Rule 4001, in form and substance reasonably satisfactory to the DIP Lender, together with all extensions, modifications and amendments thereto, authorizing Borrower to obtain credit, incur Indebtedness, and grant Liens under this Note and/or certain financing documentation, all as set forth in such order.

“Finance Lease Obligations” shall mean, for any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right of use) property of such Person to the extent such obligations are required to be classified and accounted for as a finance lease (or any predecessor or successor classification that results in the reflection of a liability on such Person’s balance sheet) on a balance sheet of such Person.

“Financing Orders” shall mean, collectively, the Interim Order and the Final Order, as applicable.

“GAAP” shall mean generally accepted accounting principles in the United States of America.

“Governmental Authority” shall mean the government of the United States of America, any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or any other foreign entity or government.

“Guaranteed Obligations” shall mean the obligations to be guaranteed by the Guarantor pursuant to the terms of the Guarantee and Collateral Agreement.

“Guarantee and Collateral Agreement” shall mean the Guarantee and Collateral Agreement, date as of the date hereof, made by the Borrower and the Guarantor in favor of the DIP Lender.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (x) trade accounts payable and other accrued or cash management obligations, in each case incurred in the ordinary course of business, (y) any earn-out obligation unless such obligation is not paid promptly after becoming due and payable and (z) Taxes and other accrued expenses), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person, (f) all guarantees by such Person of Indebtedness of others, (g) all Finance Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (j) net obligations of such Person under any hedging agreement and (k) all Disqualified Equity Interests in such Person, valued, as of the date of determination, at the greater of (i) the maximum aggregate amount that would be payable upon maturity, redemption, repayment or repurchase thereof (or of Disqualified Equity Interests or Indebtedness into which such Disqualified Equity Interests are convertible or exchangeable) and (ii) the maximum liquidation preference of such Disqualified Equity Interests; provided that the term “Indebtedness” shall not include (A) deferred or prepaid revenue, (B) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty, indemnity or other unperformed obligations of the seller, (C) any obligations attributable to the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, (D) obligations in respect of any residual value guarantees on equipment leases, (E) any take-or-pay or similar obligation to the extent such obligation is not shown as a liability on the balance sheet of such Person in accordance with GAAP and (F) asset retirement obligations and obligations in respect of reclamation and workers’ compensation (including pensions and retiree medical care). In addition, for the avoidance of doubt, obligations in respect of customer deposits shall not constitute Indebtedness. The amount of Indebtedness of any Person for purposes of clause (e) above shall (unless such Indebtedness has been assumed by such Person or such Person has otherwise become liable for the payment thereof) be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

“Indemnified Person” shall have the meaning given such term in Section 9 of this Note.

“Indemnified Taxes” shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any DIP Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Initial Draws” shall have the meaning given such term in Section 1(a) of this Note.

“Interim Order” shall mean the interim order of the Bankruptcy Court entered in the Chapter 11 Cases after an interim hearing (assuming satisfaction of the standards prescribed in section 364 of the Bankruptcy Code and Bankruptcy Rule 4001 and other applicable law), together with all extensions, modifications and amendments thereto, reasonably satisfactory in form and substance to the DIP Lender,

authorizing, on an interim basis, Borrower to execute and perform under the terms of this Note and the other DIP Documents.

“Interim Period” means the period beginning upon the entry of the Interim Order through entry of the Final Order.

“Internal Revenue Code” shall mean the Internal Revenue Code of 1986, as amended.

“Lien” shall mean any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Uniform Commercial Code or comparable law of any jurisdiction).

“Loan Party” shall mean the Borrower and the Guarantor.

“Material Adverse Effect” shall mean a material adverse effect on (a) the operations, business, assets, properties or financial condition of the Loan Parties taken as a whole, (b) the ability of the Loan Parties to perform payment or other material obligations under any DIP Document, (c) the legality, validity or enforceability of this Note or any other DIP Document, (d) the rights and remedies of the DIP Lender under any DIP Document, or (e) the validity, perfection or priority of a Lien in favor of DIP Lender on any of the Collateral.

“Maturity Date” shall mean the earliest to occur of (a) November 29, 2024 (as such date may be extended by mutual agreement of the Borrower and the DIP Lender), or (b) the date on which the Term Loans are accelerated pursuant to Section 16.

“Maximum Amount” shall have the meaning given such term in Section 1 of this Note.

“Milestones” shall have the meaning given such term in Section 14(j) of this Note.

“Monthly Estimate” shall have the meaning given such term in Section 14(i) of this Note.

“Note” shall have the meaning given such term in the recital to this Note.

“Obligations” shall mean all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by the Borrower to DIP Lender arising under the Note or any of the other DIP Documents, and all covenants and duties regarding such amounts, of any kind or nature, present or future, arising under the Note or any of the other DIP Documents. This term includes all principal, interest, fees, charges, expenses, attorneys’ fees and any other sum chargeable to the Borrower under the Note or any of the other DIP Documents.

“OFAC” shall mean the Office of Foreign Assets Control of the United States Department of the Treasury.

“Other Connection Taxes” means, with respect to any DIP Lender, Taxes imposed as a result of a present or former connection between such DIP Lender and the jurisdiction imposing such Tax (other than connections arising from such DIP Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a Lien under, engaged in

any other transaction pursuant to, or enforced any DIP Document, or sold or assigned an interest in any DIP Document).

“Other Taxes” shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes, charges, financial institutions duties, debits Taxes or similar levies which arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Note or any of the other DIP Documents.

“Payment Office” shall mean such account, office or offices of the DIP Lender as may be designated in writing from time to time by the DIP Lender to the Borrower.

“Permitted Encumbrances” shall mean the following encumbrances: (a) Liens for taxes or assessments or other governmental charges (i) not yet due and payable, (ii) that are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP, or (iii) the nonpayment of which is permitted or required by the Bankruptcy Code; (b) pledges or deposits of money securing statutory obligations under workmen’s compensation, unemployment insurance, social security or public liability laws or similar legislation (excluding Liens under ERISA); (c) pledges or deposits of money securing bids, tenders, contracts (other than contracts for the payment of money) or leases to which any Loan Party is a party as lessee made in the ordinary course of business; (d) carriers’, warehousemen’s, suppliers’ or other similar possessory liens arising in the ordinary course of business; (e) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which any Loan Party is a party; (f) zoning restrictions, easements, licenses, or other restrictions on the use of any real estate or other minor irregularities in title (including leasehold title) thereto so long as the same do not materially impair the use, value, or marketability of such real estate; (g) the DIP Lender’s Liens; (h) Liens existing on the Petition Date (to the extent valid, enforceable, perfected and not subject to avoidance as of the Petition Date or perfected after the Petition Date pursuant to section 546(b) of the Bankruptcy Code); (i) to the extent constituting Liens, Liens on goods delivered to any Loan Party after the Petition Date under any consignment or similar title retention agreements and (j) Liens granted pursuant to any Financing Order.

“Permitted Indebtedness” shall mean: (a) current Indebtedness incurred in the ordinary course of business for inventory, supplies, equipment, services, taxes or labor; (b) Indebtedness arising under this Note and the other DIP Documents; (c) deferred taxes and other expenses incurred in the ordinary course of business; (d) any Indebtedness existing on the Petition Date (including the Take Back Note); and (e) administrative expenses of the Borrower for which the Bankruptcy Court has not directed payment.

“Permitted Variance” shall mean, with respect to any Variance Testing Period, (a) in respect of the aggregate amount of Actual Disbursement Amounts, 15% and (b) in respect of Actual Cash Receipts, 15%.

“Person” shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

“Petition Date” shall have the meaning given such term in the recital to this Note.

“Plan” means a plan of reorganization in the Chapter 11 Cases.

“Qualified Equity Interests” means Equity Interests of the Borrower, other than Disqualified Equity Interests.

“Related Fund” shall mean, with respect to any Person, an affiliate of such Person, or a fund or account managed by such Person or an affiliate of such Person.

“Related Parties” shall mean, with respect to any specified Person, such Person’s affiliates and the respective managers, administrators, trustees, partners, investors, directors, officers, employees, agents, advisors, sub-advisors or other representatives of such Person and such Person’s affiliates.

“Restricted Payment” shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to any Person’s stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment.

“Restructuring Support Agreement” means that certain Restructuring Support Agreement dated as of August 9, 2024 by and among the Borrower, the Guarantor, Pitney Bowes, Inc., OPPS XI PTBW Holdings, L.P., OPPS XII PTBW Holdings, L.P. and the other parties party thereto from time to time, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Sanction” shall mean any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty’s Treasury or other relevant sanctions authority.

“Shared Services Agreement” shall mean the shared services agreement dated as of August 9, 2024 between Pitney Bowes Inc., the Borrower and the Guarantor, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“Specified Period” shall mean any two (2) week period immediately following any Drawing (but excluding the date of such Drawing).

“Subsequent Draw” shall have the meaning given such term in Section 1(a) of this Note.

“Subsidiary” of a Person shall mean a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Take Back Note” means that certain secured senior takeback note between the Loan Parties, as payors and OPPS XI PTBW Holdings, L.P. and OPPS XII PTBW Holdings, L.P., each a Delaware limited partnership, as payee.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any

Governmental Authority and all related or similar liabilities, including any interest, additions to tax or penalties applicable thereto.

“Term Loans” shall have the meaning given such term in Section 1 of this Note.

“Variance Testing Period” shall mean the three week period ending August 30, 2024 and thereafter the three week period ending on each Friday thereafter.

19. Representations and Warranties. The Borrower and each of the other Loan Parties represents as follows:

(a) the Borrower and each of the Loan Parties are duly formed and/or organized and validly existing under the laws of their jurisdictions of incorporation or formation;

(b) upon entry of the Financing Orders, the execution and delivery of this Note and the other DIP Documents and the performance by the Borrower of the Borrower’s obligations hereunder and under the other DIP Documents are within its corporate powers, have been duly authorized by all necessary corporate action of the Borrower, have received all necessary bankruptcy, insolvency or governmental approvals, and do not and will not contravene or conflict with any provisions of applicable material law or of the Borrower’s corporate charter or by-laws or of any agreements binding upon or applicable to the Borrower or any of its Subsidiaries or any of their properties;

(c) the Chapter 11 Cases have been duly authorized by all necessary legal and corporate action by or on behalf of each Loan Party and have been duly and properly commenced;

(d) upon entry of the Financing Orders, this Note and each other DIP Document is the legal, valid and binding obligation, enforceable against the Borrower in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally, including the entry of the Financing Orders and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law;

(e) the Borrower and the Loan Parties have good and marketable title to, or valid leasehold interests in, all of its material property and assets; none of the properties and assets of the Borrower and its Subsidiaries are subject to any Liens other than Permitted Encumbrances;

(f) no written statement furnished by or on behalf of the Borrower and its Subsidiaries to the DIP Lender pursuant to the terms of this Note (other than any projections, the Budget, estimates and information of a general economic nature or general industry nature), when taken as a whole, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not materially misleading in light of all of the circumstances under which they were made;

(g) upon entry of the Financing Orders, the Liens granted to the DIP Lender pursuant to the Collateral Documents and the Financing Orders will at all times be fully perfected Liens in and to the Collateral described therein, subject, as to priority, only to Permitted Prior Liens or other Liens permitted to have such priority under the Financing Orders;

(h) except for proceedings in the Chapter 11 Cases, no action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of the Borrower, threatened against the Borrower or its Subsidiaries before any governmental authority or before any arbitrator or panel of arbitrators that challenges the rights or powers of the Borrower or its Subsidiaries to enter into or perform

any of its obligations under the DIP Documents to which it is a party, or the validity or enforceability of any DIP Document or any action taken thereunder;

(i) each Loan Party is in compliance in all respects with the requirements of all laws and regulations and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (i) such requirement of law or regulation or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (ii) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(j) none of the Loan Parties is an “investment company”, “affiliated person”, “promoter” of, or “principal underwriter” of or for, an “investment company”, as such terms are defined in the Investment Company Act of 1940, as amended;

(k) no Loan Party, nor, to the knowledge of the Loan Parties, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is, (i) currently the subject or target of any Sanctions or (ii) located, organized or resident in a Designated Jurisdiction;

(l) since the Petition Date, there has been no event or circumstance that has had or would reasonably be expected to have a Material Adverse Effect; and

(m) the Borrower and its Subsidiaries have filed all material federal, state, local, foreign and other Tax returns and reports required to be filed, and have paid all material federal, state, local, foreign and other Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable other than (i) those not yet delinquent or that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves with respect thereto are maintained on the books of the Borrower and its Subsidiaries in accordance with GAAP and (ii) Taxes the nonpayment of which is permitted or required by the Bankruptcy Code.

20. DIP Lender.

(a) Rights, Exculpation, Etc. The DIP Lender and its directors, officers, agents or employees shall not be liable for any action taken or omitted to be taken by them under or in connection with this Note or the other DIP Documents, except for their own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction.

(b) Reliance. The DIP Lender shall be entitled to rely upon any written notices, statements, certificates, orders or other documents or any telephone message believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person, and with respect to all matters pertaining to this Note or any of the other DIP Documents and its duties hereunder or thereunder, upon advice of counsel selected by it.

(c) Subject to the Financing Orders, the DIP Lender may in its sole discretion, but is under no obligation to credit bid any part of the Obligations or to purchase or retain or acquire any portion of the Collateral.

21. Miscellaneous.

(a) All notices and other communications provided for hereunder shall be in writing (including facsimile communication) and mailed, emailed or delivered as follows:

If to Borrower: DRF Logistics, LLC
27 Waterview Drive
Shelton, CT 06484
Attn: Eric Kaup
Email: ekaup@hilcoglobal.com

And Portage Point Partners
640 Fifth Avenue, 10th Floor
New York, NY 10019
Attn: Thomas Studebaker
Email: tstudebaker@pppllc.com

with copies to: Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attn: Lauren Tauro and Vynessa Nemunaitis
Email: Lauren.Tauro@weil.com;
Vynessa.Nemunaitis@weil.com

If to DIP Lender: Pitney Bowes International Holdings, Inc.
3001 Summer Steet
Stamford
Connecticut
06926-0700
Attn: Daniel Goldstein & Daniel Goldstein
Email: Debbie.salce@pb.com
Daniel.Goldstein@pb.com

with copies to: BRG
99 High Street
27th Floor
Boston
MA 02110
Attn: Mackenzie Shea
Email: MShea@thinkbrg.com

Vinson & Elkins LLP
1114 Avenue of the Americas
32nd Floor
New York
NY 10036
Attn: Tzvi Werzberger
Email: tworzberger@velaw.com

All such notices and communications shall, when mailed or sent by overnight courier, be effective when deposited in the mails or delivered to the overnight courier, as the case may be, or when sent by email be effective when confirmation is received.

(b) The Borrower shall reimburse the DIP Lender for all reasonable and documented out-of-pocket expenses incurred in connection with the negotiation and preparation of the DIP Documents and the obtaining of approval of the DIP Documents by the Bankruptcy Court, including fees, costs and expenses of financial and other advisors. Subject to the foregoing, the Borrower shall reimburse the DIP Lender for all reasonable and documented out-of-pocket fees, costs and expenses, including fees, costs and expenses of financial and other advisors, in connection with:

(i) any amendment, modification or waiver of, consent with respect to, or termination or enforcement of, any of the DIP Documents or advice in connection with the administration of the Term Loans made pursuant hereto or its rights hereunder or thereunder;

(ii) the review of pleadings and documents related to the Chapter 11 Cases and any subsequent chapter 7 case, attendance at meetings related to the Chapter 11 Cases and any subsequent Chapter 7 case, and general monitoring of the Chapter 11 Cases and any subsequent chapter 7 case;

(iii) any litigation, contest, dispute, suit, proceeding or action (whether instituted by the DIP Lender, the Borrower or any other Person, and whether as a party, witness or otherwise) in any way relating to the Collateral, any of the DIP Documents or any other agreement to be executed or delivered in connection herewith or therewith, including any litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against Borrower or any other Person that may be obligated to the DIP Lender by virtue of the DIP Documents, including any such litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the Term Loans during the pendency of one or more Events of Default;

(iv) any attempt to enforce any remedies of the DIP Lender against any or all of the Borrower or any other Person that may be obligated to the DIP Lender by virtue of any of the DIP Documents, including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the Term Loans during the pendency of one or more Events of Default;

(v) any work-out or restructuring of the Term Loans during the pendency of one or more Events of Default; and

(vi) any efforts to (A) monitor the Term Loans or any of the other Obligations, (B) evaluate, observe or assess of the Borrower or its respective affairs, (C) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of any of the Collateral and (D) monitor any sales;

all of which shall be payable in accordance with the terms of the Financing Orders. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: fees, costs and expenses of accountants, appraisers, investment bankers, management and other consultants and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal or other advisory services. All expenses incurred by the DIP Lender shall receive super-priority

administrative expense status per section 364 of the Bankruptcy Code (subject to the Financing Orders).

(c) No failure or delay on the part of the DIP Lender or any other holder of this Note to exercise any right, power or privilege under this Note and no course of dealing between Borrower and the DIP Lender shall impair such right, power or privilege or operate as a waiver of any default or an acquiescence therein, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies expressly provided in this Note are cumulative to, and not exclusive of, any rights or remedies that the DIP Lender would otherwise have. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the DIP Lender to any other or further action in any circumstances without notice or demand.

(d) Borrower and any endorser of this Note hereby consent to renewals and extensions of time at or after the maturity hereof without notice, and hereby waive diligence, presentment, protest, demand and notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder.

(e) If any provision in or obligation under this Note shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

(f) THIS NOTE AND THE RIGHTS AND OBLIGATIONS OF THE BORROWER AND THE DIP LENDER HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK), WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

(g) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Bankruptcy Court and, if the Bankruptcy Court does not have (or abstains from) jurisdiction, the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Note or any DIP Document, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court.

(h) THE BORROWER AND, BY THEIR ACCEPTANCE OF THIS NOTE, THE DIP LENDER AND ANY SUBSEQUENT HOLDER OF THIS NOTE, HEREBY IRREVOCABLY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS NOTE OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS NOTE AND THE DIP LENDER'S/BORROWER'S RELATIONSHIP THAT IS BEING ESTABLISHED. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including without limitation contract claims, tort claims, breach of duty claims and all other common law and statutory claims. The Borrower and, by their acceptance of this Note, the DIP Lender and any subsequent holder of this Note, each (i) acknowledges

that this waiver is a material inducement to enter into a business relationship, that each has already relied on this waiver in entering into this relationship, and that each will continue to rely on this waiver in their related future dealings and (ii) further warrants and represents that each has reviewed this waiver with its legal counsel and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. **THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING) THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS OF THIS NOTE.** In the event of litigation, this provision may be filed as a written consent a trial by the court.

(i) The Borrower shall not have the right to assign their obligations or liabilities under this Note without the prior written consent of the DIP Lender. The DIP Lender may, with the prior written consent of, to the extent no Event of Default then exists, the Borrower (which consent of the Borrower shall not be required for any assignment to the DIP Lender, a Related Fund or an affiliate of the DIP Lender or a DIP Lender or which consent shall not be unreasonably conditioned, withheld or delayed), assign to one or more entities all or any part of, or may grant participation's to one or more entities in or to all or any part of, the amounts outstanding hereunder, and to the extent of any such assignment or participation (unless otherwise stated therein) the assignee or participant shall have the same rights and benefits hereunder as it would have if it were a DIP Lender hereunder. An assigning DIP Lender shall deliver to the assignor DIP Lender (and notify the Borrower thereof) an assignment agreement in a form approved by the assigning DIP Lender, which shall include a description of the assignment and include customary instructions from the assigning DIP Lender and such assignee with respect to the making of payments and other communications with the assigning DIP Lender and such assignee and all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations.

(j) [Reserved].

(k) [Reserved].

(l) [Reserved].

(m) No provision of this Note may be amended or waived unless such amendment or waiver is in writing and is signed by the Borrower and the DIP Lender.

(n) This Note may be executed and delivered in any number of counterparts, and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute one and the same instrument. Execution of this Note via facsimile or electronic mail shall be effective, and signatures received via facsimile or electronic mail shall be binding upon the parties hereto and shall be effective as originals. The parties hereto irrevocably and unreservedly agree that this Note may be executed by way of electronic signatures and the parties agree that neither this Note, nor any part hereof, shall be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record.

(o) This Note, the other DIP Documents, and all Liens created hereby or pursuant to the Collateral Documents or any other DIP Document shall be binding upon the Borrower and each other Loan Party, the estates of the Borrower, and any trustee or successor in interest of the Borrower and each other Loan Party in the Chapter 11 Case or any subsequent case commenced under chapter 7 of the Bankruptcy Code, and shall not be subject to section 365 of the Bankruptcy Code. This Note and the other DIP Documents and the Financing Orders shall be binding upon, and inure to the benefit of, the successors of the DIP Lender and the DIP Lender and each of their respective permitted assigns, transferees and

endorsees. The Liens created by this Note, and the other DIP Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of the Chapter 11 Case or any other bankruptcy case of any Loan Party to a case under chapter 7 of the Bankruptcy Code or in the event of dismissal of the Chapter 11 Case or the release of any Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the DIP Lender file financing statements or otherwise perfect its security interests or Liens under applicable law.

(p) In the event of any inconsistency between the terms and conditions of this Note and the Financing Orders, the provisions of the Financing Orders shall govern and control.

(q) **THIS WRITTEN PROMISSORY NOTE REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

* * * * *

IN WITNESS WHEREOF, the Borrower and the Guarantor have caused this Note to be executed and delivered by its duly authorized officer as of the day and year and at the place first above written.

DRF LOGISTICS LLC, as Borrower

By:

Name: Eric Kaup

Title: Chief Restructuring Officer

DRF, LLC, as Guarantor

By:

Name: Eric Kaup

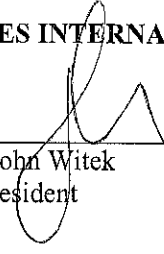
Title: Chief Restructuring Officer

A handwritten signature in black ink, appearing to read 'Eric Kaup', is written over a horizontal line. The signature is stylized with large, sweeping loops and a long, trailing flourish that extends to the right.

Acknowledged and Agreed

PITNEY BOWES INTERNATIONAL HOLDINGS, INC., as DIP Lender

By:



Name: John Witek

Title: President

EXHIBIT A

Budget

See attached.

DRF Logistics, LLC
Cash Flow Forecast
8/8/2024
(\$ in millions)

Week Number	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	Week 17	Week 18	Total-18 Weeks
Week Ending	8/9/2024	8/16/2024	8/23/2024	8/30/2024	9/6/2024	9/13/2024	9/20/2024	9/27/2024	10/4/2024	10/11/2024	10/18/2024	10/25/2024	11/1/2024	11/8/2024	11/15/2024	11/22/2024	11/29/2024	12/6/2024	
Cash Receipts																			
Operating Receipts	\$ 1.7	\$ 1.5	\$ 1.7	\$ 2.3	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 4.6	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 3.7	\$ 3.3	\$ 2.7	\$ 71.4
Other Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Receipts	\$ 1.7	\$ 1.5	\$ 1.7	\$ 2.3	\$ 6.5	\$ 6.5	\$ 6.5	\$ 6.5	\$ 4.6	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 3.7	\$ 3.3	\$ 2.7	\$ 71.4
Operating Disbursements																			
USPS	\$ -	\$ (7.8)	\$ (0.6)	\$ (0.2)	\$ (0.1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8.8)
Payroll, Taxes & Benefits	-	(2.5)	(1.5)	(3.4)	(1.5)	(1.2)	(0.0)	(0.4)	(0.0)	(0.2)	-	(0.1)	-	(0.1)	-	(0.1)	-	(0.1)	(11.3)
Non-Debtor Payroll	-	(0.4)	-	(0.7)	-	(0.5)	-	(0.3)	-	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)	-	-	(2.7)
Rent (Excl. Utilities)	-	-	-	-	(2.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.8)
Utilities	-	-	-	-	(0.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.7)
Equipment Costs	-	(0.6)	(0.0)	(0.0)	(3.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	(6.0)
Transportation	-	(4.6)	(2.3)	(1.1)	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(9.1)
Other Variable Costs	-	(1.0)	(0.1)	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.1)
Other Related AP	-	(0.7)	(0.7)	(0.7)	(0.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	-	-	-	-	(4.7)
Other Expenses (TSA Allocations)	(0.2)	-	(0.1)	-	(0.1)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.5)
Total Operating Disbursements	\$ (0.2)	\$ (17.5)	\$ (5.3)	\$ (6.2)	\$ (10.1)	\$ (1.9)	\$ (0.3)	\$ (0.9)	\$ (0.3)	\$ (0.7)	\$ (0.2)	\$ (0.5)	\$ (0.2)	\$ (0.5)	\$ (0.0)	\$ (0.3)	\$ (0.0)	\$ (3.7)	\$ (48.8)
Operating Cash Flow	\$ 1.6	\$ (16.1)	\$ (3.6)	\$ (3.9)	\$ (3.6)	\$ 4.6	\$ 6.2	\$ 5.6	\$ 4.3	\$ 3.3	\$ 3.8	\$ 3.5	\$ 3.8	\$ 3.5	\$ 4.0	\$ 3.4	\$ 3.3	\$ (1.0)	\$ 22.7
Cumulative Operating Cash Flow	1.6	(14.5)	(18.1)	(21.9)	(25.5)	(20.9)	(14.7)	(9.1)	(4.7)	(1.4)	2.3	5.8	9.6	13.1	17.0	20.4	23.7	22.7	22.7
Non-Operating Receipts																			
Asset Sale / Liquidation Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.2
FFL TSA Receipt	-	0.9	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	1.1
M&A Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Receipts	\$ -	\$ 0.9	\$ -	\$ -	\$ 0.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1.3
Non-Operating Disbursements																			
Deferred Federal Income Tax Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer and Postage Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.7)	-	-	-	-	(2.7)
FFL TSA Disbursement	-	(0.9)	-	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.1)
Shared Services - Administrative Fee	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.0)	-	(0.1)
Utility Deposits	-	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-
Total Non-Operating Disbursements	\$ (0.0)	\$ (1.2)	\$ (0.0)	\$ -	\$ (0.2)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ -	\$ (0.0)	\$ (2.7)	\$ (0.0)	\$ -	\$ (0.0)	\$ 0.2	\$ (3.9)
Restructuring Costs																			
Debtor WARN and Benefits Payout	\$ -	\$ -	\$ (0.5)	\$ (1.2)	\$ -	\$ -	\$ (9.0)	\$ (3.5)	\$ -	\$ (0.0)	\$ -	\$ (0.2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.1)	\$ (14.5)
Non-Debtor WARN and Benefits Payout (Shared Services)	-	-	-	(0.6)	-	-	-	(0.5)	-	(0.0)	-	(0.1)	-	-	-	-	-	(0.1)	(1.3)
Critical Vendor Prepetition AP	-	(3.8)	(2.3)	-	(1.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7.5)
Wind-Down Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.5)
UST Fees	-	-	-	-	-	-	-	-	-	-	-	-	(0.5)	-	-	-	-	-	(0.5)
Professional Fees	-	(1.4)	(1.3)	(1.3)	(1.3)	(2.4)	(1.2)	(1.0)	(0.9)	(1.9)	(0.8)	(0.8)	(0.9)	(2.1)	(1.0)	(1.0)	(1.1)	(1.0)	(21.5)
Total Restructuring Costs	\$ -	\$ (5.1)	\$ (4.1)	\$ (3.1)	\$ (2.8)	\$ (2.4)	\$ (10.3)	\$ (5.0)	\$ (0.9)	\$ (1.9)	\$ (0.8)	\$ (1.1)	\$ (1.4)	\$ (2.1)	\$ (1.0)	\$ (1.0)	\$ (1.1)	\$ (4.1)	\$ (48.3)
Total Disbursements	\$ (0.2)	\$ (23.8)	\$ (9.4)	\$ (9.3)	\$ (13.1)	\$ (4.3)	\$ (10.5)	\$ (5.9)	\$ (1.2)	\$ (2.6)	\$ (1.1)	\$ (1.6)	\$ (1.7)	\$ (5.4)	\$ (1.0)	\$ (1.3)	\$ (1.1)	\$ (7.7)	\$ (101.0)
Beginning Cash Flow (Book)	\$ -	\$ 31.6	\$ 10.2	\$ 12.5	\$ 5.5	\$ 4.1	\$ 6.3	\$ 4.2	\$ 4.9	\$ 8.3	\$ 9.7	\$ 12.6	\$ 15.0	\$ 17.3	\$ 15.9	\$ 15.0	\$ 13.7	\$ 12.7	\$ -
Net Cash Flow	1.6	(21.4)	(7.7)	(7.0)	(6.4)	2.2	(4.0)	0.6	3.4	1.4	2.9	2.4	2.3	(1.4)	3.0	2.4	2.3	(4.9)	(28.3)
DIP Draw	30.0	-	10.0	-	5.0	-	2.0	-	-	-	-	-	-	-	-	-	-	-	47.0
(DIP Repayment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(3.7)	(3.4)	(7.7)	(18.7)
DIP Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Cash (Book)	\$ 31.6	\$ 10.2	\$ 12.5	\$ 5.5	\$ 4.1	\$ 6.3	\$ 4.2	\$ 4.9	\$ 8.3	\$ 9.7	\$ 12.6	\$ 15.0	\$ 17.3	\$ 15.9	\$ 15.0	\$ 13.7	\$ 12.7	\$ -	\$ -
DIP Funding Roll Forward																			
Beginning DIP Balance	\$ -	\$ 30.9	\$ 30.9	\$ 40.9	\$ 40.9	\$ 46.3	\$ 46.3	\$ 48.3	\$ 48.3	\$ 48.7	\$ 48.7	\$ 48.7	\$ 48.7	\$ 49.1	\$ 49.1	\$ 45.2	\$ 41.5	\$ 38.1	\$ -
Borrowing	30.0	-	10.0	-	5.0	-	2.0	-	-	-	-	-	-	-	-	-	-	-	47.0
PIK	-	-	-	-	0.3	-	-	-	0.4	-	-	-	0.4	-	-	-	-	0.3	1.5
Commitment Fee	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9
Undrawn Fee	-	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3.9)	(3.7)	(3.4)	(7.7)	(18.7)
Ending DIP Balance	\$ 30.9	\$ 30.9	\$ 40.9	\$ 40.9	\$ 46.3	\$ 46.3	\$ 48.3	\$ 48.3	\$ 48.7	\$ 48.7	\$ 48.7	\$ 48.7	\$ 49.1	\$ 49.1	\$ 45.2	\$ 41.5	\$ 38.1	\$ 30.7	\$ 30.7

Annex A

Deliver (which delivery may be made by electronic communication (including email)) to the DIP Lender, each of the financial statements, reports, or other items set forth below at the following times in form reasonably satisfactory to the DIP Lender:

by 5:00 p.m. (Eastern time) on September 4, 2024 and every Wednesday thereafter,	(a) an Approved Budget Variance Report for the immediately ending three week period, as set forth in Section 15(j) of the Note;
by 5:00 p.m. (Eastern time) on September 5, 2024, and every fourth Thursday thereafter,	(b) a revised proposed budget (it being understood that upon written approval of such proposed budget by the DIP Lender (and not before such written approval), in its sole discretion, such proposed budget shall become the “ <u>Budget</u> ”) and which shall be in form and substance acceptable to the DIP Lender and DIP Lender;
promptly, but in any event within one (1) Business Day after Borrower has knowledge of any event or condition that constitutes a Default,	(c) copies of all material pleadings, motions, applications or financial information filed by any Borrower with the Bankruptcy Court including but not limited to as required in the Milestones;
upon the request of the DIP Lender,	(d) notice of such event or condition and a statement of the curative action that Borrower propose to take with respect thereto;
upon the request of the DIP Lender,	(e) any other information relating to the business, financial, legal or corporate affairs of the Borrower or its Subsidiaries, as set forth in Section 14(a) of the Note.

Annex B

Milestones

1. No later than August 9, 2024, the Petition Date shall have occurred;
2. No later than the date that is 2 Business Days after the Petition Date, the Bankruptcy Court shall have entered the Interim Order, in form and substance acceptable to the DIP Lender;
3. No later than the date that is 7 calendar days after the Petition Date, the Debtors shall have filed the Approved Plan and a disclosure statement (the “**Disclosure Statement**”), in form and substance acceptable to the DIP Lender;
4. No later than 14 calendar days after the Petition Date, the Debtors shall have filed a motion (the “**SSA Motion**”), in form and substance acceptable to the DIP Lender, seeking approval of the Shared Services Agreement;
5. No later than 45 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Final Order, in form and substance acceptable to the DIP Lender;
6. No later than the date that is the earlier of (a) 45 calendar days after the Petition Date and (b) 30 calendar days after the appointment of a statutory committee of unsecured creditors (if any), the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving the SSA Motion;
7. No later than the date that is 50 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, setting forth the claims bar date;
8. No later than the date that is 60 calendar days after the Petition Date, the Bankruptcy Court shall have entered an order, in form and substance reasonably acceptable to the DIP Lender, approving the Disclosure Statement and authorizing the Debtors to solicit the Approved Plan;
9. No later than November 15, 2024, the Bankruptcy Court shall have entered an order, in form and substance acceptable to the DIP Lender, approving and confirming the Approved Plan; *provided*, that this Milestone shall be automatically extended by the same number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender; and
10. No later than November 29, 2024, the effective date of the Approved Plan shall have occurred; *provided*, that this Milestone shall be automatically extended by the same number of days of any extension of the Maturity Date mutually agreed to by the Borrower and DIP Lender.