

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: April 3, 2023
(Date of earliest event reported)

STEVEN MADDEN, LTD.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	000-23702 (Commission File Number)	13-3588231 (IRS Employer Identification No.)
52-16 Barnett Avenue, Long Island City, New York (Address of principal executive offices)		11104 (Zip Code)

Registrant's telephone number, including area code: (718) 446-1800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	SHOO	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

Amendment to Revolving Credit Agreement

On April 3, 2023, Steven Madden, Ltd. (the “Company”) and certain subsidiaries of the Company acting as guarantors (the “Guarantors”) entered into a Second Amendment to Credit Agreement (the “Amendment”) that amended the Company’s Credit Agreement, dated as of July 22, 2020, among the Company, the Guarantors, the financial institutions listed therein, and Citizens Bank, N.A., as administrative agent (in such capacity, the “Agent”), as previously amended (the “Existing Agreement” and as amended by the Amendment, the “Credit Agreement”).

The Amendment amended the Existing Agreement to reflect The CIT Group/Commercial Services, Inc. (“CIT”) as an additional receivables collection agent for the Company and certain Guarantors. The Existing Agreement contemplated Rosenthal & Rosenthal, Inc. as the sole collection agent for receivables included in the borrowing base.

As of April 3, 2023, the Credit Agreement continued to provide for a \$150 million revolving credit facility scheduled to mature on March 20, 2027, and no loans or letters of credit were outstanding under the Credit Agreement.

Credit Approved Receivables Purchasing Agreement

On April 3, 2023, the Company also entered into a Credit Approved Receivables Purchasing Agreement (the “Factoring Agreement”) among the Company, certain subsidiaries of the Company (collectively with the Company, the “Madden Entities”), and CIT. Pursuant to the Factoring Agreement, CIT will serve as a non-exclusive collection agent with respect to certain of the Madden Entities’ receivables and will generally assume the credit risk resulting from a customer’s financial inability to make payment with respect to credit approved receivables. Additionally, CIT shall compensate the Madden Entities for 50% of the losses sustained for limiting or revoking a credit line during production for any made-to-order goods that have work-in-progress coverage. For its services, CIT will be entitled to receive (1) a base fee of 0.15% of the gross face amount of each receivable assigned for collection having standard payment terms, (2) certain additional fees for receivables with non-standard payment terms or arising from sales to customers outside of the United States, and (3) reimbursement for certain expenses incurred in connection with the Factoring Agreement. The Company, on behalf of the Madden Entities, and CIT may each terminate the Factoring Agreement as of the last day of the month occurring one year after the date of the Factoring Agreement and at any time thereafter by giving the other party at least 60 days’ notice. CIT may also terminate the Factoring Agreement immediately upon the occurrence of certain events. The Madden Entities pledged all of their right, title and interest in and to monies due and to become due under the Factoring Agreement in favor of the Agent to secure obligations arising under or in connection with the Credit Agreement.

The foregoing summary of the Amendment, the Credit Agreement, and the Factoring Agreement is not complete and is qualified in its entirety by reference to (1) the Existing Agreement, which was filed as Annex I of Exhibit 10.2 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on March 31, 2022, (2) the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K, and (3) the Factoring Agreement, which is filed as Exhibit 10.2 to this Current Report on Form 8-K, each of which is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Second Amendment to Credit Agreement, dated as of April 3, 2023, among Steven Madden, Ltd., the other loan parties party thereto, the lenders party thereto, and Citizens Bank, N.A., as administrative agent (which includes the marked Credit Agreement as Annex I thereto).</u>
10.2*	<u>Credit Approved Receivables Purchasing Agreement, dated as of April 3, 2023, among Steven Madden, Ltd., the subsidiaries and affiliates of Steven Madden, Ltd. party thereto, and The CIT Group/Commercial Services, Inc.</u>
104	Cover Page Interactive Data File (formatted as Inline XBRL).

*Pursuant to Item 601(a)(5) of Regulation S-K, certain annexes and similar attachments have been omitted. The registrant hereby agrees to furnish a copy of any omitted annex or similar attachment to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 6, 2023

STEVEN MADDEN, LTD.

By: /s/ Zine Mazouzi

Name: Zine Mazouzi

Title: Chief Financial Officer

SECOND AMENDMENT TO CREDIT AGREEMENT

This **SECOND AMENDMENT TO CREDIT AGREEMENT**, dated as of April 3, 2023 (this "Amendment"), is entered into by and among **STEVEN MADDEN, LTD.**, a Delaware corporation (the "Lead Borrower"), **THE OTHER LOAN PARTIES PARTY HERETO, THE LENDERS PARTY HERETO**, and **CITIZENS BANK, N.A.**, as administrative agent (in such capacity, the "Administrative Agent").

WHEREAS, the Lead Borrower, the other Borrowers from time to time party thereto, the Lenders from time to time party thereto and the Administrative Agent are parties to that certain Credit Agreement, dated as of July 22, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time and in effect on the date hereof immediately before giving effect to this Amendment, the "Existing Credit Agreement", and as amended by this Amendment and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Amended Credit Agreement");

WHEREAS, the Lead Borrower has requested that the Administrative Agent and the Lenders party hereto agree, and the Administrative Agent and the Lenders party hereto have agreed, subject to the terms and conditions set forth herein, to amend certain provisions of the Existing Credit Agreement as set forth herein; and

WHEREAS, each Loan Party expects to realize substantial direct and indirect benefits as a result of this Amendment becoming effective, and agrees to reaffirm its obligations under the Existing Credit Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Amended Credit Agreement.

Section 2. **Amendment to Existing Credit Agreement.** Subject to the satisfaction (or waiver in accordance with Section 10.2 of the Existing Credit Agreement) of the conditions precedent set forth in Section 3 and in reliance upon the representations and warranties of the Loan Parties set forth in Section 4, effective as of the Amendment Effective Date (as defined below), the terms of the Existing Credit Agreement are hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~), to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text), and to move from its location the stricken text in green (indicated textually in the same manner as the following example: ~~moved from text~~) and to move into its new location the double-underlined text in green (indicated textually in the same manner as the following example: moved to text), as set forth in Annex I attached hereto.

Section 3. **Conditions to Effectiveness.** This Amendment shall be effective as of the date hereof (the "Amendment Effective Date") so long as on or prior to the date hereof, each of the following conditions shall have been satisfied (except for any condition that is waived in accordance with Section 10.2 of the Existing Credit Agreement), and in case of any documentation to be delivered to the Administrative Agent, such documentation shall be in form and substance reasonably satisfactory to the Administrative Agent:

(a) this Amendment shall have been duly executed and delivered by the Lead Borrower, the other Loan Parties, the Administrative Agent and the Required Lenders;

(b) the Administrative Agent shall have received duly executed copies of the CIT Factoring Agreement and the CIT Assignment and Intercreditor Agreement;

(c) the representations and warranties of each Loan Party set forth in Article 5 of the Amended Credit Agreement and in each other Loan Document shall be true and correct in all material respects; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates;

(d) no Default or Event of Default shall exist or would result from the execution of this Amendment or the transactions contemplated hereby; and

(e) the Administrative Agent shall have received satisfactory evidence that all fees, expenses and disbursements required to be paid in connection with this Amendment (including, without limitation, all reasonable and documented fees, disbursements and other charges of counsel to the Administrative Agent to the extent invoiced at least one Business Day prior to the date hereof) have been paid in full.

The contemporaneous exchange and release of executed signature pages by each of the Persons contemplated to be a party hereto shall render this Amendment signed and dated as of such date. The Administrative Agent shall notify the parties hereto of the Amendment Effective Date on the date hereof, and such notice shall be conclusive and binding.

Section 4. Representations and Warranties. Each Loan Party hereby represents and warrants to the Administrative Agent and the Lenders, on and as of the date hereof, that:

(a) the representations and warranties of each Loan Party set forth in Article 5 of the Amended Credit Agreement and in each other Loan Document shall be true and correct in all material respects; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided further that any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates;

(b) no Default or Event of Default exists or will result from the execution of this Amendment;

(c) the execution, delivery and performance by each Loan Party of this Amendment and each other Loan Document entered into in connection herewith to which such Loan Party is a party, and the consummation of the transactions contemplated hereby and thereby, are within such Loan Party’s corporate, limited liability company or other analogous powers, have been duly authorized by all necessary corporate, limited liability company or other analogous action required to be obtained by such Loan Parties, and do not and will not (a) contravene the terms of any of such Person’s Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under (other than under the Loan Documents), or require any payment to be made under (i) any Contractual Obligation (other than the Loan Documents) to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any law applicable to such Loan Party or its property; except with respect to any conflict, breach or contravention or payment (but not creation of Liens) referred to in clause (b)(i), to the extent that such conflict, breach, contravention or payment could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(d) this Amendment and each other Loan Document entered into in connection herewith has been duly executed and delivered by each Loan Party that is party thereto and constitutes a legal, valid and binding obligation of each such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and

(e) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required to be made or obtained by any Loan Party in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Amendment or any other Loan Document entered into in connection herewith to which it is a party, or for the consummation of the transactions contemplated hereby and thereby, except for the approvals, consents, exemptions, authorizations, actions, agreements, notices and filings which have been duly obtained, taken, given or made and are in full force and effect.

Section 5. Effect on Loan Documents.

(a) On and after the Amendment Effective Date, each reference in any Loan Document, and in any other document or instrument incidental thereto, to the Existing Credit Agreement shall mean and be a reference to the Amended Credit Agreement, and each reference in the Existing Credit Agreement to "this Agreement", "herein", "hereinafter", "hereto", "hereof", and words of similar import shall mean, from and after the Amendment Effective Date, the Amended Credit Agreement.

(b) Except as specifically amended herein, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) Except as specifically amended herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Lender, the Administrative Agent or any other Secured Party under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents or in any way limit, impair or otherwise affect the rights and remedies of the Administrative Agent, the Lenders or any other Secured Party under the Loan Documents.

(d) Each party hereto acknowledges and agrees that, on and after the date hereof, this Amendment shall constitute a Loan Document for all purposes under the Amended Credit Agreement.

Section 6. Non-reliance on Administrative Agent. Each Lender party hereto acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment. Each Lender party hereto also acknowledges that it will, without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit decisions in taking or not taking action under or based upon this Amendment, the Amended Credit Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

Section 7. Reaffirmation; Other Agreements. Subject to any limitations on its obligations expressly stated in the Loan Documents to which it is a party and subject to the amendments contemplated hereby, each Loan Party (a) acknowledges and agrees, as of the date hereof, that all of its obligations under the Loan Documents to which it is a party are reaffirmed and remain in full force and effect on a continuous basis, and (b) reaffirms each Lien granted by each Loan Party pursuant to the Collateral Documents, all of which obligations and Liens remain in full force and effect after giving effect to this Amendment. Nothing contained in this Amendment shall be construed as substitution or novation of the obligations outstanding under the Existing Credit Agreement or the other Loan Documents.

Section 8. [Reserved].

Section 9. [Reserved].

Section 10. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 11. Miscellaneous.

(a) Except as expressly amended hereby, the provisions of the Loan Documents are and shall remain in full force and effect.

(b) This Amendment is binding against each party hereto and its successors and permitted assigns.

(c) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed signature page counterpart hereof by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic association of signatures and records on electronic platforms, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, each as amended, and the parties hereto hereby waive any objection to the contrary, provided that (x) nothing herein shall require the Administrative Agent to accept electronic signature counterparts in any form or format and (y) Administrative Agent reserves the right to require, at any time and at its sole discretion, the delivery of manually executed counterpart signature pages to this Amendment and the parties hereto agree to promptly deliver such manually executed counterpart signature pages.

(d) If any provision of this Amendment is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(e) In accordance with Section 10.3(a) of the Amended Credit Agreement, the Loan Parties, jointly and severally, shall pay all reasonable, documented and invoiced out-of-pocket costs and expenses incurred by the Administrative Agent, the Arrangers and their respective Affiliates in connection with the preparation, negotiation, execution, delivery and administration of this Amendment, including, without limitation, reasonable, documented and invoiced attorneys' fees and expenses,

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Amendment as of the day and year first above written.

STEVEN MADDEN, LTD., as the Lead Borrower and a Borrower

By: /s/ Zine Mazouzi

Name: Zine Mazouzi

Title: Chief Financial Officer

MADDEN INTERNATIONAL LIMITED, as a Guarantor

By: /s/ Zine Mazouzi

Name: Zine Mazouzi

Title: Director

ADESSO-MADDEN, INC.

B. B. DAKOTA, INC.,

CEJON ACCESSORIES, INC.,

DANIEL M. FRIEDMAN & ASSOCIATES, INC.,

DIVA ACQUISITION CORP.,

DOLCE VITA FOOTWEAR, INC.,

DOLCE VITA HOLDINGS, INC.,

DV RETAIL INC.,

GREATS BRAND INC.,

REPORT FOOTWEAR, INC.,

STEVEN MADDEN RETAIL, INC.,

SCHWARTZ & BENJAMIN, INC. and

THE TOPLINE CORPORATION, each as a Guarantor

By: /s/ Zine Mazouzi

Name: Zine Mazouzi

Title: Treasurer

[Signature Page to Second Amendment to Credit Agreement]

CITIZENS BANK, N.A., as Administrative Agent and a Lender

By: /s/ Richard Norberg

Name: Richard Norberg

Title: Senior Vice President

[Signature Page to Second Amendment to Credit Agreement]

FIRST-CITIZENS BANK & TRUST COMPANY (successor by merger to CIT Bank, N.A.), as a Lender

By: /s/ Craig Hopper

Name: Craig Hopper

Title: Director

[Signature Page to Second Amendment to Credit Agreement]

Annex I

Amended Credit Agreement

See attached.



CREDIT AGREEMENT

dated as of July 22, 2020

among

**STEVEN MADDEN, LTD.,
as Lead Borrower,**

THE OTHER BORROWERS PARTY HERETO,

THE LENDERS PARTY HERETO,

and

**CITIZENS BANK, N.A.,
as Administrative Agent**

**CITIZENS BANK, N.A.,
as Joint Lead Arranger and Sole Bookrunner,**

and

**CIT BANK,
a division of First-Citizens Bank & Trust Company (successor by merger to CIT Bank, N.A.),
as Joint Lead Arranger**

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of July 22, 2020, among STEVEN MADDEN, LTD., a Delaware corporation (the "Lead Borrower"), the other Borrowers party hereto from time to time, the Lenders party hereto from time to time and CITIZENS BANK, N.A., as Administrative Agent.

RECITALS

A. The Borrowers have requested that the Lenders make loans and other financial accommodations to the Borrowers as more fully set forth herein.

B. The Lenders have indicated their willingness to lend and each L/C Issuer has indicated its willingness to issue Letters of Credit, in each case, on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions.

As used in this Credit Agreement, the following terms have the meanings specified below:

"ABR Borrowing" means, as to any Borrowing, the ABR Loans comprising such Borrowing.

"ABR Loan" means a Loan (other than a Swingline Loan) bearing interest based on the Alternate Base Rate.

"Acceptable Document of Title" means, with respect to any In-Transit Inventory, a tangible bill of lading or other Document or Document of Title that (a) is issued by a common carrier, which is not an Affiliate of the Approved Foreign Vendor or any Loan Party, which is in actual possession of such In-Transit Inventory, (b) is issued to a Loan Party (and, in the case of any negotiable documents, to the order of a Loan Party) or, if so requested by the Administrative Agent, is issued to the order of the Administrative Agent, (c) names the Administrative Agent as a notify party and bears a conspicuous notation on its face of the Administrative Agent's security interest therein, and (d) is subject to the Administrative Agent's duly perfected First Priority security interest.

"Account" means an "account" as defined in Article 9 of the UCC.

"Account Debtor" has the meaning set forth in the Security Agreement.

"Acquired EBITDA" means, with respect to any Acquired Entity or Business for any period, the historical Consolidated EBITDA of such Acquired Entity or Business for such period as certified by a Financial Officer of Lead Borrower to the knowledge of such Financial Officer, which historical Consolidated EBITDA shall be calculated in a manner consistent with the definition of Consolidated EBITDA herein and to be based on financial statements for such Acquired Entity or Business prepared in accordance with GAAP (subject to the absence of footnote disclosures and year-end audit adjustments with respect to financial statements that are not annual audited financial statements), provided that when such Acquired EBITDA is included in Consolidated EBITDA it shall be on a Pro Forma Basis.

of law) by any Governmental Authority made or issued after the Agreement Date or, in the case of Section 3.4(e), after the First Amendment Effective Date; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, requirements, guidelines and directives thereunder or issued in connection therewith and (ii) all requests, rules, requirements, guidelines and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, issued or implemented.

“Change of Control” means an event or series of events by which (a) any Person or group (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the Agreement Date) shall own directly or indirectly, beneficially or of record, shares representing more than 35% of the Equity Interests of Lead Borrower entitled to vote for members of the board of directors of Lead Borrower on a fully diluted basis, (b) a majority of the seats (other than vacant seats) on the board of directors (or equivalent governing body) of Lead Borrower shall at any time be occupied by Persons who were neither (i) nominated, approved or appointed by the board of directors (or equivalent governing body) of Lead Borrower nor (ii) nominated, approved or appointed by individuals so nominated, approved, or appointed, or (c) Lead Borrower shall fail to own, directly or indirectly, free and clear of all Liens (other than Liens permitted pursuant to Section 7.2), 100% of the aggregate ordinary voting power and economic interests represented by the issued and outstanding Equity Interests of each other Loan Party (or such lesser percentage as may be owned, directly or indirectly, as of the Closing Date or the later acquisition thereof) except where such failure is as a result of (x) a transaction permitted by the Loan Documents or (y) directors’ qualifying shares or nominee or other similar shares required pursuant to applicable law.

“CIT Purchaser” means The CIT Group/Commercial Services, Inc., a New York corporation.

“CIT Assignment and Intercreditor Agreement” means the Assignment and Intercreditor Agreement, dated as of April 3, 2023, by and among Lead Borrower, certain of Lead Borrower’s Affiliates party thereto, CIT Purchaser and the Administrative Agent.

“CIT Bank” means CIT Bank, a division of First-Citizens Bank & Trust Company (successor by merger to CIT Bank, N.A.), a national banking association.

“CIT Factoring Agreement” means the Credit Approved Receivables Purchasing Agreement, dated as of April 3, 2023, by and among Lead Borrower, certain of Lead Borrower’s Affiliates party thereto and CIT Purchaser.

“CIT Factoring Collateral” means each CIT Purchased Receivable with respect thereto.

“CIT Fee Letter” means that certain Fee Letter, dated as of the Closing Date, between Lead Borrower and CIT Bank.

“CIT First Amendment Fee Letter” means that certain First Amendment Fee Letter, dated as of the First Amendment Effective Date, between Lead Borrower and CIT Bank.

“CIT Purchased Receivable” means a “Purchased Receivable” under, and as defined in, the CIT Factoring Agreement.

“Citizens Bank” means Citizens Bank, N.A., a national banking association.

Lien other than Liens permitted pursuant to [Section 7.2](#), it being understood that in the case of the pledge of Equity Interests constituting Collateral, the Administrative Agent shall have received all stock certificates or other instruments (if any) representing such Equity Interests, together with stock powers or other instruments of transfer with respect thereto endorsed in blank;

(d) the Secured Obligations shall have been secured by a first priority (subject to (x) Permitted Encumbrances arising under, and having priority by operation of, applicable law, and (y) Liens permitted pursuant to [Section 7.2\(d\)](#), [\(e\)](#) or [\(k\)](#)) security interest in (i) all Indebtedness of Lead Borrower and its Subsidiaries that is owing to any Loan Party which shall be evidenced by the Master Intercompany Note and (ii) all other Indebtedness owed to a Loan Party, which if evidenced by a promissory note or other instrument, shall have been pledged to the Administrative Agent, and in each case under clauses (i) and (ii), the Administrative Agent shall have received the Master Intercompany Note and, to the extent required by the Security Agreement, such other promissory notes and other instruments together with note powers or other instruments of transfer with respect thereto endorsed in blank;

(e) none of the Collateral shall be subject to any Lien other than Liens expressly permitted by [Section 7.2](#); and

(f) on or prior to the Agreement Date (or, as to any Person that becomes a Loan Party after the Agreement Date, the date such Person becomes a Loan Party in accordance with the provisions of this Credit Agreement) the Administrative Agent shall have received a Perfection Certificate from Lead Borrower with respect to each Loan Party.

The foregoing definition shall not require the creation or perfection of pledges of or security interests in particular assets as provided in the Collateral Documents.

The Administrative Agent may grant extensions of time for the perfection of security interests in and the other requirements pursuant to this definition with respect to particular assets (including extensions beyond the Closing Date for the perfection of security interests in the assets of the Loan Parties on such date) where it reasonably determines (and without the consent of any other Secured Party), that, except as may be required by law, perfection or other requirements cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Credit Agreement or the Collateral Documents.

Notwithstanding the foregoing provisions of this definition or anything in this Credit Agreement or any other Loan Document to the contrary, (a) Liens required to be granted from time to time pursuant to the Collateral and Guarantee Requirement shall be subject to exceptions and limitations set forth herein and in the Collateral Documents and, to the extent appropriate in the applicable jurisdiction, as agreed between the Administrative Agent and Lead Borrower, (b) in no event shall the Collateral include any Excluded Assets, and (c) notwithstanding anything to the contrary included in this definition, delivery of only the Collateral Documents required to be delivered by [Section 4.1](#) shall be a condition precedent to the Credit Extensions on the Closing Date.

“[Collateral Documents](#)” means, collectively, the Security Agreement, the Rosenthal Collateral Assignment, [the CIT Assignment and Intercreditor Agreement](#), the Credit Card Notifications, each Control Agreement, each Collateral Access Agreement, each Copyright Security Agreement, each Patent Security Agreement, each Trademark Security Agreement, each Perfection Certificate, the HK Collateral Document, each agreement creating or perfecting rights in Cash Collateral and each other security agreement, instrument or other document executed or delivered pursuant to the Collateral and Guarantee Requirement, [Section 6.12](#), [Section 6.16](#) or the Security Agreement, in each case, to secure any of the Secured Obligations.

the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or Lead Borrower, to confirm in writing to the Administrative Agent and Lead Borrower that it will comply with its prospective funding obligations hereunder, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and Lead Borrower, or (d) has, or has a direct or indirect holding company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect holding company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent demonstrable error, and such Lender shall be deemed to be a Defaulting Lender (subject to [Section 2.9\(b\)](#)) upon delivery of written notice of such determination to Lead Borrower, the L/C Issuers, the Swingline Lender and each Lender.

"Disclosure Exceptions" has the meaning set forth in [Section 6.1\(f\)](#).

"Disposed EBITDA" means, with respect to any Sold Entity or Business for any period, the historical Consolidated EBITDA of such Sold Entity or Business for such period as certified by a Financial Officer of Lead Borrower, which historical Consolidated EBITDA shall be calculated in a manner consistent with the definition of Consolidated EBITDA herein and to be based on financial statements for such Sold Entity or Business prepared in accordance with GAAP (subject to the absence of footnote disclosures and year-end audit adjustments with respect to financial statements that are not annual audited financial statements), provided that when such Disposed EBITDA is excluded from Consolidated EBITDA it shall be on a Pro Forma Basis).

"Disposition" means, with respect to any Person, the sale, transfer, license, lease or other disposition (including by way of Division, Sale and Leaseback or any sale or issuance of Equity Interests by way of a merger or otherwise) by such Person to any other Person, with or without recourse, of (a) any notes or accounts receivable or any rights and claims associated therewith, (b) any Equity Interests of any Subsidiary (other than directors' qualifying shares), or (c) any other assets, provided, however, that none of the following shall constitute a Disposition: (i) any sale, transfer, license, lease or other disposition by (A) a Loan Party to another Loan Party or (B) a Non-Loan Party Subsidiary to a Loan Party or to another Non-Loan Party Subsidiary, (ii) the collection of accounts receivable and other obligations in the ordinary course of business (including [\(x\)](#) the sale to Rosenthal of Rosenthal Purchased Receivables pursuant to the Rosenthal Factoring Agreement [and \(y\) the sale to CIT Purchaser of CIT Purchased Receivables pursuant to the CIT Factoring Agreement](#)), (iii) sales of Inventory in the ordinary course of business, and (iv) any Casualty Event. Each of the terms "Dispose" and "Disposed" when used as a verb shall have an analogous meaning.

“Domestic Subsidiary” means a Subsidiary incorporated or organized under the laws of the United States, or any state, commonwealth or other political subdivision thereof (including, for the avoidance of doubt, the District of Columbia).

“DQ List” has the meaning set forth in Section 10.4(f)(iv).

“Earn-Out Obligations” means, with respect to any Person, obligations of such Person that are recognized under GAAP as a liability of such Person, payable in cash or which may be payable in cash at the seller’s or obligee’s option arising from the acquisition of a business or a line of business (whether pursuant to an acquisition of Equity Interests or assets, the consummation of a merger or consolidation or otherwise) and payable to the seller or sellers thereof.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Account” means an Account (other than a Credit Card Receivable) arising in the ordinary course of the business of any Loan Party from the sale of goods or rendition of services, except any Account to which any of the exclusionary criteria set forth below applies as determined by Lead Borrower and/or the Administrative Agent in its Permitted Discretion (with concurrent written notice to Lead Borrower) at any time and from time to time after the Closing Date; provided, however, that no Accounts of an Acquired Entity or Business shall be Eligible Accounts until such time as the Administrative Agent shall have received and be satisfied in its Permitted Discretion with the results of a field examination with respect thereto, such field exam to be conducted at the Borrowers’ expense. Without limiting the generality of the foregoing, no Account shall be an Eligible Account if:

(a) it is not at the time of determination subject to the Administrative Agent’s duly perfected First Priority security interest; or

(b) such Loan Party does not have good and valid title thereto, free and clear of any Lien (other than Permitted Encumbrances); or

(c) any representation or warranty contained in this Credit Agreement or any other Loan Document with respect to such Account proves to be untrue in any material respect as of the date of making or deemed making thereof or any covenant hereunder or under any other Loan Document with respect to such Account has been breached (after giving effect to any notice or cure period); or

(d) it arises out of (i) a sale made or services rendered by a Loan Party to another Loan Party or to any Subsidiary or other Affiliate of a Loan Party or to a Person controlled by an Affiliate of a Loan Party or (ii) services rendered (other than, in the case of this clause (ii), Accounts constituting commissions payable to a Loan Party for serving as a buying agent for footwear products under private

labels for retailers, in the ordinary course of business and consistent with past practices for the Loan Parties' "First Cost" segment); or

(e) it remains unpaid more than (i) 60 days (or 90 days if such Account is owing from Walmart Inc., Target Corporation, Amazon.com, Inc., The TJX Companies, Inc. and/or any Affiliate of any of the foregoing) after the original due date shown on the applicable invoice or (ii) 90 days (or 120 days if such Account is owing from Walmart Inc., Amazon.com, Inc., The TJX Companies, Inc. and/or any Affiliate of any of the foregoing (or 130 days if such Account is owing from Target Corporation and/or any Affiliate thereof)) after the original invoice date shown on the applicable invoice; or

(f) 50% or more of the net amount of all Accounts owing from the applicable Account Debtor are ineligible under the criteria set forth in clause (e) above; or

(g) any Accounts owing from the applicable Account Debtor are Rosenthal Purchased Receivables [or CIT Purchased Receivables](#); or

(h) if Rosenthal is the Loan Parties' collection agent with respect to such Account, Rosenthal is in breach of (i) the Rosenthal Collateral Assignment in any material respect, (ii) any of its obligations under the Rosenthal Factoring Agreement to remit proceeds of collections of any Accounts to the Rosenthal Collection Account or (iii) the Rosenthal Factoring Agreement with respect to what amounts Rosenthal is permitted to debit from the Rosenthal Collection Account (it being acknowledged that Rosenthal may debit from the Rosenthal Collection Account any commissions owed to Rosenthal from time to time under the Rosenthal Factoring Agreement as and when the related Rosenthal Referred Accounts are paid); or

(i) the total unpaid Accounts owing from the applicable Account Debtor exceed 15% (or 30% in the case of Walmart Inc., Target Corporation, The TJX Companies, Inc. and/or any Affiliate of any of the foregoing) of the net amount of all Eligible Accounts, but only to the extent of such excess; or

(j) the applicable Account Debtor has disputed liability with respect to such Account, or the applicable Account Debtor has made any claim with respect to any other Account owing from such Account Debtor to a Loan Party or any Subsidiary or other Affiliate of a Loan Party, or such Account otherwise is or may become subject to any right of setoff by the applicable Account Debtor; provided that any such Account shall be eligible to the extent such amount thereof exceeds such dispute, claim, setoff or similar right; or

(k) the applicable Account Debtor has commenced a voluntary case under the federal bankruptcy laws which is pending, as now constituted or hereafter amended, or made an assignment for the benefit of creditors generally, or a decree or order for relief has been entered by a court having jurisdiction in the premises in respect of such Account Debtor in an involuntary case under the federal bankruptcy laws which is pending, as now constituted or hereafter amended, or any other petition or other application for relief under the federal bankruptcy laws, as now constituted or hereafter amended, has been filed against such Account Debtor, or such Account Debtor has failed, permanently suspended business, ceased to be Solvent, or consented to or suffered a receiver, trustee, liquidator or custodian to be appointed for it or for all or a significant portion of its assets or affairs which is pending; or

(l) it arises from a sale made or services rendered to an Account Debtor that is organized or has its principal offices located outside the United States (excluding territories or

(a) it is not at the time of determination subject to the Administrative Agent's duly perfected First Priority security interest; or

(b) without limiting clause (a) of this definition, it constitutes Rosenthal Factoring Collateral [or, for the avoidance of doubt, CIT Factoring Collateral](#); or

(c) such Loan Party does not have good and valid title thereto, free and clear of any Lien (other than Permitted Encumbrances); or

(d) any representation or warranty contained in this Credit Agreement or any other Loan Document with respect to such Inventory proves to be untrue in any material respect as of the date of making or deemed making thereof or any covenant hereunder or under any other Loan Document with respect to such Inventory has been breached (after giving effect to any notice or cure period); or

(e) it does not meet the specifications of the purchase order or contract for such Inventory, if any; or

(f) it is raw materials or work in process, or consists of packaging materials, supplies, tooling, samples or literature; or

(g) it is not in good, new and saleable condition; or

(h) it is slow-moving, obsolete or unmerchantable; or

(i) it does not meet in all material respects all standards imposed by any Governmental Authority having regulatory authority over such Inventory; or

(j) it is situated at a location outside the United States (excluding territories or possessions of the United States); or

(k) it is not situated at a location in compliance with this Credit Agreement, provided that Inventory situated at a Material Inventory Location or a location in a Landlord Lien State, in either case not owned by such Loan Party or a Subsidiary thereof, will be Eligible Inventory only if the Administrative Agent has received a Collateral Access Agreement with respect to such location or if the Administrative Agent has established an applicable Reserve in its Permitted Discretion; or

(l) it is in transit (other than Inventory that is in transit within the United States between locations of the Loan Parties and/or Inventory temporarily in transit and/or stored in the United States in the ordinary course of business, including at a hub or terminal utilized by a common carrier, trucking service or other transportation provider); or

(m) it is subject to any licensing, royalty or other Intellectual Property agreement with any third party (i) which would require any consent of any third party for the Disposition of such Inventory (which consent has not been obtained) or the payment of any monies to any third party upon such Disposition (to the extent of such monies), (ii) from whom any Loan Party has received written notice of a dispute in respect of such agreement, to the extent that the Administrative Agent determines, in its Permitted Discretion, that such dispute could reasonably be expected to prevent or impair the Disposition of such Inventory or (iii) if the Administrative Agent otherwise determines, in its Permitted Discretion, that such Inventory cannot be freely Disposed of by the Administrative Agent during the continuance of an Event of a Default; or

“Material Indebtedness” means, as of any date, Indebtedness (other than (i) Indebtedness under the Loan Documents, (ii) Indebtedness owing to Lead Borrower or any of its Subsidiaries ~~and~~, (iii) Indebtedness arising under the Rosenthal Factoring Agreement and (iv) Indebtedness under the CIT Factoring Agreement) of any one or more of the Loan Parties or any of their Subsidiaries in an aggregate principal amount exceeding the Threshold Amount. For purposes of determining Material Indebtedness, the “principal amount” of the obligations in respect of any Swap Agreement at any time shall be its Swap Termination Value.

“Material Inventory Location” means (a) each distribution center or warehouse location and (b) each other location (other than retail stores) where Inventory of the Loan Parties with an aggregate book value in excess of \$1,000,000 is located, other than temporarily.

“Maturity Date” means, with respect to the Revolving Facility, the Revolving Maturity Date.

“Minimum Collateral Amount” means, with respect to any L/C Obligations at any time, an amount equal to 103% of such L/C Obligations at such time.

“Monthly Borrowing Base Reporting Trigger Event” means a Borrowing of Loans made by the Borrowers pursuant to Section 2.2 or Section 2.3 of this Credit Agreement.

“Monthly Borrowing Base Reporting Trigger Period” means the period commencing on the occurrence of a Monthly Borrowing Base Reporting Trigger Event, and continuing until the first date thereafter that the aggregate Outstanding Amount of Loans is equal to zero for a period of at least 30 consecutive calendar days.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds” means, with respect to any (a) Mandatory Prepayment Disposition or Mandatory Prepayment Casualty Event by any Loan Party or any of its Subsidiaries, the cash proceeds received by a Loan Party or any Subsidiary thereof (including cash proceeds subsequently received (as and when received) in respect of non-cash consideration initially received and including all insurance settlements and condemnation awards from any single event or series of related events, but excluding cash proceeds received from Lead Borrower or any of its Subsidiaries) net of the sum, without duplication, of (i) transaction expenses (including broker’s fees or commissions, legal fees, accounting fees, investment banking fees and other professional fees, transfer and similar taxes and Lead Borrower’s good faith estimate of taxes paid or payable in connection with the receipt of such cash proceeds), (ii) amounts set aside as a reserve in accordance with GAAP, including in respect of, without duplication, (x) earn-outs and other purchase price adjustments associated with the purchase price of the asset subject to a Mandatory Prepayment Disposition and (y) liabilities associated with such asset that are retained by Lead Borrower or any Subsidiary thereof, including pension and post-employment benefit liabilities, liabilities related to environmental matters and indemnification obligations (provided that, in each case of the foregoing clauses (x) and (y), to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), (iii) in the case of insurance settlements and condemnation awards related to a Mandatory Prepayment Casualty Event, amounts previously paid, or expected to be reasonably promptly paid, by such Loan Party or such Subsidiary to replace or restore the affected property, (iv) the principal amount, premium or penalty, if any, interest, costs and other amounts on any Indebtedness which is secured by a Lien on the asset that is the subject of the Mandatory Prepayment Disposition or Mandatory Prepayment Casualty Event which is senior in priority to the Liens

ARTICLE 2

THE CREDITS

Section 2.1 Commitments; Reserves.

(a) Revolving Commitments. Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Revolving Lender agrees, severally and not jointly, to make Revolving Loans to the Borrowers in Dollars from time to time during the Availability Period in an aggregate principal amount that will not result in (i) such Revolving Lender's Revolving Exposure exceeding such Revolving Lender's Revolving Commitment, (ii) the Total Revolving Outstandings (other than any Overadvances and Protective Advances to the extent permitted hereunder) exceeding the Line Cap, or (iii) the Total Revolving Outstandings exceeding the Revolving Credit Maximum Amount. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans. Revolving Loans may be ABR Loans or BSBY Loans, as further provided herein.

(b) Reserves.

(i) The Administrative Agent may establish or increase Reserves from time to time in its Permitted Discretion upon at least three Business Days' prior written notice to Lead Borrower, which notice shall include a reasonably detailed description of such Reserve being established or increased (during which period (i) the Administrative Agent shall, if requested, discuss any such Reserve or change with Lead Borrower and (ii) Lead Borrower may take such action as may be required so that the event, condition or matter that is the basis for such Reserve or change thereto no longer exists or exists in a manner that would result in the establishment of a lower Reserve or result in a lesser change thereto, in a manner and to the extent reasonably satisfactory to the Administrative Agent); provided that no such prior notice shall be required for (w) changes to any Reserves resulting solely by virtue of mathematical calculations of the amount of the Reserve in accordance with the methodology of calculation previously utilized, (x) new or increased Reserves during the continuance of any Event of Default, (y) new or increased Reserves in respect of Liens on Collateral which would be *pari passu* with or have a priority superior to the Administrative Agent's Liens, or (z) any Reserves established or increased in accordance with Section 2.1(b)(ii) in respect of Rosenthal Purchased Receivables or the CIT Purchased Receivables. During such three Business Day period, no Credit Extensions shall be required to be made if, after giving pro forma effect to such Reserve, such Credit Extensions would result in the Total Revolving Outstandings exceeding the Line Cap or a breach of the applicable Financial Covenant.

(ii) Lead Borrower shall notify the Administrative Agent in writing before any Loan Party sells any Account to Rosenthal or CIT Purchaser pursuant to the Rosenthal Factoring Agreement or the CIT Factoring Agreement, respectively, and unless such Account is already excluded from the then current Borrowing Base by operation of clause (g) of the definition of Eligible Account or otherwise, it is acknowledged and agreed that the Administrative Agent may elect, in its Permitted Discretion, to establish a Reserve with respect to such Account becoming a Rosenthal Purchased Receivable or a CIT Purchased Receivable, as applicable.

Section 2.2 Borrowings, Conversions and Continuations of Loans

(c) the occurrence of any ERISA Event (or any similar event with respect to a Foreign Plan) that, together with all other ERISA Events (or other similar events with respect to Foreign Plans) that have occurred, could reasonably be expected to result in liability of any Loan Party in an aggregate amount exceeding the Threshold Amount;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Loan Party or any of its Subsidiaries with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by any Loan Party to its shareholders generally, as the case may be;

(e) the occurrence of any other development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;

(f) any change in the information provided in the most recently delivered Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein;

(g) if, prior to the Permanent Borrowing Base Trigger, the Loan Parties' combined liquidity (including unrestricted cash and Cash Equivalents and availability under the Revolving Facility) falls below \$50,000,000 for two consecutive Business Days; and

(h) promptly after the furnishing, receipt or execution thereof, copies of (i) any amendment, waiver, consent or other written modification of the Rosenthal [Factoring Agreement or the CIT Factoring Agreement](#) and (ii) any notice of default or any notice related to the exercise of remedies under the Rosenthal Factoring Agreement [or the CIT Factoring Agreement](#).

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer of Lead Borrower or other executive officer of Lead Borrower setting forth the details of the event or development requiring such notice and, in the case of any such notice under [clause \(a\), \(b\), \(c\), \(e\), \(f\) or \(h\)\(ii\)](#), any action taken or proposed to be taken with respect thereto.

Section 6.3 Existence; Conduct of Business.

Each Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except (a) where the failure of a Subsidiary (other than any Loan Party) to maintain its legal existence could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (b) that neither Lead Borrower nor any Subsidiary shall be required to preserve, renew or keep in full force and effect its rights, licenses, permits, privileges and franchises if the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and (c) as otherwise permitted under [Section 7.3](#) or [Section 7.5](#).

Section 6.4 Payment and Performance of Obligations.

Each Borrower will, and will cause each of its Subsidiaries to, pay or perform its obligations, including federal, provincial, state, municipal, foreign and other Tax liabilities, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being Contested in Good Faith, and/or (b) the failure to make payment or perform could not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, provided that nothing in this

reasonably detailed aged trial balance of the Accounts of the Loan Parties, specifying the names, addresses, face values, dates of invoices and due dates for each Account Debtor obligated on an Account so listed in a form consistent with reports currently prepared by the Loan Parties with respect to such information, (iii) a reasonably detailed accounts payable aging regarding the Loan Parties, (iv) reconciliations of the Loan Parties' Inventory as shown on the Loan Parties' perpetual inventory, to the Loan Parties' general ledger and to the Loan Parties' financial statements, and (v) Inventory reports in such format and detail as the Administrative Agent shall reasonably request and which shall include a current list of all locations of the Loan Parties' Inventory (other than Inventory stored at temporary locations or in-transit from one location to another location in the ordinary course of business or Inventory and equipment out for repair or refurbishment or at trade shows), all with supporting materials as the Administrative Agent shall reasonably request.

(ii) Collateral Reporting Trigger Event. Prior to the occurrence of each Collateral Reporting Trigger Event, the Loan Parties shall deliver to the Administrative Agent an updated Borrowing Base Certificate reflecting such Collateral Reporting Trigger Event on a pro forma basis and demonstrating that upon giving effect to such Collateral Reporting Trigger Event, (A) the Total Revolving Outstandings will not exceed the Line Cap and (B) the Borrowers will be in compliance with the applicable Financial Covenant.

(b) Account Verification. The Administrative Agent's officers, employees or agents shall have the right, at any time or times if an Event of Default has occurred and is continuing, in the name of the Administrative Agent, any designee of the Administrative Agent or any Loan Party, to verify the validity, amount or any other matter relating to any Accounts of any Loan Party by mail, telephone, electronic communication or otherwise. The Loan Parties shall cooperate fully with the Administrative Agent in an effort to facilitate and promptly conclude any such verification process.

(c) Records, Schedules and Assignments of Accounts. The Loan Parties shall keep records of their Accounts and all payments and collections thereon (including (x) sales to Rosenthal of Rosenthal Purchased Receivables pursuant to the Rosenthal Factoring Agreement and (y) sales to CIT Purchaser of CIT Purchased Receivables pursuant to the CIT Factoring Agreement), which records shall be complete and accurate in all material respects. The Loan Parties shall submit to the Administrative Agent (i) on such periodic basis as the Administrative Agent shall reasonably request, in its Permitted Discretion, a sales and collections report for the preceding period, in form reasonably acceptable to the Administrative Agent, in its Permitted Discretion, and consistent with the reports currently prepared by the Loan Parties with respect to such information reasonably acceptable to the Administrative Agent and (ii) upon the Administrative Agent's written request therefor, copies of proof of delivery and the original copy of all documents, including, without limitation, repayment histories and present status reports, relating to the Accounts of the Loan Parties and such other matters and information relating to the status of then existing Accounts of the Loan Parties as the Administrative Agent shall request, in its Permitted Discretion.

(d) Administration of Inventory. The Loan Parties shall keep records of their Inventory, which records shall be complete and accurate in all material respects. The Loan Parties (or their accountants) shall conduct a physical inventory no less frequently than annually and shall provide to Administrative Agent a report based on each such physical inventory promptly thereafter, together with such supporting information as Administrative Agent shall reasonably request.

(e) Collateral Access Agreements. With respect to any lease (other than leases for sales offices and leases for retail stores), warehousing agreement or any processing agreement, in any case entered into after the Closing Date, the Loan Parties shall use commercially reasonable efforts to provide the Administrative Agent with a Collateral Access Agreement with respect to such premises

in connection with the Transactions and Permitted Acquisitions or any other Investment permitted under this Credit Agreement;

(xv) Indebtedness issued by Lead Borrower or any Subsidiary to current or former officers, directors and employees, their respective permitted transferees, assigns, estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of Lead Borrower permitted by [Section 7.8](#), which Indebtedness may be secured only by Liens on such Equity Interests and proceeds thereof;

(xvi) Indebtedness related to unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law;

(xvii) Indebtedness owed to one or more unaffiliated third parties financing Foreign Receivables and/or Foreign Inventory (and related, rights, assets and/or Equity Interests), and any Refinancing Indebtedness with respect thereto, in an aggregate principal amount (together with the aggregate principal amount of Indebtedness outstanding under [Section 7.1\(a\)\(x\)](#)) not to exceed \$35,000,000 at any time outstanding, which Indebtedness may be secured only by Liens permitted by [Section 7.2\(k\)](#);

(xviii) additional Indebtedness in an aggregate principal amount not to exceed \$5,000,000 at any time outstanding; **and**

(xix) Indebtedness arising under the [Rosenthal Factoring Agreement](#); **and**

[\(xx\) Indebtedness arising under the CIT Factoring Agreement](#).

(b) [Reserved].

For purposes of determining compliance with this [Section 7.1](#), if Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than Dollars (or in a different currency from the Indebtedness being refinanced), and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the outstanding or committed principal amount, as applicable, of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums (including tender premiums), defeasance costs and other costs and expenses incurred in connection with such refinancing.

Further, for purposes of determining compliance with this [Section 7.1](#), (A) Indebtedness need not be permitted solely by reference to one category of permitted Indebtedness (or any portion thereof) described above but may be permitted in part under any relevant combination thereof (and subject to compliance, where relevant, with [Section 7.2](#)), and (B) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of one or more of the categories of permitted Indebtedness (or any portion thereof) described above, Lead Borrower may, in its sole discretion, classify or divide such item of Indebtedness (or any portion thereof) in any manner that complies with this [Section 7.1](#) (and subject to compliance, where relevant, with [Section 7.2](#)) and will be entitled to only include the amount and type of such item of Indebtedness (or any portion thereof) in one of the above clauses (or any portion thereof) and such item of Indebtedness (or any portion thereof) shall be treated as having been incurred or existing pursuant to only such clause or clauses (or any portion thereof); provided that all Indebtedness outstanding under the Loan Documents and/or incurred in respect of any Secured Obligations shall at all times be deemed to have been incurred pursuant to [Section 7.1\(a\)\(i\)](#).

(h) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents under clause (e) of the definition thereof arising out of such repurchase transaction;

(i) (i) any condemnation or eminent domain proceedings affecting any real property and (ii) in the case of real property in which a Loan Party or Subsidiary has a leasehold interest or easement rights, any Lien, mortgage, security interest, restriction, encumbrance or any other matter of record to which the fee simple interest (or any superior leasehold interest) is subject;

(j) Liens securing obligations under Swap Agreements consisting of Liens on any margin or collateral posted by Lead Borrower or any Subsidiary under a Swap Agreement as a result of any regulatory requirement, swap clearing organization, or other similar regulations, rules, or requirements and/or reasonably required by the counterparty thereto;

(k) Liens on Foreign Receivables and/or Foreign Inventory (and related rights, assets and/or Equity Interests) securing Indebtedness permitted by [Section 7.1\(a\)\(xvii\)](#);

(l) Liens on any property or asset of Lead Borrower or any Subsidiary (other than Collateral of the type included in the Borrowing Base, related rights and assets, and Intellectual Property) securing Indebtedness or other obligations in an aggregate principal amount not to exceed \$5,000,000 at any time outstanding; ~~and~~

(m) Liens on Rosenthal Factoring Collateral arising under the Rosenthal [Factoring Agreement](#); and

[\(n\) Liens on CIT Factoring Collateral arising under the CIT Factoring Agreement.](#)

For purposes of determining compliance with this [Section 7.2](#), (A) a Lien need not be permitted solely by reference to one category of permitted Liens (or any portion thereof) described above but may be permitted in part under any combination thereof, and (B) in the event that a Lien securing any obligation (or any portion thereof) meets the criteria of one or more of the categories of permitted Liens (or any portion thereof) described above, Lead Borrower may, in its sole discretion, classify or divide such Lien securing such obligation (or any portion thereof) in any manner that complies with this [Section 7.2](#) and will be entitled to only include the amount and type of such Lien or such obligation secured by such Lien (or any portion thereof) in one of the above clauses and such Lien securing such obligation (or portion thereof) will be treated as being incurred or existing pursuant to only such clause or clauses (or any portion thereof); provided that all Liens created under any Loan Documents and/or in respect of any Secured Obligations shall at all times be deemed to have been incurred pursuant to clause (a) of this [Section 7.2](#).

Section 7.3 [Fundamental Changes; Business; Fiscal Year.](#)

(a) The Borrowers will not, and will not permit any of their respective Subsidiaries to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or Dispose of (in one transaction or in a series of related transactions) all or substantially all of its assets, or all or substantially all of the Equity Interests issued by any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve or consummate a Division (if such Division results in the creation of a Person that is not a Loan Party); provided that, if at the time thereof and immediately after giving effect thereto, no Event of Default shall or would have occurred and be continuing:

Section 7.10 Restrictive Agreements.

The Borrowers will not, and will not permit any of their respective Subsidiaries that are Loan Parties or Domestic Subsidiaries (other than Excluded Subsidiaries) to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of any Loan Party or any of its Domestic Subsidiaries (other than any Excluded Subsidiaries) to create, incur or permit to exist any Lien upon any of its property or assets (unless such agreement or arrangement does not prohibit, restrict or impose any condition upon the ability of any Loan Party to create, incur or permit to exist, or the ability of the Administrative Agent to exercise any right or remedy with respect to, any Lien in favor of the Administrative Agent created under the Loan Documents) or (b) the ability of any Loan Party or any of its Domestic Subsidiaries (other than Excluded Subsidiaries) to pay dividends or make other distributions with respect to any of its Equity Interests or to make or repay loans or advances to Lead Borrower or any other Loan Party or Domestic Subsidiary (other than any Excluded Subsidiary) or to Guarantee Indebtedness of Lead Borrower or any other Loan Party or Domestic Subsidiary (other than any Excluded Subsidiary); provided that (i) the foregoing shall not apply to (A) restrictions and conditions imposed by law or by the Loan Documents, (B) restrictions and conditions existing on the Agreement Date identified on Schedule 7.10 (and any extension or renewal of, and any amendment or modification that does not materially expand the scope of, any such restriction or condition), (C) customary restrictions and conditions contained in agreements relating to the Disposition of a Subsidiary or its Equity Interests or assets, or assets of Lead Borrower, pending such Disposition, provided that such restrictions and conditions apply only to the Subsidiary, Equity Interests or assets to be Disposed and such Disposition is permitted hereunder, (D) restrictions and conditions in effect at the time any Person becomes a Subsidiary and not entered into in connection with or in contemplation of such Person becoming a Subsidiary, (E) customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted hereunder and applicable solely to such joint venture and/or its Equity Interests, (F) restrictions and conditions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business, (G) customary restrictions and conditions imposed in connection with purchase money obligations, mortgage financings and lease obligations with respect to the property purchased or leased or (H) any restriction or condition arising from amendments, replacements, extensions or renewals of any agreement containing any of the foregoing to the extent that the scope of the restriction or condition is not expanded in any material respect, (ii) clause (a) of this Section shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness or leases permitted by this Credit Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness or subject to such leases, as the case may be, and (iii) clause (a) of this Section shall not apply to customary provisions in agreements restricting the assignment thereof.

Section 7.11 Amendment of Material Documents.

The Borrowers will not, and will not permit any of their respective Subsidiaries to, amend, supplement, modify or waive any of their rights under any of their Organizational Documents ~~or~~, the Rosenthal Factoring Agreement or the CIT Factoring Agreement, other than amendments, modifications or waivers that could not reasonably be expected to materially adversely affect the Credit Parties; provided that, in respect of the Rosenthal Factoring Agreement and the CIT Factoring Agreement, the Borrowers shall deliver or cause to be delivered to the Administrative Agent and each Lender a copy of all material amendments, modifications or waivers thereto promptly after the execution and delivery thereof. Without limiting the generality of the foregoing, the Borrowers will not, and will not permit any of their respective Subsidiaries to, amend, supplement, modify or waive any of their rights under any of the following provisions of the Rosenthal Factoring Agreement (with each of the following terms used as defined therein, to the extent not otherwise defined in this Credit Agreement): (i) the definitions of “Credit Agreement”, “Credit Agreement Agent” or “Credit Agreement Default” or the Credit Agreement

Agent's right to exercise the Redirection Right during the continuance of a Credit Agreement Default, (ii) the terms and conditions upon which Rosenthal may purchase Receivables, the effect of which would decrease the Purchase Price for any Receivable, permit Rosenthal to purchase a Receivable that is not a Credit Approved Receivable or a Receivable that is less than 120 days past due, or permit Rosenthal to purchase a Receivable other than for cash consideration remitted to the Collection Account at the time of such purchase, in each case without the Administrative Agent's prior written consent, (iii) any provision, the effect of which would permit Rosenthal to debit the Collection Account for any reason other than to collect commissions owed to Rosenthal from time to time under the Rosenthal Factoring Agreement as and when the related Referred Accounts are paid, (iv) the location, account number, ownership or other terms of the Collection Account, without the Administrative Agent's prior written consent, (v) any provision, the effect of which would reduce the scope, timing or frequency of amounts required to be remitted by Rosenthal to the Collection Account, or (vi) the requirement that invoices (and other statements to Customers) evidencing Referred Accounts clearly state that each Receivable is payable to Rosenthal in its capacity as collection agent on the Loan Parties' behalf. Without limiting the generality of the foregoing, the Borrowers will not, and will not permit any of their respective Subsidiaries to, amend, supplement, modify or waive any of their rights under any of the following provisions of the CIT Factoring Agreement (with each of the following terms used as defined therein, to the extent not otherwise defined in this Credit Agreement): the terms and conditions upon which CIT Purchaser may purchase Receivables, the effect of which would decrease the Purchase Price for any Receivable, permit CIT Purchaser to purchase a Receivable that is not an Approved Receivable or a Receivable that is less than 90 days past due, or permit CIT Purchaser to purchase a Receivable other than for cash consideration, in each case without the Administrative Agent's prior written consent.

Section 7.12 Financial Covenants.

(a) Minimum Availability Prior to Permanent Borrowing Base Trigger. The Borrowers will not permit Availability to be less than the greater of (i) \$22,500,000 and (ii) 15% of the Line Cap, at any time prior to the occurrence of the Permanent Borrowing Base Trigger.

(b) Minimum Availability After Permanent Borrowing Base Trigger. The Borrowers will not permit Availability to be less than the greater of (i) \$15,000,000 and (ii) 10% of the Line Cap, at any time after the occurrence of the Permanent Borrowing Base Trigger.

Section 7.13 Payments on Subordinated Debt.

The Borrowers will not, and will not permit any of their respective Subsidiaries to, declare or make, or agree to pay for or make, directly or indirectly, any payment of principal or interest or any purchase, redemption, retirement, acquisition or defeasance with respect to any Subordinated Debt except that (a) Lead Borrower or any Subsidiary may make payments of Subordinated Debt to the extent permitted by the subordination provisions applicable thereto and (b) so long as the Payment Conditions shall have been satisfied, Lead Borrower or any Subsidiary may make other payments of Subordinated Debt.

Section 7.14 Dispositions of Intellectual Property.

The Borrowers will not, and will not permit any other Loan Party to, encumber, sell or otherwise transfer or assign any Intellectual Property that is used or useful in connection with the Collateral without providing prior written notice thereof to the Administrative Agent and, if so requested by the Administrative Agent, and prior to or concurrently with consummating such transaction, causing

even if such amounts are covered by insurance from such an insurance company, such amounts shall count against such basket if responsibility for such amounts has been denied by such insurance company) and the same shall remain undischarged or unbonded for a period of 45 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any of its Subsidiaries (excluding any Immaterial Subsidiaries) to enforce any such judgment.

(l) ERISA Events. (i) An ERISA Event shall have occurred; (ii) a Loan Party or ERISA Affiliate shall fail to pay when due any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan; (iii) any event similar to the foregoing shall occur or exist with respect to a Foreign Plan; or (iv) there shall be at any time a Lien imposed against the assets of any Loan Party or ERISA Affiliate under Section 412 or Section 430 of the Code or Sections 302, Section 303, or Section 4068 of ERISA; and in the case of each of clauses (i) through (iii) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to result in liability of any Loan Party or any of its Subsidiaries (or in the case of an ERISA Event described in subsection (b) of the definition of that term in Section 1.1, could reasonably be expected to subject any Loan Party, any of its Subsidiaries, any Pension Plan, any trust created thereunder, any trustee or administrator thereof, or any party dealing with any Pension Plan or trust to a tax or penalty on “prohibited transactions” under Section 502 of ERISA or Section 4975 of the Code) in an aggregate amount exceeding the Threshold Amount.

(m) Invalidity of Loan Documents. Any Loan Document shall cease, for any reason, to be in full force and effect (other than in accordance with its terms), or any Loan Party shall so assert in writing or shall disavow any of its obligations thereunder.

(n) Liens. Any Lien purported to be created under any Collateral Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any material portion of the Collateral (as required by the Loan Documents), with the priority required by the applicable Collateral Document, other than (i) in accordance with the terms of the applicable Loan Documents, (ii) to the extent that any such loss of perfection results from the limitations of foreign laws, rules and regulations as they apply to pledges of Equity Interests in Foreign Subsidiaries (other than the Hong Kong Guarantor) or the application thereof, or (iii) as a result of the Administrative Agent’s failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Collateral Documents or to duly file any UCC financing statements, continuation statements or other similar filings.

(o) Change of Control. A Change of Control shall occur.

(p) Invalidity of Subordination Provisions. The subordination provisions of any agreement or instrument governing any Subordinated Debt shall for any reason be revoked or invalidated, or otherwise cease to be in full force and effect (other than in accordance with their terms), or any Loan Party shall contest in writing the validity or enforceability thereof or wrongfully deny that it has any further liability or obligation thereunder, or the Secured Obligations shall not have the priority contemplated by such subordination provisions.

(q) Invalidity of Rosenthal or CIT Intercreditor Provisions. The provisions of the Rosenthal Collateral Assignment or the CIT Assignment and Intercreditor Agreement shall for any reason be revoked or invalidated, or otherwise cease to be in full force and effect (other than in accordance with its terms), or any Loan Party shall contest in any manner the validity or enforceability thereof or wrongfully deny that it has any further liability or obligation thereunder, or the Secured Obligations shall not have the priority contemplated by such intercreditor provisions.



[EXECUTION COPY]

April 3, 2023

**Steven Madden, Ltd., as
“Client Representative” for itself
and each of its subsidiaries and
affiliates party to this Agreement**
52-16 Barnett Avenue
Long Island City, New York 11104

Credit Approved Receivables Purchasing Agreement

Ladies and Gentlemen:

This Credit Approved Receivables Purchasing Agreement (“Agreement” or “CARPA”) will confirm your and our agreement concerning our performance of certain services and our potential purchases of certain of your accounts receivable as described herein in connection with your inventory or service sales upon the following terms and conditions. For all purposes hereof, this Agreement shall apply to you and each of the parties listed on the attached **Schedule of Clients** (each, a “Client” and collectively, the ‘Clients’), attached hereto and made a part hereof, and the terms “you” and “your” and terms of like import appearing herein, in each instance shall mean each of the Clients, except as may be otherwise noted.

A. From time to time you in your discretion will submit to us the names of those of your customers for which you shall have requested that we make credit investigations, approve credit or establish credit lines in accordance with our usual business practices. “Receivable” as used herein means and includes each separately invoiced account receivable created by, or arising from, your sale of inventory to or performance of services for (including under any of your trade names or styles or through any of your divisions) your customers, together with all related instruments, documents and insurance proceeds, payment intangibles, all other rights to payment and cash and non-cash proceeds thereof; all of your rights to any returned or repossessed goods or merchandise which are represented thereby; and all your right, title, security, guaranties, supporting obligations and letter of credit rights with respect to each Receivable, including all rights to reclamation and stoppage in transit. Except as hereinafter specifically provided, each Receivable with respect to which we have assumed the Credit Risk (as defined hereafter) in writing is herein referred to as an “Approved Receivable”. Each Receivable with respect to which we have not assumed the Credit Risk is herein referred to as a “non-approved Receivable”. “Credit Risk” means the customer’s failure to pay the Receivable in full when due on its longest maturity due date solely because of the customer’s financial inability to pay. It is expressly understood that “the customer’s financial inability to pay” the Receivable does not include any failure (or refusal) to pay arising from or directly related to (i) changes, of whatever nature, in government or governmental policy, or (ii) the enactment of laws or regulations or the taking of any action, of whatever nature including, without limitation, the taking or nationalizing of private property by any governmental entity whereby payment may not be made or may be made only upon penalty or (iii) natural disaster or act of God, uprising, civil war, civil commotion, war, revolution, invasion and other acts of violence.

B. Except as otherwise provided herein, all Approved Receivables shall be your sole property. You shall continue to collect payment for each such Approved Receivable from the applicable customer with payment therefor being remitted directly to you (or to such lockbox account as prescribed in that certain lockbox agreement among you, your lender or the agent under a syndicated credit facility extended to you and the respective lockbox bank). Our obligation to pay you the Purchase Price for any Approved Receivable shall only be as provided in Paragraphs F(5) and F(6) below, and only when all requirements of this Agreement for the purchase of such Receivables have been satisfied.

C. Our services hereunder will be provided on a non-notification basis; that is, we will not communicate with your customers without your prior approval except in connection with Approved Receivables under collection as delinquent accounts as described in Paragraph F(4) below, and/or to obtain current information on any customer's financial condition and creditworthiness. You hereby covenant and agree that you will perform your servicing, managing, bookkeeping, collection and reporting procedures with respect to the Receivables (both Approved Receivables and non-approved Receivables) in a prudent and reasonable manner and using a standard of care no less favorable than the standard of care you would employ in order to perform such activities for your own account had you not entered into this Agreement. In furtherance of your obligations under this Paragraph, you shall, among other things, be responsible for identifying, matching and reconciling any payments or recoveries received with respect to the Approved Receivables associated with such payments or recoveries and maximizing the amount of payments or recoveries received on, or with respect to, the Approved Receivables. Without limiting any of our other rights hereunder, in the event you breach any of the covenants in the immediately foregoing two (2) sentences, any assumption of Credit Risk by us of the respective Approved Receivables involved shall be and become automatically and immediately, and without any further notice or action by us whatsoever, withdrawn, null, void and of no effect. In order to maintain our credit approval in connection with any Approved Receivable (unless we withdraw or limit our credit approval as otherwise provided in this Agreement), you also agree to perform the following collection and reporting procedures at a minimum (to the extent permitted by law):

- (i) Each customer on a past due Receivable shall receive from you, at least once each month, your written statement detailing the delinquency. Each such statement shall age such past due Receivable(s).
 - (ii) You shall document collection related telephonic communications given to, and responses received from, your delinquent customers. You also shall initiate e-mail and/or telephonic communication to each such customer before the Receivable due from such customer becomes thirty (30) days past due, and at least two (2) such e-mail inquiries and/or calls shall be required in each subsequent thirty (30) day period (i.e., 31-60 days past due and 61-90 days past due) until the Receivable is ninety (90) days past due. All collection calls must involve your authorized representative speaking with a representative of the delinquent customer who has authority to approve payments on behalf of the customer, recording the name of such individual, his/her position with the customer, the date and time of such call, the reason for the delinquency in payment (e.g., cash flow, dispute, paperwork, etc.), the commitment to pay date, and a follow-up date.
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- (iii) In the event that your attempts to telephonically communicate with any delinquent customer are to no avail (e.g., the telephone of such delinquent customer has been disconnected), your records must so indicate, and you shall then communicate to such delinquent customer in writing.

D. For our services hereunder you agree to pay us fees as follows:

- (i) fifteen basis points (0.15%) of the gross face amount of each Approved Receivable having payment terms not to exceed 90 days ("Standard Terms"), except for Approved Receivables due from (a) Target Corp., (b) TJX Australia, and (c) TJX UK, each such customer having Standard Terms of 120 days (and such other customers that we may, from time to time, in our sole discretion, approve Standard Terms in excess of 90 days).
- (ii) In addition, you will pay a fee of twenty-five basis points (0.25%) of the gross face amount of each Approved Receivable for each thirty (30) day period or part thereof by which the longest terms of sale applicable to such Approved Receivable exceed the Standard Terms (whether as originally stated or as a result of a change of terms requested by you or the customer); provided, however, for Approved Receivables due from (a) Target Corp., (b) TJX Australia and (c) TJX UK, each such customer having Standard Terms of 120 days (and such other customers that we may from time to time in our sole discretion approve Standard Terms in excess of 90 days), the additional fee shall not apply.
- (iii) For Approved Receivables arising from sales to customers located outside the United States of America and its territories, commonwealths and possessions, you will pay us an additional fee ("Foreign Fee") of one hundred fifty basis points (1.50%) of the gross face amount of all such Approved Receivables; provided, however, the Foreign Fee shall not be charged on Approved Receivables due from (a) Guess Canada, (b) TJX Australia, (c) TJX UK, (d) Walmart Canada, (e) Walmart Mexico and (f) Winner's (and such other foreign customers that we may, from time to time, credit approve in our sole discretion).
- (iv) Each month after we receive your report for the preceding calendar month described in Paragraph F(3)(d) below, we shall invoice you for the fees earned by us and due us for such preceding calendar month (collectively, "Invoiced Monthly Fees"), together with all charges and reimbursable expenses applicable for such month, and you agree that each such invoice shall be due and payable by you to us no later than the last day of each such calendar month. Payment of such Invoiced Monthly Fees, together with all charges and reimbursable expenses applicable for such month, shall be made to THE CIT GROUP/COMMERCIAL SERVICES, INC. in the amount of the invoice due for each such month, and delivered pursuant to the instructions listed on **Annex B**, attached hereto and made a part hereof. In the event such fees are not paid to us as required herein, all credit approvals given by us and any Credit Risk assumed by us as to any Approved Receivables for which such applicable fees have not been paid to us shall automatically, and without any further notice or action by us whatsoever, be and become withdrawn, null, void and of no effect.
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E. You hereby represent and warrant that:

(1) Organization; Good Standing; Authority:

- (i) **Steven Madden Ltd.** is a duly organized and validly existing corporation under the laws of the State of Delaware and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in your articles of organization or incorporation or bylaws (or any amendments thereto) or in any of your contracts or indentures restricting your compliance with, or your undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of your stockholders or of any other person, firm, entity or corporation other than your board of directors (except such consents as have already been obtained);
- (ii) Each Client listed on the **Schedule of Clients** is a duly organized and validly existing company under the laws of the State of its formation or organization and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in any Client's articles of organization or incorporation or bylaws (or any amendments thereto) or in any of their contracts or indentures restricting their compliance with, or their undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of the stockholders or of any other person, firm, entity or corporation other than their respective board of directors (except such consents as have already been obtained).

(2) You further represent and warrant and Covenant that:

- (i) each Receivable represents an actual and bona fide sale and delivery of inventory or performance of services in the ordinary course of your business;
 - (ii) the inventory being sold and the Receivable created therefrom are your exclusive property;
 - (iii) as to each Approved Receivable, the customer is obligated to pay, in United States Dollars, the full amount stated in the invoice according to its terms without dispute, offset, deduction, defense or counterclaim;
 - (iv) no inventory sold is subject to any consignment arrangement;
 - (v) all taxes and fees with regard to any Approved Receivable or the inventory sold or services performed are solely your responsibility;
 - (vi) none of the Approved Receivables represents sales or services to any subsidiary, parent or affiliated company;
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- (vii) you and, to your knowledge, your affiliates are not Blocked Persons (as defined in Paragraph F(13) below); and notwithstanding Paragraph B. above, you shall not sell and assign to us any Approved Receivable due from a Blocked Person.

All of the foregoing representations and warranties are and shall be reaffirmed each time you assign and/or sell Receivables to us hereunder with respect to the Receivables assigned and/or sold at such time.

- (3) You further represent and warrant to us that: (i) the client customer number (or equivalent client customer identifier) ("Client Customer Number") that you provide with respect to each order that you submit to us hereunder correctly identifies the legal entity of the customer obligor on each such order, (ii) the Client Customer Number that you provide with respect to each Approved Receivable that you assign to us hereunder correctly identifies the legal entity of the account debtor on each such Approved Receivable, (iii) the other client customer identifying information, such as customer name and address (collectively, "Customer Identifying Information"), that you provide with respect to each order that you submit to us hereunder correctly identifies the legal entity of the customer obligor on each such order, and (iv) the Customer Identifying Information that you provide with respect to each Approved Receivable that you assign to us hereunder correctly identifies the legal entity of the account debtor on each such Approved Receivable. Without in any way limiting our rights hereunder, we may withdraw credit approval of any order with respect to which there is a breach of the representations and warranties set forth in clauses (i) or (iii) immediately above. If you breach any of these representations and warranties or any covenant contained in this Agreement, we shall be released from any Credit Risk whatsoever on any Approved Receivable which may be involved.

F. The following are additional terms and conditions of this Agreement:

- (1) We shall have the right to adjust customer credit lines from time to time and to withdraw our credit approval on any Approved Receivable at any time prior to your shipment of the inventory thereunder to the specified customer. You will promptly notify us if any Approved Receivable is not timely paid by the customer or if you receive any information of any adverse change in the financial condition or business prospects of any of your customers covered under this Agreement.
- (2) (a) Any order for which you seek our credit approval (except for those under credit lines which may have been established for your customers) must be submitted to our Credit Department either via computer on-line terminal access. If you experience any systems problems and you are unable to submit any such information via computer, then you must notify our Credit Department in writing, and any such information, can be submitted by fax or in writing until such time as any such systems issues are resolved.
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- (b) You agree that: (i) except as otherwise provided in the credit line letter agreement entered into as a supplement to this Agreement, you shall follow our instructions given to you in respect of how you shall submit orders to us hereunder and how you shall assign Approved Receivables to us hereunder, (ii) we shall be entitled to rely upon your provision of Client Customer Numbers and Customer Identifying Information with respect to orders you submit to us hereunder and Approved Receivables you assign to us hereunder, and we shall have no responsibility to you as a result of any errors or omissions with respect to such provision; provided, however, that we shall have the right at any time, but shall not be obligated, in our sole discretion to re-categorize any orders and any Approved Receivables with respect to which we determine the Client Customer Number that you provided to us does not correctly correspond to the Customer Identifying Information you provided to us for the orders and the Approved Receivables so concerned.
- (c) You have advised us that your selling terms are not in excess of the Standard Terms. As to any Approved Receivable, you agree that you will not, without our prior written consent: (i) change the Standard Terms on any customer varying from our existing credit approval, or extend the maturity date of any invoice; (ii) change the amount (except for credits you may issue in the normal course of your business and otherwise in accordance with this Agreement) or shipping dates; or (iii) grant any other indulgence. In the event you were to do any of these acts without such concurrence by us, any credit approval and assumption of Credit Risk by us of the respective Approved Receivable(s) shall be and become automatically and immediately, and without any further notice or action by us whatsoever, withdrawn, null, void and of no effect.
- (d) Except as provided in clause (e) below, our credit approval with respect to any shipment by you of inventory to, or any performance of services for, a customer may also be withdrawn by us any time before, but not after, shipment is made or services are performed and shall be effective only if shipment is made or services are performed within thirty (30) days from the date specified (for shipping in the case of shipment of inventory) in the credit approval, or within thirty (30) days from the date of our credit approval if no delivery or services performance date is specified therein. We shall have no liability whatsoever to you or any person, firm or entity for our not approving, or our withdrawal of approval of, credit to any customer in the manner provided in this Agreement.
- (e) Special Provision for Goods in Production. Without limiting our rights hereunder, and notwithstanding the provisions of clause (d) above, in the event our credit approval as to any order calls for goods to be specially made or designed to fit the needs of a specific product ("Special Goods"), in the event we withdraw any credit approval or adjust any credit line with respect to any customer that includes "WIP" coverage to which such Special Goods are to be sold, after you have commenced processing the Special Goods, we shall continue to be liable to you with respect to such credit approval to the extent of 50% of any loss arising out of the production of the Special Goods, provided, however, that (i) you use your best efforts to dispose of such Special Goods in a commercially reasonable manner, at the best price obtainable for our mutual account with prior notification thereof to us; (ii) in the event you have other unfilled orders for the same type of goods, for which such order has not been manufactured, you shall fill such orders with the Special Goods subject to a credit withdraw or credit line adjustment, and (iii) our liability to you under this provision shall not exceed an amount greater than 50% of the credit approval in effect at the time the Special Goods order was approved, less the amount of any outstanding Approved Receivables for such customer. For purposes hereof, "loss" means the amount of the original cost of the goods actually put into production, less, to the extent applicable, the amount of the actual resale price of the goods, or portion thereof, ultimately resold. You agree to promptly deliver to us such supporting documentation as we may reasonably request regarding the loss incurred by you in such Special Goods, as more fully provided in **Annex A**.
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- (f) You agree to notify us promptly of any matters affecting the value, enforceability or collectibility of any Approved Receivable. You also agree to issue credit memoranda promptly (with duplicates to us) upon accepting returns or granting allowances in connection with any Approved Receivable.
 - (g) You further agree to notify us promptly of any change in your: name, state of incorporation or registration, location of your chief executive office, place(s) of business, and legal or business structure, and of significant lawsuits or proceedings against you.
- (3) You agree to furnish us the following information, reports or items, all in such form acceptable to us:
- (a) no later than the last business day of each month, a summary aged trial balance by customer of all of your outstanding Receivables as of the 25th day of the current month;
 - (b) On or before the fifteenth (15th) day of each month or more frequently upon our reasonable request, a summary aged trial balance by customer of all of your outstanding Receivables as of the end of the prior month
 - (c) on or before the fifteenth (15th) day of each month or more frequently upon our reasonable request, a report of all collections for the preceding month, showing the gross amount of Receivables and the net amount collected thereon;
 - (d) on or before the fifteenth (15th) day of each month or more frequently upon our request, a detailed aged trial balance of all of your outstanding Receivables as of the end of the preceding month;
 - (e) on or before the fifteenth (15th) day of each month or more frequently upon our request, a confirmatory schedule of assigned Receivables for the preceding month's sales, in which you have recorded and clearly identified as Approved Receivables (including those under any credit lines) and their respective sales terms, invoice numbers, dates and amounts;
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- (f) on or before the fifteenth (15th) day of each month or more frequently upon our request, your sales journal of all your outstanding Receivables as of the end of the preceding month;
 - (g) on or before the last day of each month in which the foregoing reports are to be furnished to CIT, your payment to The CIT Group/Commercial Services, Inc. in the aggregate amount of the fees due and payable to us at the rates provided above for the Approved Receivables of such preceding month; and
 - (h) any other reports or information reasonably required by us in a frequency reasonably requested by us.
 - (i) Except as otherwise provided herein, in the event you fail to provide any of the above information, reports or items to us within three (3) business days of its due date, after notice to you of such failure all Credit Risk assumed by us as to Approved Receivables shall automatically, and without any further notice or action by us whatsoever, be and become withdrawn, null, void and of no effect, and such Receivables shall be deemed to be non-Approved Receivables.
 - (j) Except as otherwise set forth herein, the foregoing information, reports or items must be electronically submitted to our Credit Department via computer by either: (x) On-Line Terminal Access, or (y) Electronic Batch Transmission. If you experience any systems problems and you are unable to submit any such information via computer, then you must notify our Credit Department in writing, and any information, reports or items can be submitted by fax or in writing until such time as any such systems issues are resolved. You hereby confirm and agree that you shall use your best efforts to provide such reporting electronically as soon as practicable.
 - (k) We may (with two (2) weeks prior notice to you) during normal business hours verify and inspect all of your books, accounts, records, files, orders, correspondence and papers which are relevant to the Receivables, Approved Receivables, non-approved Receivables, the respective customers, and/or this Agreement, and your credit and collection procedures and business operations, and we may make photocopies of or extracts from any of the foregoing. Any photocopies, notes, summaries, or other records shall be treated as confidential information. We agree that so long as you do not breach any of the representations or warranties under this Agreement, we shall limit the number of audits or examinations to no more than one (1) per contract year. Any such audit or examination shall be conducted in a manner that is not disruptive to your business activities. We further understand and agree that may not review any records beyond the scope of this Agreement and in any event, no documents disclosing the business relationship between you and any of our competitors; provided, to the extent any of our competitors conduct an examination of your books and records, you shall not disclose any documents related to the business relationship between you and us, including this Agreement, to our competitors.
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- (4) We shall have the right to communicate with and, if necessary in our discretion, commence collection proceedings with respect to, any of your customers from which any Approved Receivable is unpaid if: (a) any portion of such customer's Approved Receivable whatsoever is past due, or (b) such customer has undergone an adverse change in its financial condition or business prospects, or (c) the customer has called a meeting of its creditors or ceased to do business, or (d) the customer suffered a petition in bankruptcy or insolvency filed by or against the customer under any foreign, provincial or federal or state law.
- (5) (a) If: (i) any undisputed Approved Receivable remains unpaid for more than ninety (90) days after its longest maturity due date, (ii) you in your discretion shall have delivered to us within ten (10) days thereof (the "Approved Receivables Submission Time Frame") a written Request for Purchase of Approved Receivable substantially in the form of **Annex A** attached hereto and made a part hereof ("Request for Purchase") with all of the information and documentation therein specified, requesting that the Purchase Price (as defined below) for such overdue and unpaid Approved Receivable be paid to you, and (iii) all conditions to our obligation to remit the Purchase Price to you as set forth in Paragraph F(6) below have been satisfied, we shall (subject to our verification of any such undisputed Approved Receivable having been credit approved by us and being overdue and unpaid) pay to you the Purchase Price for such undisputed Approved Receivable within thirty (30) days of receipt of the Request for Purchase, and you shall sell, assign and transfer to us as absolute owner such Approved Receivable; *provided*, such thirty (30) day period shall be extended as reasonably required to the extent any of the documentation required as set forth in **Annex A** has not been promptly delivered to us and/or requires further review, investigation or diligence, as reasonably determined by us. You agree that when you deliver to us a Request for Purchase of Approved Receivable of a particular customer, you shall be deemed to have thereby authorized us to collect all of the other unpaid Receivables of that customer outstanding at that time. "Purchase Price" means, with respect to an Approved Receivable, the gross face amount of such overdue, unpaid and undisputed Approved Receivable less all amounts paid, collected or otherwise recovered prior to our purchase in respect of the customer's invoices, less any trade and cash discounts allowable to, or taken by, the customer and less any credits or allowances.
- (b) Concurrently and automatically with our purchase of any Approved Receivable as herein provided (a "Purchased Receivable"), you shall assign and grant to us a first priority security interest in such Purchased Receivable as provided herein as well as in **Annex A**. In furtherance thereof, upon execution of this Agreement, you authorize us to file financing statements, and all amendments and continuations with respect thereto, all in order to create, perfect or maintain a security interest in the Purchased Receivables, and you hereby ratify and confirm any and all financing statements, amendments and continuations with respect thereto heretofore and hereafter filed by us pursuant to the foregoing authorization. You agree to reimburse us for the cost of any filing and preparation fees and for any Uniform Commercial Code and other applicable search fees.
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- (c) For claims made under this Agreement pursuant to Paragraph F(2)(e), Special Provision for Goods in Production (a "Production Claim"), you shall comply with all of the provisions of this Paragraph F(5), as may be applicable to a Production Claim, including making a request for payment under a Production Claim within the Approved Receivables Submission Time Frame, that, **solely** for purposes of a Production Claim, shall mean within ten (10) days after ninety days (90) days of our withdrawing any credit approval or adjusting any credit line with respect to any customer that includes "WIP" coverage.
 - (d) In the event CIT remits payment to you of a Production Claim on Special Goods that were not resold prior to such Production Claim payment and a Client subsequently sells all or part of any Special Goods related thereto, such Client shall reimburse CIT from the proceeds of such sale, up to the amount of any payments made by CIT under the related Production Claim.
 - (6) (a) Our obligation to remit the Purchase Price to you for any Approved Receivable shall only apply to an Approved Receivable (i) which is free of any claims, offsets or liens whatsoever, unless such liens are subordinated and made junior to our interest in such Approved Receivable pursuant to an intercreditor agreement or similar agreement in form and substance satisfactory to us, **and** (ii) where the inventory and/or service has been received and accepted by the customer without return and without dispute or claim as to price, terms, quality, workmanship, breach of warranty, delivery, quantity or other offset, **and** (iii) where nonpayment by the customer on the longest maturity due date of such Approved Receivable is due solely to Credit Risk, **and** (iv) with respect to which a Request for Purchase is submitted to us within the Approved Receivables Submission Time Frame.
 - (b) If an Approved Receivable for which we have paid you the Purchase Price is later determined to have been unpaid by the customer on the longest maturity due date of such Approved Receivable for any reason other than solely as the result of Credit Risk, you agree to promptly repurchase such Approved Receivable from us for the Purchase Price (less any remittances we may have received in connection with such Approved Receivable).
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- (c) You further agree that in the event any merchandise in connection with an Approved Receivable is offered to be returned to you by the customer thereunder solely as the result of Credit Risk, and for which Approved Receivable we shall have already remitted to you the Purchase Price, or shall be obligated to remit to you, under this Agreement, then you shall promptly notify us in writing of such offer with all particulars and, upon our written approval to you of your acceptance of such offer of return, you may accept the return of such merchandise, provided such merchandise is returned to you free and clear of all liens and security interests. Any merchandise which you may receive in connection with such approval of return of merchandise under an Approved Receivable, solely as the result of Credit Risk, shall: (i) be and at all times be deemed to be our property; (ii) at our option, be promptly delivered by you to us at such place as we shall reasonably specify; or (iii) at our option, be retained by you for resale by you, employing your commercially reasonable efforts to obtain the best available price. In the event of resale of such returned merchandise to another customer as contemplated by the preceding sentence, (x) if we shall have already remitted the Purchase Price to you in accordance with this Agreement for such Approved Receivable, then all proceeds of such resale shall be paid to us or be promptly turned over to us, or (y) if we shall not have so remitted to you the Purchase Price for such Approved Receivable but shall be obligated to remit the Purchase Price to you for such Approved Receivable under this Agreement, then all proceeds of such resale shall be paid to you or be promptly turned over to you, and the difference (if any) between the invoice amount of such Approved Receivable and the proceeds of such resale shall be owing by us to you and promptly remitted by us to you upon the consummation of, and your receipt of the proceeds of, such resale.
- (d) After our payment to you for any Approved Receivable, any and all checks, cash, notes or other instruments or property received by you with respect to such Approved Receivable shall be held by you in trust for us, separate from your own property and funds, and promptly turned over to us.
- (e) Except to the extent that we have the Credit Risk for an Approved Receivable, as herein specifically set forth, we shall have no other liability whatsoever under this Agreement, whether in connection with the customer, any Receivables or otherwise, including any liability associated with preference claims or other disgorgement actions alleged in any bankruptcy, insolvency, assignment for the benefit of creditors, arrangement, reorganization, receivership or similar proceeding commenced by or against the customer under any local, state or federal law, rule or regulation of any applicable foreign or domestic jurisdiction.
- (f) For Production Claims made pursuant to Paragraph F(2)(e), all of the terms of this Paragraph F(6) shall apply to Production Claims and you shall comply with all of the provisions of this Paragraph F(6), as may be applicable to a Production Claim.
- (7) In the event that an Approved Receivable were to become the subject of a dispute or claim as to price, terms, quality, workmanship, breach of warranty, delivery, quantity or other offset, such dispute would release us from any Credit Risk whatsoever on such Approved Receivable if such dispute is not resolved by you within a commercially reasonable period of time given the nature of the dispute.
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- (8) If moneys are due and owing from a customer for both Approved Receivables and non-Approved Receivables, you agree that any payments or recoveries received on such Receivables may be applied first to reduce our liability to you on any Approved Receivables. In the event we are required to institute suit to collect any delinquent Receivable, you agree to cooperate fully with us and our counsel in prosecuting same.
- (9) The Client Representative, for itself and on behalf of all of the Clients, and we, may terminate this Agreement (i) as of the initial Anniversary Date (hereinafter defined) and (ii) anytime thereafter, in each case by giving the other party at least sixty (60) days' prior written notice of termination. "Anniversary Date" means, initially, the last day of the month occurring one (1) year from the date hereof, and the same date in each year thereafter. The effective date of termination of this Agreement, as more fully set forth in this Paragraph, is herein the "Effective Termination Date". This Agreement continues uninterrupted unless terminated as herein provided. Notwithstanding the preceding sentences of this Paragraph, we may terminate this Agreement immediately upon the occurrence of any of the following events: (a) cessation of your business or the calling of a meeting of your creditors; (b) your failure to meet your debts generally as they mature; (c) the commencement by or against you of any bankruptcy, insolvency, arrangement, reorganization, receivership, or similar proceeding under any foreign, federal or state law; (d) a material breach by you of any representation, warranty, or covenant contained herein; or (e) your failure to pay when due any indebtedness or obligation owing by you to us whether under this Agreement or any other agreement to which you and we are parties. We may also terminate this Agreement immediately in the event that we shall reasonably determine that: (x) any material provision of this Agreement is not enforceable under applicable law; (y) the performance of this Agreement would require any filing with, or consent or approval by, any governmental authority; or (z) this Agreement and/or the performance thereof becomes the subject of any proceeding instituted by any governmental authority. Any termination of this Agreement, however, shall not affect obligations of you or us incurred hereunder prior to the Effective Termination Date including, without limitation, our obligation to pay a Production Claim and/or the Purchase Price for undisputed and unpaid Approved Receivables arising prior to the Effective Termination Date and with respect to which a Request for Purchase is submitted to us within the Approved Receivables Submission Time Frame (provided that our assumption of Credit Risk hereunder shall additionally cease upon your failure to pay our fees when due or to deliver to us the information required by this Agreement).
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- (10) You agree to pay all out-of-pocket costs and expenses incurred by us in connection with or in any way related to: (i) this Agreement, the other CARPA Documents and any and all other agreements and arrangements between us, (ii) the preparation, execution, administration and enforcement of this Agreement, the other CARPA Documents and any and all other agreements and arrangements between us, any modification, waiver, release or amendment relating hereto or thereto, including all reasonable fees and expenses attributable to the services of our attorneys (including attorneys' fees and expenses incurred post-judgment), (iii) search fees and public record filing fees, and (iv) any claims or liabilities asserted against us relating to this Agreement. Furthermore, you agree to pay to us our fees set forth herein, including fees for: (a) special reports prepared by us at your request (fee varies with nature of report), (b) wire transfers (incoming domestic - **waived**; incoming foreign - **waived**; outgoing - \$35.00 per transfer), (c) handling change of terms requests relating to Approved Receivables (**waived**), and (d) your usage of our on-line computer services (**waived**). Beginning on the first of the month six months from the date hereof, you also agree to pay us our fees for each new customer set-up on our customer accounts receivable data base (**waived**) and each new customer relationship established for you (**waived**). All such fees will be charged to you when incurred. We may change our fees from time to time upon notice to you; however, any failure to give you such notice does not constitute a breach of this Agreement and does not impair our ability to institute any such change. You hereby indemnify us and hold us harmless from any costs, liabilities and expenses related to this Agreement. The foregoing indemnity shall survive any termination of this Agreement.
- (11) We shall make available to you certain reports reflecting Approved Receivables, charges and other financial transactions between us during the applicable period ("Reports"). The Reports shall be deemed correct and binding upon you and shall constitute an account stated between us unless we receive your written statement of exceptions within thirty (30) days after same are made available to you.
- (12) The Client Service Guide, as supplemented and amended from time to time (the "Guide") has been furnished to you or is being furnished to you concurrently with the signing of this Agreement, and by your signature below you acknowledge receipt thereof. The Guide provides information on credit approval processes and accounting procedures. The procedures for Electronic Batch Transmission are covered in supplemental instructions to the Guide. You further acknowledge, understand and agree that the Guide supplements the requirements of this Agreement and that you shall comply with, and be bound by, the Guide. All information and exhibits contained in the Guide, on any screen accessed by you, and on any print-outs, reports, statements or notices received by you are, and will be, our exclusive property and are not to be disclosed to, or used by, anyone other than you, your employees or your professional advisors, in whole or in part, unless we have consented in writing.
- (13) You further represent or covenant, as the case may be, that you: (a) are familiar with all applicable laws, regulations, orders, etc. in effect from time to time relating to anti-money laundering and terrorism ("Anti-Terrorism Laws") of the United States of America, including the USA Patriot Act; (b) acknowledge that your transactions are subject to applicable Anti-Terrorism Laws; (c) will comply in all material respects with all applicable Anti-Terrorism Laws, including, if appropriate, the USA Patriot Act; (d) acknowledge that our performance hereunder is also subject to our compliance with all applicable Anti-Terrorism Laws, including the USA Patriot Act; (e) acknowledge that we will not conduct business with any Blocked Person and we will not knowingly purchase any Account due from a Blocked Person; (f) will provide to us all such information about your ownership, officers, directors, business structure and, to the extent not prohibited by applicable law or agreement, customers, as we may reasonably require; and (g) will take such other action as we may reasonably request in connection with our obligations described in clause (d) above. "Blocked Person" means: (i) any person listed in the annex to Executive Order 13224, (ii) any person owned or controlled by, or acting for or on behalf of, any person listed in the annex to Executive Order 13224, (iii) any person with which we are prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (iv) any person that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order 13224, (v) a person that is named a "specially designated national" or "blocked person" on the most current list published by OFAC or other similar list, (vi) a person that is named a "denied person" on the most current list published by the U.S. Commerce Department, or (vii) (A) an agency of the government of a Sanctioned Country, (B) an organization controlled by a Sanctioned Country, or (C) a person resident in a Sanctioned Country to the extent subject to a sanctions program administered by OFAC. "Sanctioned Country" means any country subject to the sanctions program identified on the most current list maintained by OFAC.
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- (14) To help the U.S. government fight the funding of terrorism and money laundering activities, U.S. federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity opening an account or establishing a credit relationship with the financial institution. This requirement applies to us. What this means for you is that we will ask for information about you, including your name, tax identification number, address and documents evidencing legal incorporation, formation or existence. We may also request information about your owners, directors and executive officers. If guarantors are involved, we will ask for the name, address, date of birth, and other information that will allow us to identify personal guarantors and the name, taxpayer identification number and address for corporate guarantors. We may also ask to see a driver's license or other identifying documents for personal guarantors and documents evidencing legal incorporation, formation or existence for corporate guarantors.
- (15) Each party acknowledges that all information from time to time provided by one party (the "Disclosing Party") to the other party (the "Receiving Party") under or in connection with this Agreement through any means (such information, "Relevant Information") is the Disclosing Party's property and is considered to be proprietary and confidential. Each party therefore hereby covenants and agrees that it shall not at any time disclose or reveal to any person in any manner or form, directly or indirectly, any Relevant Information, all of which shall be kept strictly confidential by Receiving Party, unless and to the extent any disclosure: (i) is required by applicable law, any governmental authority having jurisdiction over the Receiving Party or compulsory legal process, (ii) is made with the Disclosing Party's prior written consent or (iii) is made to the Receiving Party's officers, directors, employees or advisors who are subject to a duty or agreement of confidentiality to the Receiving Party. The Receiving Party's obligation of confidentiality shall include, without limitation, all information and communications in connection with this facility, whether pertaining to our credit decisions including our acceptance, declining, modifying, withdrawing and/or restricting of Credit Risk, our fees, charges or surcharges, the specific business arrangements between the parties or otherwise. Each party further agrees to take all steps reasonably necessary to prevent any of the above described confidential information of a Disclosing Party from falling into the possession of unauthorized persons, except as permitted above which situations are deemed to be authorized disclosure of confidential information and which recipients thereof are deemed to be authorized persons. Each party shall indemnify the Disclosing Party for, and hold such Disclosing Party harmless against, any loss, liability, claim or expense of any kind (including reasonable and documented out-of-pocket attorneys' fees and disbursements) arising from the Receiving Party's failure to comply with the foregoing provisions. The foregoing indemnity shall survive any termination of this Agreement. In no event, however, shall either party be held liable to the other for any punitive, consequential, special or indirect damages.
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- (16) **TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU AND WE HEREBY IRREVOCABLY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT. THE VALIDITY, INTERPRETATION AND ENFORCEMENT OF THIS AGREEMENT SHALL BE DETERMINED AND GOVERNED BY THE LAWS OF THE STATE OF NORTH CAROLINA.**

YOU AND WE (A) SUBMIT TO THE EXCLUSIVE PERSONAL JURISDICTION IN THE STATE OF NORTH CAROLINA, THE COURTS THEREOF AND THE UNITED STATES DISTRICT COURTS SITTING THEREIN, FOR THE ENFORCEMENT OF THIS AGREEMENT AND (B) WAIVE ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY JURISDICTION TO OBJECT ON ANY BASIS (INCLUDING, WITHOUT LIMITATION, INCONVENIENCE OF FORUM) TO JURISDICTION OR VENUE WITHIN THE STATE OF NORTH CAROLINA FOR THE PURPOSE OF LITIGATION TO ENFORCE THIS AGREEMENT. NOTHING HEREIN CONTAINED, HOWEVER, SHALL PREVENT US FROM BRINGING ANY ACTION OR EXERCISING ANY RIGHTS AGAINST ANY SECURITY AND AGAINST YOU PERSONALLY, AND AGAINST ANY OF YOUR ASSETS, WITHIN ANY OTHER STATE OR JURISDICTION.

- (17) Except as provided immediately below, this Agreement and all agreements, documents or instruments executed in connection with this Agreement (collectively, "CARPA Documents") can be changed only by a writing signed by both of us. Notwithstanding the foregoing, you authorize us as we in our reasonable discretion may choose to correct in good faith clerical errors and/or complete blanks in the CARPA Documents, including, without limitation, dating the CARPA Documents, without obtaining a writing signed by both of us or further authorization from you and without providing notice to you. This Agreement binds and benefits each of us and our respective successors and assigns; *provided, however*, that you may not assign this Agreement or your rights hereunder without our prior written consent. You agree that we may, without notifying you, sell, assign or transfer our rights and obligations under this Agreement, including, without limitation, our rights and obligations with respect to the Approved Receivables. Either party's failure or delay to exercise any right or remedy hereunder shall not constitute a waiver thereof, nor bar the party from exercising any of their rights or remedies hereunder at any time, nor shall any course of dealing between you and us change or modify this Agreement. This Agreement will become effective as of the date set forth on the first page hereof but only after this Agreement shall have been accepted by one of our officers in North Carolina, after which we shall forward to you a fully executed copy for your records.
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- (18) Each of the CARPA Documents may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of any CARPA Document by facsimile or by electronic transmission in “pdf” or other imaging format shall be equally as effective as delivery of an original executed counterpart of such CARPA Document.
- (19) You agree that by providing us with a telephone number for a cellular phone or other wireless device, you are expressly consenting to receive communications from us and our assigns, affiliates, and/or agents to you at that number, including, but not limited to, prerecorded or artificial voice messages, text messages, and calls made by automatic telephone dialing systems. This express consent applies to each such telephone number that you provide us now or in the future and permits such calls regardless of their purpose. These calls and messages may incur access fees from your cellular provider.
- (20) JOINT ADMINISTRATION/SPECIAL PROVISIONS REGARDING MULTIPLE CLIENTS
- (a) The Client Representative shall act under this Agreement as the representative of each of Client, and each of you hereby appoint and authorize the Client Representative to serve as your representative hereunder, for all purposes, including, without being limited to, receiving account statements and other notices and communications to any of you from us. In connection with the joint administration of this Agreement, each of you expects to derive benefit, directly or indirectly, from this Agreement, since the successful operation of each of your operations is dependent on the continued successful performance of the functions of the integrated group. Without limiting the foregoing, however, in addition to actions taken by the Client Representative hereunder, any action taken by any Client under this Agreement or under any other CARPA Documents, including without limitation any action of your respective officers, authorized employees or agents, shall also be deemed to be properly authorized by each of you and shall additionally constitute an action that is valid, binding and enforceable for all purposes of this Agreement against each of you. We shall keep separate accounts in each Client name and we shall be entitled to rely upon your respective instructions and/or the instructions of the Client Representative with respect to these accounts. It is, however, expressly understood and agreed that the separate accounts are merely for your respective bookkeeping convenience. All of the accounts carried on our books for any of you are subject to clause 20(c) below, as well as all other terms of this Agreement. You hereby additionally confirm that the foregoing arrangement shall have no effect on the joint and several character of your liability for the indebtedness and obligations.
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- (b) The arrangement set forth in this Paragraph 20 shall also apply to all amendments, riders and supplements of this Agreement, including without limitation, the Credit Line Letter Agreement, unless otherwise set forth therein, and the Client Representative shall act as the representative of each of you under such amendments, riders and supplements, and each of you hereby appoint and authorize the Client Representative to serve as your representative thereunder for all purposes. You hereby confirm that your business is a mutual and collective enterprise, and that the consolidation of all accommodations under the Agreement and all amendments, riders and supplements thereto will ease the administration of your relationship with us, all to your mutual advantage. Our willingness to provide such factoring and credit approval services to you on a combined basis under the Agreement and all amendments, riders and supplements thereto is done solely as an accommodation to you and at your request and in furtherance of your mutual and collective enterprise.
- (c) The indebtedness and obligations under this Agreement shall constitute the joint and several, direct and general obligation of each of you, including without limitation, for any commissions, fees, costs and expenses, under this Agreement. Furthermore, any collateral security now or hereafter given to us by any of you shall secure all indebtedness and obligations, on a collective basis, and shall be deemed to be pledged as security for any and all indebtedness and obligations of any and all of you to us. Notwithstanding anything to the contrary contained herein, you shall each be jointly and severally liable to us for all indebtedness and obligations and shall have the obligations of a co-maker with respect to the any indebtedness and obligations, it being agreed that all of our dealings with the Client Representative as herein set forth inure hereunder to the benefits of each of you, and that we are relying on the joint and several liability of each of you as co-makers in respect of the indebtedness and obligations.
- (d) Your joint and several liability shall not be impaired or affected by any modification, supplement, extension or amendment or any contract or agreement to which any of you may hereafter agree (other than an agreement signed by us specially releasing such liability), nor by any deal, extension of time, renewal, compromise or other indulgence granted by us with respect to any of the indebtedness and obligations, nor by any other agreements or arrangements whatsoever with any of you or with anyone else, each of you hereby waiving all notice of such delay, extension, release, substitution, renewal, compromise or other indulgence, and hereby consenting to be bound thereby as fully and effectually as if it had expressly agreed thereto in advance. Your liability is direct and unconditional as to all of the indebtedness and obligations, and may be enforced without requiring us first to resort to any other right, remedy or security. You hereby expressly waive promptness, diligence, notice of acceptance and any other notice with respect to any of the indebtedness and obligations and/or this Agreement (other than notices expressly required in this Agreement) and any requirement that we protect, secure, perfect or insure any lien or any property subject thereto or exhaust any right or take any action against any of you or any collateral.
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- (21) Except as otherwise expressly provided in this Agreement, any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered (i) upon receipt if deposited in the United States mails, first class mail, with proper postage prepaid, (ii) upon receipt of telephonic or written confirmation of receipt if sent via facsimile or e-mail transmission, (iii) one (1) business day after deposit with a reputable overnight courier with all charges prepaid, or (iv) when delivered, if hand-delivered by messenger, all of which shall be properly addressed to the party to be notified and sent to the address or number indicated as follows (and as may be modified by either party from time to time by written notice received by the other):

If to Client Representative:

Steven Madden, Ltd.
52-16 Barnett Avenue
Long Island City, New York 11104
Attn:
Phone:

If to CIT:

The CIT Group/Commercial Services, Inc.
11 West 42nd Street
New York, New York 10036
Attention: Account Manager – Steven Madden
Phone:

- (22) This accepted Agreement and each Annex attached hereto and made part hereof contain the entire agreement between you and us. There are no verbal agreements between you and us concerning this Agreement or the subject matter hereof.

Signature Page Follows on Next Page

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

This Agreement will take effect as of the date set forth above but only after being accepted below by one of our officers in New York, New York, after which we shall forward a fully executed copy to you for your files

THE CIT GROUP/COMMERCIAL SERVICES, INC.

By: /s/ Amna Mahmood

Name: Amna Mahmood

Title: Managing Director

STEVEN MADDEN, LTD.

By: /s/ Edward R. Rosenfeld

Name: Edward R. Rosenfeld

Title: Chief Executive Officer

**THE TOPLINE CORPORATION
REPORT FOOTWEAR, INC.
ADESSO-MADDEN, INC.
DANIEL M. FRIEDMAN & ASSOCIATES, INC.
CEJON ACCESSORIES, INC.
DOLCE VITA FOOTWEAR, INC.**

By: /s/ Zine Mazouzi

Name: Zine Mazouzi

Title: Treasurer

Accepted at Charlotte, North Carolina:

THE CIT GROUP/COMMERCIAL SERVICES, INC.

By: /s/ Michael Hudgens

Name: Michael Hudgens

Title: Managing Director, Group Head

[Signature page to Deferred Purchase CARPA]

SCHEDULE OF CLIENTS

The Topline Corporation is a duly organized and validly existing corporation under the laws of the State of Washington and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in your articles of organization or incorporation or bylaws (or any amendments thereto) or in any of your contracts or indentures restricting your compliance with, or your undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of your stockholders or of any other person, firm, entity or corporation other than your board of directors (except such consents as have already been obtained).

Report Footwear, Inc. is a duly organized and validly existing corporation under the laws of the State of Washington and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in your articles of organization or incorporation or bylaws (or any amendments thereto) or in any of your contracts or indentures restricting your compliance with, or your undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of your stockholders or of any other person, firm, entity or corporation other than your board of directors (except such consents as have already been obtained).

Adesso-Madden, Inc. is a duly organized and validly existing corporation under the laws of the State of New York and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in your articles of organization or incorporation or bylaws (or any amendments thereto) or in any of your contracts or indentures restricting your compliance with, or your undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of your stockholders or of any other person, firm, entity or corporation other than your board of directors (except such consents as have already been obtained).

Daniel M. Friedman & Associates, Inc. is a duly organized and validly existing corporation under the laws of the State of New York and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in your articles of organization or incorporation or bylaws (or any amendments thereto) or in any of your contracts or indentures restricting your compliance with, or your undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of your stockholders or of any other person, firm, entity or corporation other than your board of directors (except such consents as have already been obtained).

Cejon Accessories, Inc. is a duly organized and validly existing corporation under the laws of the State of New York and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in your articles of organization or incorporation or bylaws (or any amendments thereto) or in any of your contracts or indentures restricting your compliance with, or your undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of your stockholders or of any other person, firm, entity or corporation other than your board of directors (except such consents as have already been obtained).

Dolce Vita Footwear, Inc. is a duly organized and validly existing corporation under the laws of the State of Washington and is duly qualified to transact business in, and is in good standing in, all states where required; there are no provisions in your articles of organization or incorporation or bylaws (or any amendments thereto) or in any of your contracts or indentures restricting your compliance with, or your undertaking the acts contemplated by, this Agreement, or requiring the consent or authorization of your stockholders or of any other person, firm, entity or corporation other than your board of directors (except such consents as have already been obtained).

[Schedule of Clients]

ANNEX A
TO CREDIT APPROVED RECEIVABLES PURCHASING AGREEMENT
REQUEST FOR PURCHASE OF APPROVED RECEIVABLE(S)

To: The CIT Group/Commercial Services, Inc.

Date: _____

Your purchase of the outstanding, undisputed and past due Approved Receivable(s) account of [INSERT NAME AND ADDRESS OF CUSTOMER] (the "Customer") for the Purchase Price of \$_____ is hereby requested pursuant to the terms of the Credit Approved Receivables Purchasing Agreement (the "Agreement"). Capitalized terms used and not otherwise defined herein shall have the same meanings given in the Agreement.

Your obligation to pay us the Purchase Price for such Approved Receivable(s) arises under your credit approval dated _____ in the amount of \$_____.

As evidence of each past due Approved Receivable, enclosed are:

- A. Two [One] copies[copy] of the outstanding invoice and any credit memos;
- B. A notarized statement of the Customer's account;
- C. One copy of all correspondence to and from the Customer;
- D. One copy of our complete collection file on the Customer;
- E. All guaranties, collateral documents, and security agreements relative thereto;
- F. Proof of delivery to and/or acceptance by Customer;
- G. Copy of Customer's purchase order and/or our signed confirmation thereof; and
- H. Complete schedule of all Returns, if any, and relevant information regarding such Returns relative thereto.
- I. Supporting documentation regarding the loss incurred pursuant to Paragraph F(2)(e) of the Agreement, including but not limited to, copies of purchase orders, satisfactory evidence that the Special Goods were actually in production, satisfactory evidence that materials directly related to the Special Goods were actually purchased and paid for or were ordered and you are obligated to pay for such materials, satisfactory evidence of all other costs incurred related to the Special Goods including labor and production costs up through the date of the line withdraw and satisfactory evidence of all efforts to mitigate the loss.

We certify that: (i) the above information and enclosures are true and correct ; (ii) our Customer (account debtor) named in the invoice(s) is indebted to us in the amount of the Purchase Price and is not entitled to credits or counterclaims except as reflected in the amount demanded by us above; (iii) each Approved Receivable of the Customer for which we hereby request payment from you under the Agreement is free of any claim, offset or lien whatsoever, unless any such lien is subordinated and made junior to your interest in each such Approved Receivable pursuant to an intercreditor agreement or similar agreement in form and substance satisfactory to you; (iv) nonpayment by the Customer of the Approved Receivable on the longest maturity due date of such Approved Receivable for which we hereby request payment from you under the Agreement is due solely to Credit Risk; (v) we have delivered to you those UCC releases and financing statements as you shall have requested to effect the purchase requested hereby; and (vi) all of our representations and warranties in the Agreement are true and correct.

Concurrently and automatically with the purchase of each Approved Receivable as herein provided (a "Purchased Receivable"), (a) we hereby sell and assign absolute ownership in and to each Purchased Receivable and hereby grant to you a first priority security interest in the Purchased Receivable and collateral related to each Purchased Receivable; (b) authorize you to file financing statements, and all amendments and continuations with respect thereto, all in order to create, perfect or maintain a security interest in the Purchased Receivables, and (c) ratify and confirm any and all financing statements, amendments and continuations with respect thereto heretofore and hereafter filed by you pursuant to the authorization granted in the Agreement.

STEVEN MADDEN, LTD.
[list relevant client name]

By: _____
Name: _____
Title: _____

ANNEX B
REMITTANCE INSTRUCTIONS
TO
THE CIT GROUP/COMMERCIAL SERVICES, INC.
