

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

In re:

SAKS GLOBAL ENTERPRISES LLC, *et al.*,
Debtors.¹

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Chapter 11

Case No. 26-90103 (ARP)

**OBJECTION TO THE GLOBAL DEBTORS’ EMERGENCY
MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS
(I) AUTHORIZING THE GLOBAL DEBTORS TO OBTAIN POSTPETITION
FINANCING, (II) GRANTING LIENS AND PROVIDING SUPERPRIORITY
ADMINISTRATIVE EXPENSE CLAIMS, (III) AUTHORIZING THE USE
CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION TO THE
PREPETITION SECURED PARTIES, (V) MODIFYING THE AUTOMATIC STAY,
(VI) SCHEDULING A FINAL HEARING, AND (VII) GRANTING RELATED RELIEF**

Axonic Coinvest II, LP, a Delaware limited partnership (“Axonic”) by and through its undersigned counsel, Sidley Austin LLP, hereby submits this objection (the “Objection”) to the *Global Debtors’ Emergency Motion For Entry of Interim and Final Orders (I) Authorizing the Global Debtors to Obtain Postpetition Financing, (II) Granting Liens and Providing Superpriority Administrative Expense Claims, (III) Authorizing the Use Cash Collateral, (IV) Granting Adequate Protection to the Prepetition Secured Parties, (V) Modifying the Automatic Stay, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* [Docket No. 49] (the “DIP Motion”).² In support of this Objection, Axonic respectfully states as follows:

¹ The debtors in these chapter 11 cases are as follows: Saks OFF 5TH Holdings LLC, Saks OFF 5TH LLC, Saks OFF 5TH Midco Partner Inc., and Luxury Outlets USA, LLC (collectively, the “SO5 Digital Debtors”) and the remaining debtors (collectively, the “Global Debtors”).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the DIP Motion.

PRELIMINARY STATEMENT

1. This Objection is narrowly focused.

2. Axonic is a secured creditor.³ The primary asset securing Axonic's rights under the Axonic Transaction Documents (as defined below) is Debtor Saks Fifth Avenue Holdco II's ("SFAH II") equity interests in Debtor 12 East 49th Street LLC ("12 East 49th Street"). 12 East 49th Street holds the ground lease for Saks Fifth Avenue's flagship store in New York City (the "Ground Lease").

3. Axonic does not object to the Global Debtors' proposed debtor-in-possession financing generally, nor does it seek to impede access to liquidity necessary to fund operations during these chapter 11 cases. Rather, Axonic objects solely to a discrete aspect of the proposed DIP Financing—namely, the granting of liens to the DIP Lenders at, or priming liens in the equity of, 12 East 49th Street, a bankruptcy-remote, special purpose entity where the DIP Lenders (as prepetition lenders) previously held no prepetition claims or liens.⁴

4. Priming liens under section 364(d) of the Bankruptcy Code are "the most drastic" form of postpetition financing and are allowed only in the **rare case** where the debtor demonstrates a compelling and *unavoidable need*. Courts consistently recognize that priming liens under section 364(d) constitute extraordinary relief that displaces bargained-for lien rights and therefore must be subjected to heightened scrutiny and approved only as a last resort.

³ The Global Debtors acknowledge Axonic's secured position in their First Day Declaration. The Global Debtors also contend that Axonic was subject to a forbearance and that Axonic's exercise of its rights under the Axonic Transaction Documents (as defined below) was null and void. Not so. Axonic reserves all rights in this regard, but in particular notes that pursuant to a prenegotiation agreement the Global Debtors signed on December 10, 2025, Axonic's participation in discussions or communications did not constitute a waiver or forbearance, none of Axonic's rights were modified absent a written agreement executed by all applicable parties (which did not exist), and (iii) emails and other communications did not create a binding agreement or limitation on any of Axonic's rights.

⁴ Axonic reserves the right to challenge the validity of the DIP Financing on the basis that 12 East 49th Street was not authorized under its governing documents to guarantee such debt.

5. It is unclear whether the Global Debtors seek to prime Axonic's collateral—namely 100% of SFAH II's interests in 12 East 49th Street—to which Axonic does not consent. The DIP facility would be subject to “Prior Permitted Liens” which presumably, though not explicitly, includes Axonic's lien in the Collateral (as defined below). If this is the case, Axonic's objection would be limited to the non-consensual priming proposed by the DIP Motion with respect to the first position granted to the DIP “Carve-Out” – which Axonic submits cannot be granted a first right over Axonic's objection. Further, the Global Debtors seek to grant the DIP Lenders liens on the assets of 12 East 49th Street, which impermissibly non-consensually structurally primes Axonic's interests in the Collateral.

6. The Court should not allow the DIP lenders to non-consensually prime Axonic's secured position or be granted liens on the assets of 12 East 49th Street, especially not before Axonic has had a meaningful opportunity to test valuation assumptions, budgets, and the feasibility of alternative financing structures. This is especially so given that there are serious questions around the propriety of 12 East 49th Street even being a Debtor in these chapter 11 cases, let alone a guarantor on a billion-dollar DIP. And, given credible news reporting suggests the Global Debtors had multiple DIP Financing proposals available to them and, yet, the Global Debtors chose to pursue a priming DIP facility. And, given that Axonic has had mere *hours* to review the proposed DIP Financing terms notwithstanding months of consensual negotiations and constructive actions on the part of Axonic, including multiple requests for additional information regarding the proposed DIP facility and attempts to reach a negotiated resolution in advance of these chapter 11 cases.

7. Accordingly, Axonic submits that the DIP Motion should be denied unless the Global Debtors amend the DIP Facility to omit the Collateral and the assets of 12 E 49th Street

from the collateral package securing the DIP Liens. Alternatively, Axonic must be provided with adequate protection, which could include substitute collateral of an equal value to the value of an unencumbered 12 E 49th Street or an escrow for Axonic's benefit of DIP proceeds sufficient to satisfy Axonic's claims under the Axonic Transaction Documents.⁵ Axonic is also entitled to current payment of its fees and expenses pursuant to Bankruptcy Code section 506(b).⁶

RELEVANT BACKGROUND

A. The Global Debtors' Obligations to Axonic

8. In March 2021, Axonic's predecessor in interest and its affiliate entered into a series of transactions pursuant to which (a) Axonic became the "Controlling Class Certificate Holder" with respect to series of commercial mortgage-backed securities (the "Retained Bonds") issued by Hudson's Bay Simon JV Trust 2015-HBS, a joint venture between Debtor Saks Global Enterprises ("SGE") and Simon Property Group and (b) Axonic was granted the right to put the Retained Bonds to SGE and/or SFAH II at a specified purchase price (such agreements as amended from time to time, the "Put Agreements" and the rights of Axonic thereunder, the "Put Rights").⁷

⁵ Axonic provides these potential remedies without prejudice to seeking alternative or additional forms of relief. For the avoidance of doubt, neither the filing of this objection nor any participation by Axonic in the bankruptcy proceedings shall be construed as an admission, waiver, consent, election of remedies, or agreement to seek relief solely under section 362(d) of the Bankruptcy Code. The Axonic Transaction Documents constitute, individually or collectively, a "securities contract" as defined under section 741(7) of the Bankruptcy Code, and Axonic reserves the right to contend that any exercise of rights thereunder or in connection therewith constitutes a protected safe-harbor action not subject to the automatic stay. To the extent any provision of the DIP Facility or related orders purports to stay, condition, or otherwise impair the exercise of rights preserved by the "securities contract" safe harbors (including, without limitation, under section 555 of the Bankruptcy Code) or any other applicable safe harbor provision, Axonic reserves the right to challenge such provision as unenforceable and contrary to the express terms and purpose of the Bankruptcy Code's securities contract safe harbors.

⁶ The SFAH II Pledge (as defined below) secures SFAH II's obligation to pay and indemnify Axonic for all reasonable out-of-pocket fees and expenses of counsel incurred through negotiating, executing, amending, modifying, enforcement of rights, or restructuring any of the Axonic Transaction Documents. *See* Amended and Restated Guaranty, dated as of March 28, 2021 (as amended or restated, the "HBC Guaranty").

⁷ Specifically, the Put Agreements consist of (i) that certain Amended and Restated Conditional Bond Purchase Agreement between Axonic and SFAH made on the 18th day of March, 2021, as subsequently amended and/or restated, and (ii) that certain Amended and Restated Conditional Bond Purchase Agreement between Axonic and SGE made on the 18th day of March, 2021, as subsequently amended and/or restated.

Axonic's Put Rights were subject to a related suite of guaranty,⁸ pledge,⁹ and security documents (collectively, the "Axonic Transaction Documents") granted by, among others, SGE and SFAH II.¹⁰

9. Most relevantly, the obligations of SFAH II under the Axonic Transaction Documents are secured by a pledge of 100% of the LLC interests held by SFAH II in 12 East 49th Street LLC (the entity holding ground lease for the Global Debtors' flagship Saks Fifth Avenue store in New York City) (the "Collateral") pursuant to the SFAH II Pledge Agreement (the "SFAH II Pledge").

10. Over the years, the Axonic Transaction Documents were amended several times, most recently in August and October of 2025 to extend the earliest date on which Axonic could exercise the Put Right. The Put Right became exercisable on October 31, 2025. Axonic negotiated in good faith with respect to an extension of the date by which the Put Right would be exercisable, but negotiations broke down at the end of December 2025. At no time did Axonic waive the exercise of any rights or remedies, and contrary to the Global Debtors' contention, there was never

⁸ The Axonic Transaction Documents were guaranteed by the following Global Debtors and/or debtor-affiliates: SGE, SFAH II, HBC I L.P. (f/k/a HBC L.P.), SFA Holdings Inc. (f/k/a Saks Incorporated), and Axonic SASB I, LP.

⁹ The Collateral (as defined below) was granted under that certain Amended and Restated Pledge Agreement between SFAH II and Axonic's predecessor in interest, dated as of March 18, 2021 (as subsequently amended or restated, the "SFAH II Pledge Agreement").

¹⁰ In addition, under a certain Investment Structuring Agreement (as amended or restated, the "ISA"), SGE, SFAH II, and certain of their affiliates were required to, among other things, pay to an affiliate of Axonic: (i) \$1.5 million per annum, (ii) ongoing operating expenses of Axonic SASB I, LP, (iii) a "true-up amount", if a Retained Bond was retired, and (iv) a success fee of approximately \$17 million upon the retirement of all bonds issued under the trusts with respect to the Retained Bonds.

a binding agreement between the parties that Axonic would forbear from exercising the Put Right.¹¹

11. On January 7, 2026, Axonic exercised the Put Right by designating certain of the Retained Bonds to be purchased by SGE and SFAH II, as applicable, in the aggregate amount of \$62,721,391.24 by January 9, 2026. To date, SGE and SFAH II have not complied with their obligations to purchase the Retained Bonds designated by Axonic under the Put Agreements. Accordingly, SGE and SFAH II are in default under the Put Agreements and an Enforcement Event (as defined in the SFAH II Pledge Agreement) has occurred and is continuing under Section 4.3 of the SFAH II Pledge Agreement. SFAH II Pledge Agreement § 4.3.

B. The Ground Lease and Related Documents

12. On December 3, 2014, Saks Flagship Real Property LLC, as landlord, and 12 East 49th Street, as tenant, entered into the Ground Lease for the Global Debtors' flagship store in New York City located at 611 5th Avenue (the "Property").

13. The value of 12 East 49th Street, and the equity thereof, is inextricably tied to the Ground Lease's terms, economics, and assignability. The Ground Lease creates value to the Collateral through present future subleasehold cash flows, revisionary or assignable value, and strategic value of control over the leasehold estate. Granting a security interest to the DIP Lenders in 12 East 49th Street or the Ground Lease would erode the value of the Collateral.

¹¹ See Pre-Negotiation Agreement, dated as of December 10, 2025, by and among SGE, SFAH II, SFA Holdings Inc. (f/k/a Saks Incorporated) ("SFAH"), HBC I L.P. (f/k/a HBC L.P.) ("HBC I"), Axonic SASB I, LP ("SASB"), and, together with SGE, SFAH II, SFAH and HBC I, the "Saks Entities"), and the Axonic Entities (the "PNA"), which provides, among other things, that (i) participation in discussions or communications does not constitute a waiver or forbearance, (ii) no rights are modified absent a written agreement executed by all applicable parties, and (iii) emails and other communications cannot create a binding agreement or limitation on any Rights (as defined in the PNA). Further, even if correspondence between principals of Axonic and the Saks Entities were to constitute a binding agreement (which it did not, per the PNA), the conditions to any such forbearance were not met.

14. The Ground Lease includes an absolute right to quiet enjoyment by 12 East 49th Street under the Ground Lease, absent an event of default that gives a right to termination under the Ground Lease. Ground Lease § 21.

15. Contemporaneously with execution of the Ground Lease, 12 East 49th Street, Saks Flagship Real Property, and Saks & Company LLC entered into that certain Consent and Estoppel Certificate (the “Estoppel Certificate”) that made certain certifications and agreements for the benefit of Axonic. Under the Estoppel Certificate, 12 East 49th Street certified to Axonic that, so long as the obligations under the SFAH II Pledge Agreement are outstanding, 12 East 49th Street will not amend or modify the Ground Lease without written consent of Axonic. Estoppel Certificate ¶ 16. Further, Saks & Company certified that, so long as obligations under the SFAH II Pledge Agreement were outstanding, it would provide 1-year prior written notice to Axonic before seeking to terminate the operating lease in connection with the Property. *Id.*

16. Under that certain Amended and Restated Limited Liability Company Agreement of 12 East 49th Street (the “12 East 49th Street LLCA”), dated as of December 3, 2014, 12 East 49th Street is prohibited, so long as the Ground Lease remains active, from (i) assuming or guaranteeing “the debts of any other Person, holding itself out to be responsible for the debts of any other person, otherwise secur[ing] the obligations of any other Person or hold[ing] out its credit or assets as being available to satisfy the obligations of any other person or (ii) incurring “any debt, secured or unsecured, direct or contingent (*including guaranteeing any obligation*)” (emphasis added) other than as allowed under the Ground Lease.” 12 East 49th Street LLCA §§ 9(d)(iv)(G),

(K). Hence, 12 East 49th Street is prohibited from incurring, guaranteeing, or pledging its assets in support of any debt under any proposed DIP financing under the 12 East 49th Street LLCA.¹²

17. Additionally, 12 East 49th Street was prohibited from taking any action in furtherance of filing any insolvency, reorganization, or bankruptcy proceedings without the consent of SFAH II and both of 12 East 49th Street's appointed independent managers (the "Independent Managers"). 12 East 49th Street LLCA § 9(d)(iv)(P). The Independent Managers waived fiduciary duties to SFAH II under the 12 East 49th Street LLCA and are obligated to act without consideration for the interests of SFAH II or its affiliates, other than with respect to solely SFAH II's direct economic interests in 12 East 49th Street. 12 East 49th Street LLCA § 10. Furthermore, pursuant to the SFAH II Pledge Agreement, SFAH II agreed with Axonic that while "SFAH II shall have the right to exercise all voting rights or other rights relating to the Pledged Collateral for all purposes to the extent not explicitly prohibited hereunder. . . no vote or other right shall be exercised or action taken which would have the effect of materially impairing the rights of [Axonic] in respect of such Pledged Collateral as reasonably determined by [Axonic]". SFAH II Pledge Agreement § 3.4(a).¹³

¹² Minutes before the filing of this Objection, Axonic received a letter from the Debtors that appears to include an amended version of 12 East 49th Street LLCA. Axonic has not had any time to review this document and reserves all rights in this regard.

¹³ Axonic reserves the right to seek discovery on an expedited basis into, without limitation, breaches of the 12 East 49th Street LLCA and failure in performance of the Independent Managers.

18. Prior to the Petition Date, on information and belief, there were no claims or liens at 12 East 49th Street other than the Ground Lease.¹⁴ And there were no liens on the equity of 12 East 49th Street other than Axonic's Pledge.¹⁵

C. The Chapter 11 Cases and DIP Motion

19. On January 13 and 14, 2026 (the "Petition Date"), the Global Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court").

20. The Global Debtors continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

21. On the Petition Date (at approximately 10:36 am CT in advance of a 4:00 pm first day hearing), the Global Debtors filed the DIP Motion.

22. In connection with the proposed DIP Financing in the DIP Motion, the Global Debtors are proposing to grant to the DIP Lenders, (a) superpriority claims against each Global Debtor (including SFAH II and 12 East 49th Street), (b) first priority liens on the Global Debtors' unencumbered assets (which includes the Ground Lease and all other assets of 12 East 49th Street); and (c) priming liens on the collateral of certain prepetition secured parties.

ARGUMENT

¹⁴ Uniform Commercial Code lien searches performed for 12 East 49th Street are attached to this Objection as **Exhibit A**.

¹⁵ Uniform Commercial Code statements related to the Collateral under the SFAH II Pledge Agreement and the other Axonic Transaction Documents, as applicable, are attached to this Objection as **Exhibit B**.

I. The Debtors Have Not Satisfied the Requirements of Section 364 of the Bankruptcy Code With Respect to Axonic and Its Collateral.

A. DIP Financing Must Be Evaluated on a Debtor-by-Debtor Basis.

23. To obtain approval of secured financing, the Global Debtors must demonstrate that: (i) they were unable to obtain unsecured credit, (ii) the credit transaction is necessary to preserve the assets of the estate, and (iii) the terms of the transaction are fair and reasonable given the circumstances. *In re Futures Equity L.L.C.*, Nos. 00-33682-BJH-11, 00-34825-BJH-11, 00-34826-BJH-11, 2001 Bankr. LEXIS 2229, at *14 (Bankr. N.D. Tex. 2001) (citing *In re Crouse Group, Inc.*, 71 B.R. 544, 546 (Bankr. E.D. Pa. 1987)).

24. The need to establish the requirements of section 364 *on a debtor-by-debtor* basis is clear. Absent substantive consolidation, a separate bankruptcy estate is created for each debtor and the assets of one debtor cannot be used to satisfy the liabilities of another. *See, e.g., In re Tribune Co.*, 464 B.R. 126, 139 (Bankr. D. Del. 2011) (“In the absence of substantive consolidation, entity separation is fundamental.”) (citations omitted); *In re Xonics Photochemical, Inc.*, 841 F.2d 198, 201 (7th Cir. 1988) (“[T]here is no automatic piercing of the corporate veil in affiliation settings. The assets of affiliated corporations are not treated as a common pool available to the creditors of each affiliate”) (citations omitted); *see also In re MolyCorp, Inc., et al.*, Case No. 15-11357 (CSS) (Bankr. D. Del. 2015) [Docket No. 130] (limiting interim relief in acknowledgment of issues related to lack of corporate separateness in DIP facility analysis).

25. However, the proposed DIP financing does just this – ignores corporate separateness, transfers value from 12 East 49th Street to the other Global Debtors, and improperly impairs the interest of an oversecured creditor of one entity to support continuing losses (i.e., paying unsecured creditors) at the other Global Debtors. Indeed, the Declaration of the Debtors’ CRO in support of the DIP Motion mentions the “Global Debtors” and their need for liquidity

dozens of times – not once does it mention 12 East 49th Street. And not once does Mr. Weinsten identify a reason why 12 East 49th Street – an entity with no employees, no vendors, no funded debt – needs access to liquidity. It can’t be to purchase inventory, or retain employees, because 12 East 49th Street has neither. Throughout the hundreds of pages filed today, no where does it indicate what, if any, analysis was done on the benefits of the DIP facility *to 12 East 49th Street*.¹⁶ This is telling, and Axonic reserves all rights in this regard.

II. The Proposed DIP Financing Improperly Impairs the Value of Axonic’s Collateral Without Providing Adequate Protection.

A. *The Global Debtors Bear the Burden of Proving Adequate Protection.*

26. A secured creditor is entitled to adequate protection of its interest in collateral when (i) it is prevented from exercising its rights and remedies by the automatic stay, (ii) a debtor in possession proposes to use the collateral without the creditor’s consent, or (iii) the debtor seeks to incur postpetition financing that would prime, subordinate, or otherwise erode the creditor’s interest in the collateral. *See* 11 U.S.C. §§ 361, 362(d), 363(e), 364(d); *Timbers*, 793 F.2d at 1397 (recognizing that adequate protection reflects the principle that “secured creditors should not be deprived of the benefit of their bargain” and must be compensated for postpetition declines in collateral value); *In re Good*, 428 B.R. 235, 241 (Bankr. E.D. Tex. 2010) (“While the automatic stay preserves the status quo for debtors, adequate protection preserves the status quo for secured creditors.”); *In re O’Connor*, 808 F.2d 1393, 1396 (10th Cir. 1987) (“The whole purpose in providing adequate protection for a creditor is to insure that the creditor receives the value for which the creditor bargained prebankruptcy.”); *Swedeland Dev. Group*, 16 F.3d at 564 (holding

¹⁶ It is surprising that an independent fiduciary acting for 12 East 49th Street (and not the Other Global Debtors) would conclude that the proposed DIP financing was in the best interests of its estate and creditors. There is a real risk, therefore, that the Global Debtors are conflicted on this issue and additional process or remediation may be needed.

that a proposal for adequate protection should provide the prepetition secured lender with the same level of protection it would have had if there had not been postpetition superpriority financing). *See also In re Futures Equity L.L.C.*, 2001 Bankr. LEXIS 2229, at *14, *44-45 (holding that Debtors have not met their burden of proving adequate protection because the lenders interest is neither adequately protected by the additional equity cushion, nor have the Debtors offered any additional property as adequate protection). Courts have recognized that adequate protection is required to protect a secured creditor's interest in collateral even where the secured obligations are contingent or unliquidated and have not yet been enforced. *See In re Autoseis, Inc.*, 2014 WL 2558257, at *13 (Bankr. S.D. Tex. Apr. 25, 2014) (granting adequate protection to secure contingent or unliquidated claims, including indemnity claims and claims for fees, costs, or expenses).

27. Indeed, when the value of a secured creditor's security interest in its prepetition collateral is being diminished or eroded postpetition, such security interest is entitled to adequate protection *as a matter of right*, not merely as a matter of discretion. *See In re Angaraka Ltd. P'ship*, No. 10-33868-SGJ-11, 2010 WL 6982589, at *2 (Bankr. N.D. Tex. July 6, 2010) (granting secured creditor superpriority claims and replacement liens as adequate protection for diminution in collateral value arising from use of cash collateral and continued imposition of the automatic stay); *see also In re Continental Airlines*, 154 B.R. 176, 180 (Bankr. D. Del. 1993) (holding that adequate protection may be required if the value of the collateral is declining and a request for relief from the stay is not granted). This protection is provided both as a matter of policy and as a matter of constitutional law to preserve the value of a secured creditor's interest during the pendency of the automatic stay. *See Timbers*, 793 F.2d at 1396 ("The concept [of adequate protection] is derived from the fifth amendment protection of property interests. It is not intended

to be confined strictly to the constitutional protection required, however. The [...] concept of adequate protection is based as much on policy grounds as on constitutional grounds. Secured creditors should not be deprived of the benefit of their bargain [...]”) (internal quotations and citations omitted)).

B. *Adequate Protection Analysis Focuses on Preserving Economic Value, Which Includes Preserving the Value of Equity Interests.*

28. Adequate protection is concerned with preserving economic value, not formal labels. *Matter of T-H New Orleans Ltd. P’ship*, 116 F.3d 790, 798-99 (5th Cir. 1997) (recognizing that bankruptcy protections for secured creditors focus on preservation of economic value rather than formalistic labels or static valuation dates). That principle applies equally to pledged equity interests. *See In re Domestic Fuel Corp.*, 70 B.R. 455 (Bankr. S.D.N.Y. 1987) (lifting the stay when it was established that the value of pledged stock declined precipitously postpetition); *In re Munoz*, 83 B.R. 334 (Bankr. E.D. Pa. 1988) (same); *In re Whitney*, No. 4-88-3885 1988 WL 141523 (Bankr. D. Minn. Dec. 20, 1988) (same); *In re Gilece*, 7 B.R. 469, 473 (Bankr. E.D. Pa. 1980) (lifting the automatic stay for cause where debtor failed to provide, and was incapable of providing, adequate protection to preserve the value of its collateral, pledged stock). Courts consistently recognize that a lien on equity interests is a cognizable property interest protected by Section 361 of the Bankruptcy Code, even though the collateral is indirect rather than asset-level. *See, e.g., In re Residential Capital, LLC*, 501 B.R. 549, 591–92 (Bankr. S.D.N.Y. 2013) (recognizing that value of pledged equity may be impaired by encumbrance of subsidiary assets). And Congress made clear that protected interests under section 361 are not limited to physical collateral value, but include “**the right to enforce a pledge.**” H.R. Rep. No. 95-595, at 339 (1977), reprinted in 1978 U.S.C.C.A.N. 5963, 6295.

C. *Axonic is Entitled to Adequate Protection.*

29. Here, Axonic is clearly entitled to adequate protection. **First**, as described in the DIP Motion and this Objection, the Global Debtors seek authority to grant the DIP Lenders superpriority claims and liens on substantially all of the Global Debtors' property, including liens on otherwise unencumbered assets that supply the value of the pledged equity interests constituting Axonic's Collateral (and potentially priming liens on Axonic's Collateral). Because Axonic's Collateral consists of equity interests whose value is dependent on the asset base and capital structure of the underlying entity, the granting of such liens would diminish the value of Axonic's interest in the Collateral. Any postpetition diminution in the value of a secured creditor's collateral interest requires the provision of adequate protection under the Bankruptcy Code. **Second**, as a result of prepetition defaults under the Axonic Transaction Documents, Axonic has existing contractual remedies with respect to the Collateral. To the extent the automatic stay prevents Axonic from exercising those remedies while the Global Debtors obtain postpetition financing and grant liens that impair the value of the Collateral (which Axonic does not concede, see footnote 4, *supra*), Axonic is entitled to adequate protection of its interest as a matter of right. **Third**, the Global Debtors propose to use Axonic's Collateral (*i.e.*, intend to continue operating 12 East 49th Street), and Axonic does not consent.

a. **The DIP Liens Will Diminish the Value of Axonic's Equity Collateral.**

30. As described in the DIP Motion, the proposed DIP Financing would deprive Axonic of the benefit of the bargain it struck when Saks granted it the Collateral. The proposed DIP Liens would materially increase leverage at the 12 East 49th Street level—without a corresponding benefit to the Collateral. The Global Debtors have provided no evidence that Axonic is adequately protected from a diminution in the value of their Collateral by virtue of the DIP Liens – indeed, the Global Debtors have ignored Axonic's interest altogether.

31. Nor could the Debtors likely make such a showing under the currently-proposed DIP Facility. It is well established that an equity cushion must be substantial, at least 20%, to constitute adequate protection. *See, e.g., In re JER/Jameson Mezz Borrower II, LLC*, 461 B.R. 293, 305 (Bankr. D. Del. 2011) (noting that a 20% cushion is often adequate); *LNC Investments, Inc. v. First Fidelity Bank, Nat. Ass'n, New Jersey*, No. 92 Civ. 7584 (MBM), 1995 WL 231322, at *3 (S.D.N.Y. Apr. 19, 1995); *see also Matter of Mendoza*, 111 F.3d 1264, 1272 (5th Cir. 1997) (“Case law has almost uniformly held that an equity cushion of 20% or more [above the total debt] constitutes adequate protection.” (internal quotation omitted)); *In re Garcia*, 584 B.R. 483, 489 (Bankr. S.D.N.Y. 2018) (“Courts may find that there is adequate protection for a secured creditor where there is equity in the property, but the equity cushion must be significant.”). Unless, the value of the Collateral significantly the value of DIP liens on the Petition Date the Global Debtors would fail in this regard.

32. Further, priming liens granted in connection with post-petition financing may not substantially increase the risk borne by a prepetition lender whose collateral is used to secure post-petition debt. *In re Windsor Hotel, L.L.C.*, 295 B.R. 307, 314 (Bankr. C.D. Ill. 2003). Where proposed adequate protection is speculative, courts routinely deny priming liens under Bankruptcy Code section 364. *See, e.g., In re Packard Square LLC*, 574 B.R. 115, 123 (Bankr. E.D. Mich. 2017) (refusing to approve priming liens where adequate protection rested on projections of the value of to-be-developed real property several months into the future that were inherently uncertain and speculative); *In re YL West 87th Holdings I LLC*, 423 B.R. 421, 442 (Bankr. S.D.N.Y. 2010) (denying the debtor’s request for priming liens because the equity cushion to be provided by to-be-developed real estate was too speculative and subject to too many contingencies); *In re Shaw Industries, Inc.*, 300 B.R. 861, 865–66 (Bankr. W.D. Pa. 2003) (refusing to grant § 364(d) priming

liens on the debtor's equipment and real estate collateral, notwithstanding a 164% equity cushion, because the debtor's industry was faltering and the debtor's future operating prospects were inherently risky).

33. While Axonic surely hopes that the Global Debtors will be successful in their reorganization efforts, there is no promise of this outcome. Axonic as a secured creditor cannot be forced to unilaterally bear this risk to benefit the DIP Lenders.

b. Adequate Protection Is Further Required Due to the Imposition of the Automatic Stay to the Extent Applicable.

34. Axonic does not concede that the automatic stay applies to Axonic's postpetition exercise of remedies under the Axonic Transaction Documents.¹⁷ However, Axonic expects that the Global Debtors may argue to the contrary and therefore notes that, if the automatic stay does apply, this is another reason why adequate protection of Axonic's interests in the Collateral is warranted.

35. Section 362(d)(1) of the Bankruptcy Code provides for adequate protection of interests in property due to the imposition of the automatic stay. 11 U.S.C. § 362(d)(1); *see Bank of N.Y. Tr. Co. NA v. Pac. Lumber Co. (In re SCOPAC)*, 624 F.3d 274, 282 (5th Cir. 2011) (“[A]dequate protection of a secured creditor's collateral and its fallback administrative priority claim are tradeoffs for the automatic stay that prevents foreclosure on debtors' assets: the debtor receives ‘breathing room’ to reorganize, while the present value of a creditor's interests is protected throughout the reorganization.”), *modified* at 649 F.3d 320 (5th Cir. 2011); *see also, e.g., In re Cont'l Airlines*, 91 F.3d 553, 556 (3d Cir. 1996) (*en banc*). Indeed, “[t]he purpose of adequate protection is to protect a creditor from a decrease in the value of its collateral while the automatic

¹⁷ See footnote 4, *surpa*.

stay is in force.” *Debose v. Specialized Loan Servicing LLC*, No. 4:16-CV-101, 2016 WL 9137459, at *1 (E.D. Tex. June 15, 2016); *see also Hoyt v. Born (In re Born)*, 10 B.R. 43, 46 (Bankr. S.D. Tex. 1981) (“The concept of adequate protection is to assure the secured creditor that his constitutional rights in the property are not dissipated while the reorganization proceedings run their course.”). Adequate protection under section 362(d)(1) is “nondiscretionary and mandatory.” *N. Tr. Co. v. Leavell (In re Leavell)*, 56 B.R. 11, 13 (Bankr. S.D. Ill. 1985).

36. Based on existing defaults under the Axonic Transaction Documents, Axonic would be able, as a matter of contract and applicable nonbankruptcy law, to exercise control over the stock pledged by the Saks Entities “to the entire exclusion” of the relevant Global Debtor shareholder, including, among other things, to preclude the Global Debtors from incurring the new liabilities that would be imposed by the proposed DIP Motion. These control rights are an important and integral part of Axonic’s collateral package. Axonic must be compensated for any applicable stay-related loss of such rights and corresponding diminution of the value of its interests in the Collateral. *See Bluebird Partners, L.P. v. First Fid. Bank*, 896 F. Supp. 152, 154 (S.D.N.Y. 1995) (“Adequate protection compensates the secured creditor for the diminution in value of the collateral during the period in which the automatic stay prevents the creditor from repossessing the collateral”) (aff’d 85 F.3d 970 (2d Cir 1996); *Timbers*, 793 F.2d at 1388 (noting section 361(1) of the Bankruptcy Code provides for adequate protection of creditor’s interest to the extent the stay results in decrease in the value of such interest). Indeed, courts have recognized enforcement rights under equity pledges as property interests subject to adequate protection requirements. *See In re Cash Currency Exchange, Inc.*, 52 B.R. 577 (Bankr. N.D. Ill. 1985) (stock pledgee found to possess bargained-for property interest entitled to protection, such as the right to sell the pledged stock and apply proceeds to its claim, the right to vote the stock to take control of the debtor’s

affairs and assets).

37. Thus, to the extent Global Debtors contend the automatic stay applies to Axonic's enforcement rights under the Axonic Transaction Documents, this renders the Global Debtors' failure to provide Axonic with adequate protection in connection with the proposed DIP Financing even more problematic. In any event, the DIP Motion provides Axonic no adequate protection for the diminution in value and loss of bargained-for enforcement rights described above.

c. Adequate Protection Is Required Under § 363(e) Because Axonic Does Not Consent to Use of Its Collateral.

38. Section 363(e) of Bankruptcy Code provides that “at any time, on request of an entity that has an interest in property [...] proposed to be used, sold, or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest.” 11 U.S.C. § 363(e). When property subject to a secured interest is drawn into the estate and used by the debtor, the secured creditor's lien is not extinguished, and the creditor “remains entitled to adequate protection for its interests” under section 363(e). *United States v. Whiting Pools, Inc.*, 462 U.S. 198, 211 (1983); *see also Matter of Braniff Airways, Inc.*, 783 F.2d 1283, 1286 (5th Cir. 1986) (noting that a lessor may seek adequate protection of its interest pursuant to section 363(e)).

39. The language of section 363(e) is straightforward and non-discretionary, and it imposes only the most minimal of burdens on the moving creditor. If a creditor (i) has an “interest in property” and (ii) makes a “request” for adequate protection, then the court “shall” prohibit or condition the use of such property on the provision of adequate protection. 11 U.S.C. § 363(e); *see also In re Worldcom, Inc.*, 304 B.R. 611, 618 (Bankr. S.D.N.Y. 2004) (noting that “section 363(e) essentially requires that where a creditor can demonstrate it has a security interest in the property, such creditor is entitled to adequate protection of such interest.”); *In re Metromedia Fiber*

Network, Inc., 290 B.R. 487, 491 (Bankr. S.D.N.Y. 2003) (“Section 363(e) is not permissive or discretionary – it states that the court ‘shall’ grant the relief specified, at any time, on request of the secured entity.”). Beyond establishing these two prerequisites, the statute does not require the creditor to prove irreparable harm or likelihood of success, and authorizes the court to act with or without a hearing. *See* 11 U.S.C. § 363(e).

40. If adequate protection cannot be offered, such use, sale or lease of the collateral must be prohibited. 11 U.S.C. § 363(e); *see also Martin v. Commodity Credit Corp.*, 761 F.2d 472 (8th Cir. 1985); *In re Ayscue*, 123 B.R. 28 (Bankr. E.D. Va. 1990) (holding that a creditor holding a pledge of stock was entitled to adequate protection under § 363(e) where estate actions threatened the value of the pledged equity interest); *In re Dewey Ranch Hockey, LLC*, 414 B.R. 577 (Bankr. D. Ariz. 2009) (denying a proposed transaction where the court concluded that adequate protection could not be provided for a non-consenting party’s interest).

41. Accordingly, the DIP Motion should be denied unless Axonic is provided adequate protection.

D. *The Type and Amount of Adequate Protection Must Be Reasonably Sufficient to Protect Axonic’s Interests*

42. Section 361 of the Bankruptcy Code sets forth the forms of adequate protection, which include cash or periodic cash payments, additional or replacement liens, and “such other relief [...] as will result in the realization by [the recipient] of the indubitable equivalent of such entity’s interest in such property.” 11 U.S.C. § 361. As noted, what constitutes adequate protection must be decided on a case-by-case basis. *See Energy Partners*, 409 B.R. at 236; *In re O’Connor*, 808 F.2d 1393, 1396–97 (10th Cir. 1987); *Martin v. United States (In re Martin)*, 761 F.2d 472, 474 (8th Cir. 1985) (citation omitted). The requirement is intended to protect a secured creditor from the diminution of the value of its interest in the particular collateral during the period of use.

Energy Partners, 409 B.R. at 236 (“The focus of the [adequate protection] requirement is to protect a secured creditor [...] from diminution in the value of its interest in collateral during the reorganization process”); *see also In re Swedeland Dev. Grp., Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) (recognizing that new protections might be sufficient for “[t]he whole purpose of adequate protection for a creditor is to insure that the creditor receives the value for which he bargained prebankruptcy”) (citation omitted).

43. Accordingly, and to the extent the Court considers conditioning any approval of the DIP Motion on the provision of adequate protection, Axonic respectfully submits that any adequate protection package to protect its interests in the Collateral must include, at a minimum replacement collateral equal to the value of the Collateral as of the Petition Date, payment of reasonable fees and expenses of Axonic’s counsel in connection with these chapter 11 cases,¹⁸ and the provision of ongoing reporting of a kind similar to that provided to the DIP Lenders.

44. Alternatively, and more simply, Axonic respectfully requests that the interim DIP Order exclude from the DIP Lenders’ collateral package the assets of 12 East 49th Street and SFAH II’s interests therein. The DIP Lenders seek liens across substantially all assets of multiple Global Debtor entities, whereas Axonic’s Collateral is concentrated in a single pledged equity interest. Equity therefore requires that the DIP Lenders be required to look first to, and satisfy their claims from, assets other than (and before resorting to) the equity in 12 East 49th Street or the Ground Lease, including any other unencumbered assets and collateral available to the DIP Lenders under the DIP Facility.

III. The Priming Liens under the DIP Financing Are Unnecessary,

¹⁸ The SFAH II Pledge secures SFAH II’s obligation to pay and indemnify Axonic for all reasonable out-of-pocket fees and expenses of counsel incurred through negotiating, executing, amending, modifying, enforcement of rights, or restructuring any of the Axonic Transaction Documents. *See* Amended and Restated Guaranty, dated as of March 28, 2021 (as amended or restated, the “HBC Guaranty”).

Inappropriate, and Not Fair or Reasonable, Especially at the Interim Stage.

45. Once the Court allows the DIP Lenders to prime Axonic’s interest in the Collateral, there is no undo button. The Fifth Circuit has consistently warned against irreversible reallocations of property rights at the interim stage, because section 364(e) may preserve the validity and priority of the new liens notwithstanding a later reversal on appeal. *See First S. Sav. Ass’n*, 820 F.2d at 707–10 (granting limited *mandamus* to require stay pending appeal of section 364 financing order and cautioning that, “given the fact that super priority financing displaces liens on which creditors have relied in extending credit, a court that is asked to authorize such financing must be particularly cautious when assessing whether the creditors so displaced are adequately protected”); *TMT Procurement Corp. v. Vantage Drilling Co. (In re TMT Procurement Corp.)*, 764 F.3d 512, 523–27 (5th Cir. 2014) (holding that section 364(e) may render challenges to DIP financing statutorily moot absent a stay, and emphasizing that courts must scrutinize whether secured parties are adequately protected before authorizing postpetition financing). Adequate protection cannot be contingent, speculative, or dependent on hoped-for future events, but must be sufficient at the time priming relief is granted to protect the secured creditor against the risk of postpetition diminution in value. *See Swedeland*, 16 F.3d at 565 & n.17; *In re Fontainebleau Las Vegas Holdings, LLC*, 434 B.R. 716, 754 (S.D. Fla. 2010); *In re Windsor Hotel, L.L.C.*, 295 B.R. 307, 314 (Bankr. C.D. Ill. 2003).

46. For that reason, the Fifth Circuit has recognized that where interim relief threatens to effectuate an irreversible change in property rights, courts must take particular care to ensure that secured creditors are protected before the relief is implemented. *See In re First S. Sav. Ass’n*, 820 F.2d 700, 707–10 (5th Cir. 1987) (cautioning that superpriority financing may permanently alter secured creditors’ rights). Because the DIP Motion seeks an immediate and irreversible encumbrance of assets that supply the value of Axonic’s Collateral—without providing any

corresponding adequate protection—it cannot be approved consistent with Fifth Circuit precedent.

IV. Cause May Exist to Lift the Automatic Stay.

47. Section 362(d)(1) of the Bankruptcy Code provides, in relevant part, that, “[o]n request of a party in interest and after notice and a hearing, the court shall grant relief from the stay . . . such as by terminating, annulling, modifying, or conditioning such stay for cause, including lack of adequate protection of an interest in property of such party in interest.” 11 U.S.C. § 362(d)(1).

48. Thus, “cause” is established when, among other things, the debtor fails to adequately protect a secured creditor’s interest in property. *See Rocco v. J.P. Morgan Chase Bank (In re Rocco)*, 255 Fed. Appx. 638 (3d. Cir. 2007) (confirming the bankruptcy court’s finding that there was cause for lifting the stay where debtors had not offered adequate protection of the mortgagee’s interest in the property); *Price v. Del. State Police Fed. Credit Union (In re Price)*, 370 F.3d 362, 373 (3d. Cir. 2004) (a secured creditor “can obtain relief from the automatic stay and take back its collateral at any time if that interest is not adequately protected”). As demonstrated above, the Global Debtors have failed to provide adequate protection of Axonic’s security interests in the Collateral.

49. In addition, “[c]ause is an intentionally broad and flexible concept, made so in order to permit the courts to respond in equity to inherently fact-sensitive situations.” *In re Sentry Park, Ltd.*, 87 B.R. 427, 430 (Bankr. W.D. Tex. 1988); *see also In re SCO Group, Inc.*, 395 B.R. 852, 856 (Bankr. D. Del. 2007) (“Cause is a flexible concept and courts often conduct a fact intensive, case-by-case balancing test, examining the totality of the circumstances to determine whether sufficient cause exists to lift the stay.”); *In re Downey Fin. Corp.*, 428 B.R. 595, 608-609 (Bankr. D. Del. 2010) (“Courts conduct a fact intensive, case-by-case balancing test, examining the totality of the circumstances to determine whether sufficient cause exists to lift the stay.”); *In re Peregrine*

Sys., 314 B.R. 31, 46 (Bankr. D. Del. 2004) (“there is no rigid test for determining whether cause exists to grant relief from stay”); *In re Flintkote Co.*, No. 04-11300, 2015 WL 237015, at *5 (D. Del. Jan. 16, 2015) (citing *In re Wilson*, 116 F.3d 87, 90 (3rd Cir. 1997) (“[C]ourts have the discretion to consider what constitutes cause based on the totality of the circumstances.”)); *Matter of Spencer*, 115 B.R. 471, 476 (D. Del. 1990) (“Cause” under § 362(d)(1) is not limited to those situations where the property of a party lacks adequate protection in the bankruptcy estate”).

50. Based on this broad definition of “cause” for the purposes of section 362(d), courts have also found “cause” to exist where, as is the case here, the Global Debtors seek to use the automatic stay as a “sword” to deprive a secured creditor of its rights. *See In re Texaco, Inc.*, 81 B.R. 804 (Bankr. S.D.N.Y. 1988) (modifying the stay for cause to prevent the debtor from using the stay as a shield in order to unilaterally modify secured creditor’s right). The Global Debtors are not seeking to use Axonic’s Collateral in the ordinary course of business during these Cases. Rather, the Global Debtors and the proposed DIP Lenders have crafted a proposed DIP Financing package that strips Axonic of the value of its interests in the 12 East 49th Street and grant it to the DIP Lenders, while using the automatic stay to deprive Axonic the ability to protect against the loss of that value.

51. Based on all of the foregoing, the requisite “cause” clearly exists to lift the automatic stay to permit Axonic to exercise its rights and remedies in connection with the Axonic Transaction Agreements.

CONCLUSION

52. Axonic respectfully requests that the Court deny the relief requested in the DIP Motion unless the assets of 12 East 49th Street and the equity therein are excluded from the DIP Collateral and/or the automatic stay is lifted with respect thereto. Alternatively, Axonic must be

provided adequate protection, which could include substitute collateral of an equal value to the value of an unencumbered 12 E 49th Street or an escrow for Axonic's benefit of DIP proceeds sufficient to satisfy Axonic's claims under the Axonic Transaction Documents.

53. Axonic also is also entitled to ongoing payment of the reasonable fees and expenses of Axonic's counsel in connection with these chapter 11 cases, and requests that any reporting being provided to the DIP Lenders also be provided to Axonic.

RESERVATION OF RIGHTS

54. Axonic expressly reserves the right to amend or supplement the Objection on any and all bases, including as a result of continuing discovery and depositions, and to request further adequate protection at any time. Axonic further reserves the right to introduce evidence supporting the Objection at any interim or final hearing on the DIP Motion, the right to seek adjournment on the hearing to consider the DIP Motion, and/or the right to object to entry of any order or orders approving the DIP Financing. Further, to the extent the Court grants the DIP Motion, Axonic expressly does not consent to the DIP Carve-Out. Such a carve-out constitutes a consensual subordination and may not be imposed on a lienholder that does not consent.

[Remainder of page intentionally left blank.]

Dated: January 14, 2026

Respectfully Submitted,

/s/ Nathan C. Elnor

SIDLEY AUSTIN LLP

Ameneh Bordi (*pro hac vice* pending)

1501 K Street, N.W.

Washington, D.C. 20005

Telephone: (202) 736-8000

Facsimile: (202) 736-8711

Email: abordi@sidley.com

and

Jim Ducayet (*pro hac vice* pending)

One South Dearborn

Chicago, Illinois 60603

Telephone: (312) 853-7000

Facsimile: (312) 853-7036

Email: jducayet@sidley.com

and

Nathan C. Elnor (TX Bar No. 24123173)

1000 Louisiana Street, Suite 5900

Houston, Texas 77002

Telephone: (713) 495-4500

Facsimile: (713) 495-7799

Email: nelner@sidley.com

Counsel to Axonic

CERTIFICATE OF SERVICE

I hereby certify that, on January 14, 2026, a true and correct copy of the foregoing document was served by the Electronic Case Filing (ECF) system for the United States Bankruptcy Court for the Southern District of Texas on all parties registered to receive electronic notices in this case.

By: /s/ Nathan C. Elner
Nathan C. Elner

Exhibit A

12 East 49th Street UCC Lien Searches

Exhibit B

SFAH II UCC-1s



1/14/2026

Ann Ross A Westermann
Sidley Austin LLP

Reference: 057044-30100

We have conducted UCC & Federal Tax Lien Searches regarding the following:

Debtor: 12 EAST 49TH STREET LLC

Filing Office: Department of State, DE

Thru Date: 1/2/2026

Results: No Records Found

Total Copies: 0

Additional Information: Certificate attached

Prepared by: crose

Email: crose@cogencyglobal.com

Reasonable care is exercised in the completion of service requests. Please confirm the accuracy of the name(s) noted above. The categorization of filings is provided for your convenience and should not be relied upon as legal service. Cogency Global Inc. ("We") assumes no liability with respect to the identity of any party named or referred to in this report, nor with respect to the validity, accuracy, completeness, legal effect or priority of any matter shown herein. We make no representation, warranty or guarantee as to the information contained in public records. This report reflects information we received from public records in response to your request. Responsibility for the accuracy and completeness of any public record rests with the filing officer.

Delaware

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The First State

CERTIFICATE

***SEARCHED JANUARY 14, 2026 AT 8:51 A.M.
FOR DEBTOR, 12 EAST 49TH STREET LLC***

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THERE ARE NO PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS OR UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, 12 EAST 49TH STREET LLC AS OF JANUARY 2, 2026 AT 11:59 P.M.



20265551727-UCC11
SR# 20260138768

You may verify this certificate online at corp.delaware.gov/authver.shtml

C. B. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

Authentication: 202809965
Date: 01-14-26



12/22/2025

Ann Ross A Westermann
Sidley Austin LLP

Reference: 057044-30100

We have conducted UCC & Federal Tax Lien Searches regarding the following:

Debtor: SAKS FIFTH AVENUE HOLDCO II LLC

Filing Office: Department of State, DE

Thru Date: 12/11/2025

Results: 3 Financing Statements
No Federal Tax Liens

Total Copies: 15

Prepared by: crose

Email: crose@cogencyglobal.com

Reasonable care is exercised in the completion of service requests. Please confirm the accuracy of the name(s) noted above. The categorization of filings is provided for your convenience and should not be relied upon as legal service. Cogency Global Inc. ("We") assumes no liability with respect to the identity of any party named or referred to in this report, nor with respect to the validity, accuracy, completeness, legal effect or priority of any matter shown herein. We make no representation, warranty or guarantee as to the information contained in public records. This report reflects information we received from public records in response to your request. Responsibility for the accuracy and completeness of any public record rests with the filing officer.

Delaware

Page 1

The First State

CERTIFICATE

SEARCHED DECEMBER 22, 2025 AT 10:11 A.M.
FOR DEBTOR, SAKS FIFTH AVENUE HOLDCO II LLC

1 OF 3

FINANCING STATEMENT

20210947011

DEBTOR: EXPIRATION DATE: 02/04/2026
SAKS FIFTH AVENUE HOLDCO II LLC

225 LIBERTY STREET

ADDED 02-04-21

NEW YORK, NY US 10281

SECURED: AXONIC CREDIT OPPORTUNITIES MASTER FUND, LP

520 MADISON AVENUE, 42ND FLOOR

ADDED 02-04-21

NEW YORK, NY US 10022

SECURED: AXONIC COINVEST II, LP

520 MADISON AVENUE, 42ND FLOOR

ADDED 10-08-24

NEW YORK, NY US 10022

F I L I N G H I S T O R Y

20210947011 FILED 02-04-21 AT 3:14 P.M. FINANCING STATEMENT

20246978306 FILED 10-08-24 AT 1:47 P.M. FULL ASSIGNMENT

20246978389 FILED 10-08-24 AT 1:59 P.M. AMENDMENT



C. P. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

20265259498-UCC11
SR# 20254955128

Authentication: 205690135
Date: 12-22-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

Delaware

Page 2

The First State

2 OF 3

FINANCING STATEMENT

20246307829

EXPIRATION DATE: 09/12/2029

DEBTOR: SAKS FIFTH AVENUE HOLDCO II LLC

225 LIBERTY STREET

ADDED 09-12-24

NEW YORK, NY US 10281

SECURED: AXONIC CREDIT OPPORTUNITIES MASTER FUND, LP

520 MADISON AVENUE, 42ND FLOOR

ADDED 09-12-24

NEW YORK, NY US 10022

SECURED: AXONIC COINVEST II, LP

520 MADISON AVENUE, 42ND FLOOR

ADDED 10-02-24

NEW YORK, NY US 10022

F I L I N G H I S T O R Y

20246307829 FILED 09-12-24 AT 7:08 P.M. FINANCING STATEMENT

20246838815 FILED 10-02-24 AT 6:23 P.M. FULL ASSIGNMENT

20246838906 FILED 10-02-24 AT 6:25 P.M. AMENDMENT

3 OF 3

FINANCING STATEMENT

20255809717

EXPIRATION DATE: 08/08/2030

DEBTOR: SAKS FIFTH AVENUE HOLDCO II LLC



C. B. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

20265259498-UCC11
SR# 20254955128

Authentication: 205690135
Date: 12-22-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

Delaware

Page 3

The First State

225 LIBERTY STREET, 31ST FLOOR ADDED 08-08-25

NEW YORK, NY US 10281

SECURED: CITIBANK, N.A., AS COLLATERAL AGENT

388 GREENWICH STREET ADDED 08-08-25

NEW YORK, NY US 10013

F I L I N G H I S T O R Y

20255809717 FILED 08-08-25 AT 11:04 A.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, SAKS FIFTH AVENUE HOLDCO II LLC AS OF DECEMBER 11, 2025 AT 11:59 P.M.



C. B. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

20265259498-UCC11
SR# 20254955128

Authentication: 205690135
Date: 12-22-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; padding: 10px; min-height: 100px;"> <p>Jess Saypoff, General Counsel Axonic Capital 520 Madison Avenue, 42nd Floor New York, NY 10022</p> </div>

Delaware Department of State
U.C.C. Filing Section
Filed: 03:14 PM 02/04/2021
U.C.C. Initial Filing No: 2021 0947011

Service Request No: 20210337602

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Saks Fifth Avenue Holdco II LLC				
OR 1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 225 Liberty Street	CITY New York	STATE NY	POSTAL CODE 10281	COUNTRY USA

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR 2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Axonic Credit Opportunities Master Fund, LP				
OR 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 520 Madison Avenue, 42nd Floor	CITY New York	STATE NY	POSTAL CODE 10022	COUNTRY USA

4. **COLLATERAL:** This financing statement covers the following collateral:

See Schedule A attached hereto and incorporated herein.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

6b. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

SCHEDULE A TO UCC FINANCING STATEMENT (PLEDGE)

Debtor: SAKS FIFTH AVENUE HOLDCO II LLC, a Delaware limited liability company
Secured Party: AXONIC CREDIT OPPORTUNITIES MASTER FUND, LP, a Delaware limited partnership

The Debtor hereby pledges, assigns and grants to the Secured Party, a security interest in all of its right, title and interest in, to and under the Collateral, whether now existing, or hereafter acquired by or arising in favor of such Pledgor (including under any trade name or derivations thereof) and regardless of where located, to secure the prompt and complete payment and performance of the Secured Obligations.

All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in that certain Pledge Agreement, dated January 28, 2021, by and between Debtor, together with its respective permitted successors and permitted assigns, as Pledgor, and Secured Party, together with its successors and assigns, as Secured Party (the "Pledge Agreement").

As used in this Schedule A, the following initially capitalized terms shall have the meanings set forth below:

"Agreements" means that certain Conditional Bond Purchase Agreement dated as of January 28, 2021 by and between Debtor and Secured Party and that certain Investment Structuring Agreement dated as of January 28, 2021 by and between Debtor and Secured Party.

"Collateral" means, collectively, (a) the Pledged Collateral, (b) all books, records, papers and accounts relating to the foregoing and (c) all products and proceeds, both cash and non-cash, arising out of or in respect of any or all of the foregoing.

"Equity Interest" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

"Guaranty" means that certain Guaranty made by the Pledgor in favor of Secured Party dated as of January 28, 2021.

"Issuer" means 12 East 49th Street LLC, a Delaware limited liability company.

"Pledged Collateral" means (1) all Equity Interests owned by the Pledgor in the Issuer as set forth on Exhibit A, and (2) any certificates or instruments representing such Equity Interests (if any).

"Secured Obligations" means any and all payment obligations of the Pledgor to the Secured Party under the Agreements, the Guaranty and the Pledge Agreement.

EXHIBIT A**PLEDGED COLLATERAL**

Name of Pledgor	Issuer	Certificate Number	Class of Interest	Percentage of Limited Liability Interests (as a total percentage of limited liability interests in Issuer)
Saks Fifth Avenue Holdco II LLC	12 East 49 th Street LLC	N/A	Limited Liability Company	100%

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
B. E-MAIL CONTACT AT SUBMITTER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; padding: 10px; min-height: 100px;"> <p>Jess Saypoff, General Counsel Axonic Capital LLC, 520 Madison Ave., 42nd Flr New York, NY 10022</p> </div>
SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Delaware Department of State
U.C.C. Filing Section
Filed: 01:47 PM 10/08/2024
U.C.C. Initial Filing No: 2021 0947011
Amendment No: 2024 6978306
Service Request No: 20243893367

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER

2021 0947011 Filed: 02/04/2021

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13.

2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Part(y)(ies) authorizing this Termination Statement

3. ☒ **ASSIGNMENT:** Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
 For partial assignment, complete items 7 and 9, check ASSIGN Collateral box in Item 8 and describe the affected collateral in item 8

4. ☐ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. PARTY INFORMATION CHANGE:Check one of these two boxes:This Change affects ☐ Debtor or ☐ Secured Party of record**AND** Check one of these three boxes to:
☐ **CHANGE** name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c ☐ **ADD** name: Complete item 7a or 7b, and item 7c ☐ **DELETE** name: Give record name to be deleted in item 6a or 6b

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME			
OR 6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME			
Axonic Coinvest II, LP			
OR 7b. INDIVIDUAL'S SURNAME			
INDIVIDUAL'S FIRST PERSONAL NAME			
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)			SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
520 Madison Avenue, 42nd Floor	New York	NY	10022	USA

8. **COLLATERAL CHANGE:** Check only one box: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN* collateral
 Indicate collateral: *Check ASSIGN COLLATERAL only if the assignee's power to amend the record is limited to certain collateral and describe the collateral in Section 8

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
 If this is an Amendment authorized by a **DEBTOR**, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME			
Axonic Credit Opportunities Master Fund, LP			
OR 9b. INDIVIDUAL'S SURNAME			
	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:

File with the Delaware SOS**Debtor: Saks Fifth Avenue Holdco II LLC****(File First)**

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
B. E-MAIL CONTACT AT SUBMITTER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; padding: 10px; min-height: 100px;"> <p>Jess Saypoff, General Counsel Axonic Capital LLC, 520 Madison Ave., 42nd Flr New York, NY 10022</p> </div>
SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Delaware Department of State
U.C.C. Filing Section
Filed: 01:59 PM 10/08/2024
U.C.C. Initial Filing No: 2021 0947011
Amendment No: 2024 6978389
Service Request No: 20243893625

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER 2021 0947011 Filed: 02/04/2021	1b. <input type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Filer: <u>attach</u> Amendment Addendum (Form UCC3Ad) <u>and</u> provide Debtor's name in item 13.
2. <input type="checkbox"/> TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Part(y)(ies) authorizing this Termination Statement	
3. <input type="checkbox"/> ASSIGNMENT: Provide name of Assignee in item 7a or 7b, <u>and</u> address of Assignee in item 7c <u>and</u> name of Assignor in item 9 For partial assignment, complete items 7 and 9, check ASSIGN Collateral box in Item 8 and describe the affected collateral in item 8	
4. <input type="checkbox"/> CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law	
5. PARTY INFORMATION CHANGE: Check <u>one</u> of these two boxes: <input type="checkbox"/> Debtor <u>or</u> <input type="checkbox"/> Secured Party of record AND Check <u>one</u> of these three boxes to: <input type="checkbox"/> CHANGE name and/or address: Complete item 6a or 6b; <u>and</u> item 7a or 7b <u>and</u> item 7c <input type="checkbox"/> ADD name: Complete item 7a or 7b, <u>and</u> item 7c <input type="checkbox"/> DELETE name: Give record name to be deleted in item 6a or 6b	
6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only <u>one</u> name (6a or 6b)	
6a. ORGANIZATION'S NAME OR 6b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX	
7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only <u>one</u> name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)	
7a. ORGANIZATION'S NAME OR 7b. INDIVIDUAL'S SURNAME INDIVIDUAL'S FIRST PERSONAL NAME INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX	
7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY	
8. COLLATERAL CHANGE: Check only <u>one</u> box: <input type="checkbox"/> ADD collateral <input type="checkbox"/> DELETE collateral <input checked="" type="checkbox"/> RESTATE covered collateral <input type="checkbox"/> ASSIGN* collateral Indicate collateral: *Check ASSIGN COLLATERAL only if the assignee's power to amend the record is limited to certain collateral and describe the collateral in Section 8	

See Schedule A attached hereto and incorporated herein.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only <u>one</u> name (9a or 9b) (name of Assignor, if this is an Assignment) If this is an Amendment authorized by a DEBTOR , check here <input type="checkbox"/> and provide name of authorizing Debtor			
9a. ORGANIZATION'S NAME Axonic Coinvest II, LP			
OR 9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX			

10. OPTIONAL FILER REFERENCE DATA: File with the Delaware SOS			
Debtor: Saks Fifth Avenue Holdco II LLC		(File Second)	

SCHEDULE A TO UCC FINANCING STATEMENT

Debtor: Saks Fifth Avenue Holdco II LLC, a Delaware limited liability company

Secured Party: Axonic Coinvest II, LP a Delaware limited partnership

The Collateral consists of, collectively, (a) the Pledged Collateral, (b) all books, records, papers and accounts relating to the foregoing and (c) all products and proceeds, both cash and non-cash, arising out of or in respect of any or all of the foregoing, whether now existing, or hereafter acquired by or arising in favor of Debtor (including under any trade name or derivations thereof) and regardless of where located.

As used in this Schedule A, the following initially capitalized terms shall have the meanings set forth below:

“Equity Interest” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

“Issuer” means 12 East 49th Street LLC, a Delaware limited liability company.

“Person” means a partnership, corporation, limited liability company, unincorporated organization, trust, joint venture, governmental agency, or other entity, whether domestic or foreign.

“Pledged Collateral” means (1) all Equity Interests owned by Debtor in the Issuer as set forth on Exhibit A, and (2) any certificates or instruments representing such Equity Interests (if any).

EXHIBIT A

PLEDGED COLLATERAL

Name of Debtor	Issuer	Certificate Number	Class of Interest	Percentage of Limited Liability Interests (as a total percentage of limited liability interests in Issuer)
Saks Fifth Avenue Holdco II LLC	12 East 49th Street LLC	N/A	Limited Liability Company	100%

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address) <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"><div style="display: flex; justify-content: space-between;"><div>Jess Saypoff, General Counsel Axonic Capital 520 Madison Avenue, 42nd Floor New York, NY 10022</div><div></div></div></div>

Delaware Department of State
U.C.C. Filing Section
Filed: 07:08 PM 09/12/2024
U.C.C. Initial Filing No: 2024 6307829

Service Request No: 20243675823

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Saks Fifth Avenue Holdco II LLC				
OR				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 225 Liberty Street				
CITY New York	STATE NY	POSTAL CODE 10281	COUNTRY USA	

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS				
CITY	STATE	POSTAL CODE	COUNTRY	

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Axonic Credit Opportunities Master Fund, LP				
OR				
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 520 Madison Avenue, 42nd Floor				
CITY New York	STATE NY	POSTAL CODE 10022	COUNTRY USA	

4. **COLLATERAL:** This financing statement covers the following collateral:

See Schedule A attached hereto and incorporated herein.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

SCHEDULE A TO UCC FINANCING STATEMENT (PLEDGE)

Debtor: SAKS FIFTH AVENUE HOLDCO II LLC, a Delaware limited liability company
Secured Party: AXONIC CREDIT OPPORTUNITIES MASTER FUND, LP, a Delaware limited partnership

The Debtor hereby pledges, assigns and grants to the Secured Party, a security interest in all of its right, title and interest in, to and under the Collateral, whether now existing, or hereafter acquired by or arising in favor of such Pledgor (including under any trade name or derivations thereof) and regardless of where located, to secure the prompt and complete payment and performance of the Secured Obligations.

All capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in that certain Pledge Agreement, dated January 28, 2021, by and between Debtor, together with its respective permitted successors and permitted assigns, as Pledgor, and Secured Party, together with its successors and assigns, as Secured Party (the "Pledge Agreement").

As used in this Schedule A, the following initially capitalized terms shall have the meanings set forth below:

"Agreements" means that certain Conditional Bond Purchase Agreement dated as of January 28, 2021 by and between Debtor and Secured Party and that certain Investment Structuring Agreement dated as of January 28, 2021 by and between Debtor and Secured Party.

"Collateral" means, collectively, (a) the Pledged Collateral, (b) all books, records, papers and accounts relating to the foregoing and (c) all products and proceeds, both cash and non-cash, arising out of or in respect of any or all of the foregoing.

"Equity Interest" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

"Guaranty" means that certain Guaranty made by the Pledgor in favor of Secured Party dated as of January 28, 2021.

"Issuer" means 12 East 49th Street LLC, a Delaware limited liability company.

"Pledged Collateral" means (1) all Equity Interests owned by the Pledgor in the Issuer as set forth on Exhibit A, and (2) any certificates or instruments representing such Equity Interests (if any).

"Secured Obligations" means any and all payment obligations of the Pledgor to the Secured Party under the Agreements, the Guaranty and the Pledge Agreement.

EXHIBIT A**PLEDGED COLLATERAL**

Name of Pledgor	Issuer	Certificate Number	Class of Interest	Percentage of Limited Liability Interests (as a total percentage of limited liability interests in Issuer)
Saks Fifth Avenue Holdco II LLC	12 East 49 th Street LLC	N/A	Limited Liability Company	100%

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
B. E-MAIL CONTACT AT SUBMITTER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address) [Jess Saypoff, General Counsel Axonic Capital LLC, 520 Madison Ave., 42nd Flr New York, NY 10022]
SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Delaware Department of State
U.C.C. Filing Section
Filed: 06:23 PM 10/02/2024
U.C.C. Initial Filing No: 2024 6307829
Amendment No: 2024 6838815
Service Request No: 20243851913

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER

2024 6307829 Filed: 09/12/2024

1b. ☐ This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13.2. ☐ **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Part(y)(ies) authorizing this Termination Statement3. ☒ **ASSIGNMENT:** Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9, check ASSIGN Collateral box in Item 8 and describe the affected collateral in item 84. ☐ **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. PARTY INFORMATION CHANGE:

Check one of these two boxes:AND Check one of these three boxes to:This Change affects ☐ Debtor or ☐ Secured Party of record☐ CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c ☐ ADD name: Complete item 7a or 7b, and item 7c ☐ DELETE name: Give record name to be deleted in item 6a or 6b6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME			
OR	7b. INDIVIDUAL'S SURNAME		
	INDIVIDUAL'S FIRST PERSONAL NAME		
	INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
520 Madison Avenue, 42nd Floor	New York	NY	10022	USA

8. COLLATERAL CHANGE: Check only one box: ☐ ADD collateral ☐ DELETE collateral ☐ RESTATE covered collateral ☐ ASSIGN* collateral
Indicate collateral: *Check ASSIGN COLLATERAL only if the assignee's power to amend the record is limited to certain collateral and describe the collateral in Section 89. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here ☐ and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME				
OR	9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA:

File with the Delaware SOS

Debtor: Saks Fifth Avenue Holdco II LLC

(File First)

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
B. E-MAIL CONTACT AT SUBMITTER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; padding: 10px; min-height: 100px;"> <p>Jess Saypoff, General Counsel Axonic Capital LLC, 520 Madison Ave., 42nd Flr New York, NY 10022</p> </div>
SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Delaware Department of State
U.C.C. Filing Section
Filed: 06:25 PM 10/02/2024
U.C.C. Initial Filing No: 2024 6307829
Amendment No: 2024 6838906
Service Request No: 20243851925

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER 2024 6307829 Filed: 09/12/2024	1b. <input type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Filer: <u>attach</u> Amendment Addendum (Form UCC3Ad) <u>and</u> provide Debtor's name in item 13.
2. <input type="checkbox"/> TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Part(y)(ies) authorizing this Termination Statement	
3. <input type="checkbox"/> ASSIGNMENT: Provide name of Assignee in item 7a or 7b, <u>and</u> address of Assignee in item 7c <u>and</u> name of Assignor in item 9 For partial assignment, complete items 7 and 9, check ASSIGN Collateral box in Item 8 and describe the affected collateral in item 8	
4. <input type="checkbox"/> CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law	
5. PARTY INFORMATION CHANGE: Check <u>one</u> of these two boxes: <input type="checkbox"/> Debtor <u>or</u> <input type="checkbox"/> Secured Party of record AND Check <u>one</u> of these three boxes to: <input type="checkbox"/> CHANGE name and/or address: Complete item 6a or 6b; <u>and</u> item 7a or 7b <u>and</u> item 7c <input type="checkbox"/> ADD name: Complete item 7a or 7b, <u>and</u> item 7c <input type="checkbox"/> DELETE name: Give record name to be deleted in item 6a or 6b	
6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only <u>one</u> name (6a or 6b)	
6a. ORGANIZATION'S NAME OR 6b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX	
7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only <u>one</u> name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)	
7a. ORGANIZATION'S NAME OR 7b. INDIVIDUAL'S SURNAME INDIVIDUAL'S FIRST PERSONAL NAME INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX	
7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY	
8. COLLATERAL CHANGE: Check only <u>one</u> box: <input type="checkbox"/> ADD collateral <input type="checkbox"/> DELETE collateral <input checked="" type="checkbox"/> RESTATE covered collateral <input type="checkbox"/> ASSIGN* collateral Indicate collateral: *Check ASSIGN COLLATERAL only if the assignee's power to amend the record is limited to certain collateral and describe the collateral in Section 8	

See Schedule A attached hereto and incorporated herein.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only <u>one</u> name (9a or 9b) (name of Assignor, if this is an Assignment) If this is an Amendment authorized by a DEBTOR , check here <input type="checkbox"/> and provide name of authorizing Debtor				
9a. ORGANIZATION'S NAME Axonic Coinvest II, LP				
OR 9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX				

10. OPTIONAL FILER REFERENCE DATA:**File with the Delaware SOS****Debtor: Saks Fifth Avenue Holdco II LLC****(File Second)**

SCHEDULE A TO UCC FINANCING STATEMENT

Debtor: Saks Fifth Avenue Holdco II LLC, a Delaware limited liability company

Secured Party: Axonic Coinvest II, LP a Delaware limited partnership

The Collateral consists of, collectively, (a) the Pledged Collateral, (b) all books, records, papers and accounts relating to the foregoing and (c) all products and proceeds, both cash and non-cash, arising out of or in respect of any or all of the foregoing, whether now existing, or hereafter acquired by or arising in favor of Debtor (including under any trade name or derivations thereof) and regardless of where located.

As used in this Schedule A, the following initially capitalized terms shall have the meanings set forth below:

“Equity Interest” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

“Issuer” means 12 East 49th Street LLC, a Delaware limited liability company.

“Person” means a partnership, corporation, limited liability company, unincorporated organization, trust, joint venture, governmental agency, or other entity, whether domestic or foreign.

“Pledged Collateral” means (1) all Equity Interests owned by Debtor in the Issuer as set forth on Exhibit A, and (2) any certificates or instruments representing such Equity Interests (if any).

EXHIBIT A

PLEDGED COLLATERAL

Name of Debtor	Issuer	Certificate Number	Class of Interest	Percentage of Limited Liability Interests (as a total percentage of limited liability interests in Issuer)
Saks Fifth Avenue Holdco II LLC	12 East 49th Street LLC	N/A	Limited Liability Company	100%

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT SUBMITTER (optional)
B. E-MAIL CONTACT AT SUBMITTER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> Willkie Farr & Gallagher LLP 787 Seventh Avenue New York, NY 10019 </div>
SEE BELOW FOR SECURED PARTY CONTACT INFORMATION

Delaware Department of State
U.C.C. Filing Section
Filed: 11:04 AM 08/08/2025
U.C.C. Initial Filing No: 2025 5809717

Service Request No: 20253614430

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME				
Saks Fifth Avenue HoldCo II LLC				
OR				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
225 Liberty Street, 31st Floor	New York	NY	10281	USA

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME				
Citibank, N.A., as Collateral Agent				
OR				
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
388 Greenwich Street	New York	NY	10013	USA

4. **COLLATERAL:** This financing statement covers the following collateral:

All assets of the Debtor, whether now owned or hereafter acquired; provided that the Collateral shall exclude any equity interests owned by Debtor (including, for the avoidance of doubt, any equity interests in Saks Flagship Real Property LLC and 12 East 49th Street LLC).

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, item 17 and Instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Check <u>only</u> if applicable and check <u>only</u> one box:	
<input type="checkbox"/> Public-Finance Transaction	<input type="checkbox"/> Manufactured-Home Transaction
<input type="checkbox"/> A Debtor is a Transmitting Utility	<input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licensor	
8. OPTIONAL FILER REFERENCE DATA:	
File: DE SOS 135474.00010	