

## EXECUTION VERSION

## HAZEL PARTNERS HOLDINGS LLC

August 29, 2024

MSP Recovery, LLC  
2701 S. Le Jeune Road, 10th Floor  
Coral Gables, Florida 33134  
Attn: John Ruiz, Chief Executive Officer

**Re: Agreement to Emblem Claims Funding**

Dear Mr. Ruiz:

Reference is hereby made to that certain Second Amended and Restated Credit Agreement, dated as of November 10, 2023 (the “**Existing Credit Agreement**”), among SUBROGATION HOLDINGS, LLC, a Delaware limited liability company (the “**Borrower**”), MSP RECOVERY, LLC, a Florida limited liability company (the “**Owner Pledgor**”), JRFQ HOLDINGS, LLC, a Delaware limited liability company (“**Mortgagor Parent**”), 4601 CORAL GABLES PROPERTY, LLC, a Florida limited liability company (“**Mortgagor**”), MSP RECOVERY CLAIMS, SERIES LLC – SERIES 15-09-321, a registered series of MSP Recovery Claims, Series LLC, a Delaware limited liability company, and a Subsidiary of the Borrower (the “**Assignee**”) and HAZEL PARTNERS HOLDINGS LLC, a Delaware limited liability company, as Lender (the “**Lender**”) and as Administrative Agent (in such capacity, the “**Administrative Agent**”) as amended by that certain Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of December 15, 2023 (“**Amendment No. 1**”), and as further amended by that certain Amendment No. 2 to Second Amended and Restated Credit Agreement, dated as of December 22, 2023 (“**Amendment No. 2**”), and as further amended by the August 2nd Letter Agreement (as defined below) (the Existing Credit Agreement, as amended by Amendment No. 1, Amendment No. 2 and the August 2nd Letter Agreement and as may be subsequently amended, modified or restated from time to time, the “**Credit Agreement**”). Any capitalized terms used but not defined herein shall have the meanings given them in the Credit Agreement.

On the terms set forth herein, the Lender has agreed to make available to the Borrower a funding in the amount of \$2,000,000 solely for the purpose of enabling Owner Pledgor to purchase the Emblem Claims (as defined in the August 2nd Letter Agreement), to be borrowed and funded on August 29, 2024 (the “**Emblem Funding**”), subject in all respects to the satisfaction or waiver of the draw down conditions set forth in the Existing Credit Agreement. The Emblem Funding shall constitute a funding of a portion of the Operational Collection Floor pursuant to Section 2.1(c)(ii) of the Credit Agreement. By electing to borrow the Emblem Funding, Borrower and its Affiliates agree that they shall enter into the Third Amendment on the terms outlined by that certain letter agreement dated August 2, 2024 among the parties hereto, a copy of which is attached hereto as Exhibit A (the “**August 2nd Letter Agreement**”) prior to the availability of any additional amounts under the Operational Collection Floor and all of the terms of such Third Amendment shall apply *mutatis mutandis* to (i) the Initial Tranches (as defined in the August 2nd Letter Agreement) funded in the amount of \$3,500,000 on August 2, 2024, representing \$5,833,333.33 in additional indebtedness after giving effect to the original issue discount, and (ii) the Emblem Funding to be funded in the amount of \$2,000,000 on or about the date hereof, representing \$3,333,333 in additional indebtedness after giving effect to the original issue

discount. Upon execution of the Third Amendment, the maximum remaining amount available under the Operational Collection Floor will be six (6) tranches of \$1,750,000 to be drawn (at most once per month) between September 2024 and September 2025.

Within 15 days following the Emblem Funding, Borrower and Owner Pledgor shall provide evidence satisfactory to Administrative Agent that the Emblem Claims have been assigned to the New Claims Subsidiary (as defined in the August 2nd Letter Agreement).

Nothing contained in this letter is intended to constitute an election of any remedy to which Administrative Agent or Lender may be entitled, and Administrative Agent and Lender do not waive any right that it may possess in connection with the Credit Documents or any defaults arising thereunder. Administrative Agent and Lender expressly reserve the right to pursue any and all remedies available to it under the Credit Documents or under applicable law. At no time shall any prior or subsequent course of conduct by Administrative Agent, Lender or any of the Loan Parties, directly or indirectly, limit, impair or otherwise adversely affect any of Administrative Agent's or Lender's rights, interests or remedies in connection with the Loan or obligate Administrative Agent or Lender to agree to, or to negotiate, or consider an agreement to, any waiver of any obligation or default by Borrower or any of the Loan Parties under the Credit Agreement or any other Credit Document.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law principles of such state to the extent that the application of the laws of another jurisdiction would be required thereby. This letter may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. Electronic signatures shall be of the same legal effect, validity or enforceability as a manually executed signature to the extent and as provided for in any Applicable Laws, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

This letter constitutes the entire agreement among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[Signature pages follow]

ADMINISTRATIVE AGENT AND LENDER:  
**HAZEL PARTNERS HOLDINGS LLC**

By:   
Name: Christopher Guth  
Title: Authorized Attorney

[signatures continue on following page]

Agreed and acknowledged:

**SUBROGATION HOLDINGS, LLC**

By: \_\_\_\_\_

DocuSigned by:  


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Name: John H. Ruiz

Title: Authorized Representative

**MSP RECOVERY, LLC**

By: \_\_\_\_\_

DocuSigned by:  


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Name: John H. Ruiz

Title: Authorized Representative

**MSP Recovery Claims, Series LLC – Series 15-09-321, a Subsidiary of the Borrower**

By: Subrogation Holdings, LLC, its manager

By: \_\_\_\_\_

DocuSigned by:  


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Name: John H. Ruiz

Title: Authorized Representative

**JOHN RUIZ, in his personal capacity**

DocuSigned by:  


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**FRANK QUESADA, in his personal capacity**

DocuSigned by:  


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**JRFQ HOLDINGS, LLC**

By: \_\_\_\_\_

DocuSigned by:  


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Name: John H. Ruiz

Title: Manager

[signatures continue on following page]

**4601 CORAL GABLES PROPERTY, LLC**

By:   
Name: John H. Ruiz  
Title: Manager

[end of signatures]

**Exhibit A**

**August 2nd Letter Agreement**

[attached]

## EXECUTION VERSION

## HAZEL PARTNERS HOLDINGS LLC

August 2, 2024

**MSP Recovery, LLC**  
 2701 South Le Jeune Road,  
 10th Floor  
 Coral Gables, FL 33134

Attn: John Ruiz, Chief Executive Officer

Dear Mr. Ruiz:

Reference is made to that certain Second Amended and Restated Credit Agreement (the “**Credit Agreement**”), dated November 10, 2023, by and among SUBROGATION HOLDINGS, LLC, a Delaware limited liability company (the “**Borrower**”), MSP RECOVERY, LLC, a Florida limited liability company (the “**MSP or Owner Pledgor**”), JRFQ HOLDINGS, LLC, a Delaware limited liability company (“**Mortgagor Parent**”), 4601 CORAL GABLES PROPERTY, LLC, a Florida limited liability company (“**Mortgagor**”), MSP RECOVERY CLAIMS, SERIES LLC – SERIES 15-09-321, a registered series of MSP Recovery Claims, Series LLC, a Delaware limited liability company, and a Subsidiary of the Borrower (the “**Assignee**”) and HAZEL PARTNERS HOLDINGS LLC, a Delaware limited liability company, as Lender (the “**Lender**”) and as Administrative Agent (in such capacity, the “**Administrative Agent**”). Capitalized terms used but not defined in this Summary shall have the meanings set forth in the Credit Agreement.

The following is a Summary of Third Amendment Terms and Purchase Option for Emblem Claims (the “**Summary**”) that the parties hereto have agreed will be entered into pursuant to the terms hereof (the “**Third Amendment**”):

1. Summary of Commercial Terms

- a. “**Operational Collection Floor**” to be amended to maximum aggregate amount of \$16,000,000.
- b. The Operational Collection Floor will be made available in eight (8) tranches of \$1,750,000 to be drawn (at most once per month) between July 2024 and September 2025, plus an additional funding of no more than \$2,000,000 by August 31, 2024 for the purpose of enabling MSP to purchase the Emblem Claims.
- c. As additional consideration for the above adjustments to the Operational Collection Floor, the Emblem Claims (defined below) will be granted as collateral for the Term A Loan and Term B Loan, as described in Section 5 below.
- d. For the avoidance of doubt, all amounts funded by Hazel in respect of the Operational Collection Floor, shall be deemed to be a funding of a Term Loan B and the amount set forth in Section 1(a) represents the amount available to the Borrower for drawing from the principal amount under the Term B Loan after deduction of the original issue discount.

2. Emblem Claims and Claims Subsidiary

- a. The Emblem Claims shall cover any and all claim recovery rights associated with Emblem CCRA’s for Claims with date of service commencing September 30, 2017 and ending July 23, 2024 (such Claims, the “**Emblem Claims**”). MSP/Virage Recovery

Master LP will retain all rights to Claims under such CCRA with date of service prior to September 30, 2017 (the “**Emblem Prior Claims**”)

- b. The Emblem Claims from Series 16-08-483, a designated series of MSP Recovery Claims, Series, LLC, will be transferred to a new Subsidiary of MSP (such Subsidiary to be a limited liability company under Delaware law, the “**New Claims Subsidiary**”), such that the New Claims Subsidiary will be a sister company to the Borrower in the Owner Pledgor organizational structure.
- c. The New Claims Subsidiary (and its membership interests as well the Emblem Claims) must be designated to be part of the security collateral package.
- d. MSP will use its best efforts to enter into a standalone agreement in favor of the New Claims Subsidiary that will be acknowledged by both Emblem and Virage Recovery Master LP that will substantially provide that Emblem will directly perform obligations owed to the New Claims Subsidiary in respect of the Emblem Claims to the same extent it performs those obligations in respect of the Emblem Prior Claims under the CCAs.
- e. The New Claims Subsidiary will have substantially the same governance structure as the Borrower, with a deciding voting control with an independent operating committee representative.
- f. Following the repayment in full of the Operational Collection Floor and prior to any Third Party Sale pursuant to Section 3(a) (as defined below), Hazel will have a further right to be paid an upside share of (i) 50% of collections until Hazel has recovered \$8 million in collections from the Emblem Claims and (ii) 25% of collections thereafter from the Emblem Claims. For the avoidance of doubt, such sharing shall apply to all remaining Emblem Claims following any sale pursuant to Section 3 below.

3. Third-Party Sale Option for Emblem Claims

- a. MSP will have the option to remove the Emblem Claims from the collateral pool if the New Claims Subsidiary monetizes any such Emblem Claims with a third party sale with an unrelated third party (a “**Third Party Sale**”) but only if the aggregate consideration for the monetization of such claims is greater than an amount agreed by Hazel (“**Hazel Floor Price**”) at the time of such third party sale (the “**Third Party Price**”). In such case, Borrower must prepay principal amount of the Operational Collection Floor in full and, to the extent there are any proceeds from such Third Party Sale in excess of the Hazel Floor Price available, then 50% of such excess shall be made available to MSP solely for use for the operational expenses of the Parent, and 50% of such excess shall be used to pay down Term A Loan and Term B Loan, pro-rata.
- b. MSP will further have the option to remove only 50% of the Emblem Claims through a Third Party Sale (including a sale to Virage or its Affiliates on an arms-length basis) following the prepayment of the principal amount of the Operational Collection Floor and, to the extent of any proceeds in excess of 50% of the Hazel Floor Price after such prepayment are available, 50% of such excess shall be made available to MSP solely for use for the operational expenses of the Parent, and 50% of such excess shall be used to (i) further pay down the remaining principal amount of the Operational Collection Floor, and then to pay down Term A Loan and Term B Loan pro rata; in such case the Emblem Claims remain an asset of the New Claims Subsidiary but MSP (or the purchaser) will receive 50% of any collections for use solely for use for the operational expenses of MSP.

4. Certain Edits to Credit Agreement to be included in Amendment No. 1 to Second Amended and Restated Credit Agreement (non-inclusive summary below)

- a. Additional Defined Terms: Add new defined terms for “**Emblem Security Agreement**”, “**Emblem**” and “**Emblem Claims**”.

- b. Certain amendments to Section 2.1(c)(ii) and others as necessary to reflect commercial agreement.
  - c. The New Claims Subsidiary to join the Credit Agreement as a “**Credit Party**”.
  - d. Amendments to Credit Agreement to ensure that the Operational Collection Floor advances are repaid in priority to Term Loan A and Term Loan B. Lender shall release the Mortgage and the Guaranty Agreement once (x) the principal amount of Operational Collection Floor has been repaid in full (the equivalent of dollar amounts drawn under 2(c)(ii) of the Credit Agreement) or (y) the drawn amounts under the Operation Collection Floor as of December 31, 2024 are repaid in full (on a drawn and funded basis) on a dollar per dollar basis by such date. For the avoidance of doubt, to the extent proceeds are applied to the Operational Collection Floor pursuant to 3(a) or 3(b), the Mortgage and Guaranty Agreement will be released once the principal amount of the Operational Collection Floor is repaid in full.
5. Emblem Claims Security Package and Amendment to Security Documents

New Claims Subsidiary to enter into a Security Agreement, in form similar to the security agreement existing between the HC subsidiary and Hazel, pursuant to which the Emblem Claims and the Emblem Claims Case Proceeds and all other assets of the New Claims Subsidiary along with the membership interest of the New Claims Subsidiary are pledged as collateral security for the Operational Collection Floor, Term A Loan and Term B Loan pro rata.

Pursuant to the above Summary, Hazel will make available to the Borrower the first and second tranches of the Operational Collection Floor in the amount of \$1,750,000 each (and an aggregated funding of \$3,500,000) to be borrowed and funded on August 2, 2024 (the “**Initial Tranches**”), subject in all respects to the satisfaction or waiver of the draw down conditions set forth in the Credit Agreement. By electing to borrow the Initial Tranches, MSP and its Affiliates agree that they shall enter into the Third Amendment on the terms of the Summary prior to the availability of any other amounts under the Operational Collection Floor as set forth herein and all of the terms of such Third Amendment shall apply *mutatis mutandis* to the Initial Tranches (which shall represent the July 2024 and the August 2024 tranches).

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law principles of such state to the extent that the application of the laws of another jurisdiction would be required thereby. This letter may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. Electronic signatures shall be of the same legal effect, validity or enforceability as a manually executed signature to the extent and as provided for in any Applicable Laws, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

This letter constitutes the entire agreement among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[Signature pages follow]

ADMINISTRATIVE AGENT AND LENDER:

**HAZEL PARTNERS HOLDINGS LLC**

By:   
Name: Christopher Guth  
Title: Authorised Attorney

[Signature page for the Summary continues]

Agreed and acknowledged:

**SUBROGATION HOLDINGS, LLC, as Borrower**

By:   
\_\_\_\_\_  
Name: John H. Ruiz  
Title: Authorized Representative

**MSP RECOVERY, LLC, as Owner Pledgor and Guarantor and Parent hereunder**

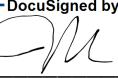
By:   
\_\_\_\_\_  
Name: John H. Ruiz  
Title: Authorized Representative

**MSP Recovery Claims, Series LLC – Series 15-09-321, as a Subsidiary of the Borrower**

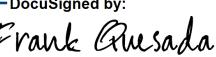
By: Subrogation Holdings, LLC, its manager

By:   
\_\_\_\_\_  
Name: John H. Ruiz  
Title: Authorized Representative

**JOHN RUIZ, in his personal capacity**

By:   
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**FRANK QUESADA, in his personal capacity**

By:   
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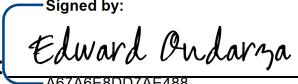
[Signature page for the Summary continues]

Solely for the purpose of acknowledging the first priority security interest of Lender pursuant to Section 5 above and not as a party to this letter agreement.

**Virage Recovery Master LP, a Delaware limited partnership**

By: Virage Recovery LLC, its general partner

Signed by:

By:  \_\_\_\_\_  
Name: Edward Ondarza  
Title: Manager

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