

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-40993

Claros Mortgage Trust, Inc.

(Exact Name of Registrant as Specified in its Charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

**c/o Mack Real Estate Credit Strategies, L.P.
60 Columbus Circle, 20th Floor, New York, NY**

(Address of principal executive offices)

47-4074900

(I.R.S. Employer
Identification No.)

10023

(Zip Code)

Registrant's telephone number, including area code: (212) 484-0050

Former name, former address and former fiscal year, if changed since last report: N/A

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	CMTG	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 6, 2025, the registrant had 139,362,657 shares of common stock, \$0.01 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Claros Mortgage Trust, Inc.
Consolidated Balance Sheets
(unaudited, in thousands, except share data)

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 127,829	\$ 99,075
Restricted cash	21,043	34,425
Loans receivable held-for-investment	5,976,102	6,190,292
Less: current expected credit loss reserve	(237,400)	(243,030)
Loans receivable held-for-investment, net	5,738,702	5,947,262
Loans receivable held-for-sale	145,563	277,062
Equity method investment	42,283	42,320
Real estate owned held-for-investment, net	126,903	127,140
Real estate owned held-for-sale	307,020	307,020
Other assets	146,873	132,651
Total assets	\$ 6,656,216	\$ 6,966,955
Liabilities and Equity		
Repurchase agreements	\$ 3,039,040	\$ 3,190,339
Term participation facility	487,019	477,584
Notes payable, net	165,505	236,845
Secured term loan, net	709,078	709,777
Debt related to real estate owned, net	275,214	274,604
Other liabilities	37,378	42,700
Management fee payable - affiliate	8,397	27,020
Total liabilities	4,721,631	4,958,869
Commitments and Contingencies - Note 14		
Equity		
Common stock, \$0.01 par value, 500,000,000 shares authorized, 139,362,657 shares issued and 139,362,657 shares outstanding at March 31, 2025 and December 31, 2024, respectively	1,394	1,394
Additional paid-in capital	2,745,136	2,740,014
Accumulated deficit	(811,945)	(733,322)
Total equity	1,934,585	2,008,086
Total liabilities and equity	\$ 6,656,216	\$ 6,966,955

The accompanying notes are an integral part of these consolidated financial statements.

Claros Mortgage Trust, Inc.
Consolidated Statements of Operations
(unaudited, in thousands, except share and per share data)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Revenue		
Interest and related income	\$ 118,038	\$ 160,845
Less: interest and related expense	89,227	115,931
Net interest income	28,811	44,914
Revenue from real estate owned	14,564	13,911
Total net revenue	43,375	58,825
Expenses		
Management fees - affiliate	8,397	9,210
General and administrative expenses	4,270	3,877
Stock-based compensation expense	5,074	4,353
Real estate owned:		
Operating expenses	12,915	12,880
Interest expense	6,554	6,329
Depreciation and amortization	438	2,599
Total expenses	37,648	39,248
Proceeds from interest rate cap	-	865
Unrealized loss on interest rate cap	-	(998)
Loss from equity method investment	(37)	(35)
Loss on extinguishment of debt	(547)	(2,244)
Loss on real estate owned held-for-sale	(49)	-
Provision for current expected credit loss reserve	(41,123)	(69,960)
Valuation adjustment for loan receivable held-for-sale	(42,594)	-
Net loss	\$ (78,623)	\$ (52,795)
Net loss per share of common stock:		
Basic and diluted	\$ (0.56)	\$ (0.39)
Weighted average shares of common stock outstanding:		
Basic and diluted	139,475,685	138,791,113

The accompanying notes are an integral part of these consolidated financial statements.

Claros Mortgage Trust, Inc.
Consolidated Statements of Changes in Equity
(unaudited, in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance at December 31, 2024	139,362,657	\$ 1,394	\$ 2,740,014	\$ (733,322)	\$ 2,008,086
Stock-based compensation expense	-	-	5,122	-	5,122
Net loss	-	-	-	(78,623)	(78,623)
Balance at March 31, 2025	<u>139,362,657</u>	<u>\$ 1,394</u>	<u>\$ 2,745,136</u>	<u>\$ (811,945)</u>	<u>\$ 1,934,585</u>

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance at December 31, 2023	138,745,357	\$ 1,387	\$ 2,725,217	\$ (426,704)	\$ 2,299,900
Stock-based compensation expense	1,334	-	4,400	-	4,400
Dividends declared	-	-	-	(35,622)	(35,622)
Net loss	-	-	-	(52,795)	(52,795)
Balance at March 31, 2024	<u>138,746,691</u>	<u>\$ 1,387</u>	<u>\$ 2,729,617</u>	<u>\$ (515,121)</u>	<u>\$ 2,215,883</u>

The accompanying notes are an integral part of these consolidated financial statements.

Claros Mortgage Trust, Inc.
Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Cash flows from operating activities		
Net loss	\$ (78,623)	\$ (52,795)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Accretion of fees and discounts on loans receivable	(2,797)	(4,633)
Amortization of deferred financing costs	6,161	5,307
Non-cash stock-based compensation expense	5,122	4,400
Depreciation and amortization on real estate owned and in-place lease values	438	2,599
Amortization of above and below market lease values, net	354	354
Unrealized loss on interest rate cap	-	998
Loss from equity method investment	37	35
Loss on extinguishment of debt	547	2,244
Loss on real estate owned held-for-sale	49	-
Non-cash advances on loans receivable in lieu of interest	(14,487)	(11,434)
Non-cash advances on secured financings in lieu of interest	2,188	1,979
Repayment of non-cash advances on loans receivable in lieu of interest	2,423	1,371
Provision for current expected credit loss reserve	41,123	69,960
Valuation adjustment for loan receivable held-for-sale	42,594	-
Changes in operating assets and liabilities:		
Other assets	(15,737)	3,407
Other liabilities	(6,554)	(2,199)
Management fee payable - affiliate	(18,623)	(105)
Net cash (used in) provided by operating activities	(35,785)	21,488
Cash flows from investing activities		
Loan originations, acquisitions and advances, net of fees	(27,404)	(131,920)
Advances on loan receivable held-for-sale	(12,079)	-
Repayments of loans receivable	213,001	155,789
Proceeds from sales of loans receivable	100,985	261,709
Extension and exit fees received from loans receivable	341	1,502
Reserves and deposits held for loans receivable	-	(5)
Capital expenditures on real estate owned	(49)	(465)
Net cash provided by investing activities	274,795	286,610

The accompanying notes are an integral part of these consolidated financial statements.

Claros Mortgage Trust, Inc.
Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Three Months Ended	
	March 31, 2025	March 31, 2024
Cash flows from financing activities		
Dividends paid	-	(35,328)
Proceeds from secured financings	222,776	155,487
Payment of deferred financing costs	(4,675)	(5,981)
Payment of exit fees on secured financing	(1,038)	-
Purchase of interest rate cap	-	(508)
Repayments of secured financings	(438,794)	(372,980)
Repayments of secured term loan	(1,907)	(1,907)
Repayments of debt related to real estate owned	-	(10,000)
Net cash used in financing activities	(223,638)	(271,217)
Net increase in cash, cash equivalents and restricted cash	15,372	36,881
Cash, cash equivalents and restricted cash, beginning of period	133,500	214,889
Cash, cash equivalents and restricted cash, end of period	<u>\$ 148,872</u>	<u>\$ 251,770</u>
Cash and cash equivalents, end of period	\$ 127,829	\$ 232,514
Restricted cash, end of period	21,043	19,256
Cash, cash equivalents and restricted cash, end of period	<u>\$ 148,872</u>	<u>\$ 251,770</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 91,871</u>	<u>\$ 116,590</u>
Supplemental disclosure of non-cash investing and financing activities:		
Dividends accrued	\$ -	\$ 35,622
Accrued deferred financing costs	<u>\$ 1,851</u>	<u>\$ -</u>
Accrued deferred leasing costs	<u>\$ 353</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

Claros Mortgage Trust, Inc.
Notes to Consolidated Financial Statements
(unaudited)

Note 1. Organization

Claros Mortgage Trust, Inc. (referred to throughout this report as the “Company,” “we,” “us” and “our”) is a Maryland Corporation formed on April 29, 2015 for the purpose of creating a diversified portfolio of income-producing loans collateralized by institutional quality commercial real estate. We commenced operations on August 25, 2015 (“Commencement of Operations”) and generally conduct our business through wholly-owned subsidiaries. Unless the context requires otherwise, any references to the Company refers to the Company and its consolidated subsidiaries. The Company is traded on the New York Stock Exchange, or NYSE, under the symbol “CMTG”.

We elected and intend to maintain our qualification to be taxed as a real estate investment trust (“REIT”) under the requirements of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), for U.S. federal income tax purposes. As such, we generally are not subject to U.S. federal income tax on that portion of our income that we distribute to stockholders. See Note 13 – Income Taxes for further detail.

We are externally managed by Claros REIT Management LP (the “Manager”), our affiliate, through a management agreement (the “Management Agreement”) pursuant to which our Manager provides a management team and other professionals who are responsible for implementing our business strategy, subject to the supervision of our board of directors (the “Board”). In exchange for its services, our Manager is entitled to management fees and, upon the achievement of required performance hurdles, incentive fees. See Note 11 – Related Party Transactions for further detail.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

These unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission (the “SEC”). In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of our financial position, results of operations and cash flows have been included. Our results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the full year or any other future period.

We consolidate all entities that are controlled either through majority ownership or voting rights. We also identify entities for which control is achieved through means other than through voting rights (a variable interest entity or “VIE”) using the analysis as set forth in Accounting Standards Codification (“ASC”) 810, *Consolidation of Variable Interest Entities*, and determine when and which variable interest holder, if any, should consolidate the VIE. We do not have any consolidated variable interest entities as of March 31, 2025 and December 31, 2024. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to our judgment include, but are not limited to, the adequacy of our current expected credit loss reserve, the determination of the fair value of real estate assets acquired and liabilities assumed, and the impairment of certain assets.

Risks and Uncertainties

In the normal course of business, we primarily encounter two significant types of economic risk: credit and market. Credit risk is the risk of default on our loans receivable that results from a borrower’s or counterparty’s inability or unwillingness to make contractually required payments. Market risk reflects changes in the value of the loans receivable due to changes in interest rates, spreads or other market factors, including risks that impact the value of the collateral underlying our loans receivable. We believe that the carrying values of our loans receivable are reasonable taking into consideration these risks.

Current Expected Credit Losses

The current expected credit loss (“CECL”) reserve required under ASC 326, *Financial Instruments – Credit Losses*, reflects our current estimate of potential credit losses related to our loan portfolio. Changes to the CECL reserve are recognized through a provision for or reversal of current expected credit loss reserve on our consolidated statements of operations. ASC 326 specifies the reserve should be based on relevant information about past events, including historical loss experience, current loan portfolio, market conditions and reasonable and supportable macroeconomic forecasts for the duration of each loan.

General CECL Reserve

Our loans are typically collateralized by real estate, or in the case of mezzanine loans, by an equity interest in an entity that owns real estate. We consider key credit quality indicators in underwriting loans and estimating credit losses, including: the capitalization of borrowers and sponsors; the expertise of the borrowers and sponsors in a particular real estate sector and geographic market; collateral type; geographic region; use and occupancy of the property; property market value; loan-to-value (“LTV”) ratio; loan amount and lien position; our risk ratings; and prior experience with the borrower/sponsor. This information is used to assess the financial and operating capability, experience and profitability of the borrower/sponsor. Ultimate repayment of our loans is sensitive to interest rate changes, general economic conditions, performance of the collateral asset, liquidity, LTV ratio, existence of a liquid investment sales market for commercial properties, and availability of replacement financing.

We regularly evaluate on a loan-by-loan basis, the extent and impact of any credit deterioration associated with the performance and/or value of the underlying collateral property, the financial and operating capability of the borrower/sponsor, the financial strength of loan guarantors, if any, and the overall economic environment, real estate sector, the geographic sub-market in which the borrower operates. Such analyses are completed and reviewed by asset management personnel and evaluated by senior management on at least a quarterly basis, utilizing various data sources, including, to the extent available, (i) periodic financial data such as property occupancy, tenant profile, rental rates, operating expenses, the borrower’s exit plan, and capitalization and discount rates, (ii) site inspections, (iii) sales and financing comparables, (iv) current credit spreads for refinancing and (v) other relevant market data.

We primarily arrive at our general CECL reserve using the Weighted Average Remaining Maturity, or WARM method, which is considered an acceptable loss-rate method for estimating CECL reserves by the Financial Accounting Standards Board (“FASB”). The application of the WARM method to estimate a general CECL reserve requires judgment, including the appropriate historical loan loss reference data, the expected timing and amount of future loan fundings and repayments, the current credit quality of our portfolio, and our expectations of performance and market conditions over the relevant time period.

The WARM method requires us to reference historical loan loss data from a comparable data set and apply such loss rate to each of our loans over their expected remaining duration, taking into consideration expected economic conditions over the forecasted timeframe. Our general CECL reserve reflects our forecast of the current and future macroeconomic conditions that may impact the performance of the commercial real estate assets securing our loans and the borrower’s ultimate ability to repay. These estimates include unemployment rates, price indices for commercial properties, and market liquidity, all of which may influence the likelihood and magnitude of potential credit losses for our loans during their expected remaining duration. Additionally, further adjustments may be made based upon loan positions senior to ours, the risk rating of a loan, whether a loan is a construction loan, whether the loan’s initial maturity is near-term, or the economic conditions specific to the property type of a loan’s underlying collateral.

To estimate an annual historical loss rate, we obtained historical loss rate data for loans most comparable to our loan portfolio from a commercial mortgage-backed securities database licensed by a third party, Trepp, LLC, which contains historical loss data from January 1, 1999 through March 31, 2025. We believe this CMBS data is the most relevant, available, and comparable dataset to our portfolio.

When evaluating the current and future macroeconomic environment, we consider the aforementioned macroeconomic factors. Historical data for each metric is compared to historical commercial real estate credit losses in order to determine the relationship between the two variables. We use projections of each macroeconomic factor, obtained from a third party, to approximate the impact the macroeconomic outlook may have on our loss rate. Selections of these economic forecasts require judgment about future events that, while based on the information available to us as of the balance sheet date, are ultimately subjective and uncertain, and the actual economic conditions could vary significantly from the estimates we made. Following a reasonable and supportable forecast period, we use a straight-line method of reverting to the historical loss rate. Additionally, we assess the obligation to extend credit through our unfunded loan commitments through their expected remaining duration, adjusted for projected fundings from interest reserves, if applicable, which is considered in the estimate of the general CECL reserve. For both the funded and unfunded portions of our loans, we consider our internal risk rating of each loan as the primary credit quality indicator underlying our assessment.

We evaluate the credit quality of each of our loans receivable on an individual basis and assign a risk rating at least quarterly. We have developed a loan grading system for all of our outstanding loans receivable that are collateralized directly or indirectly by real estate. Grading criteria include, but are not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to,

as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the overall market conditions, we may consider certain previously mentioned factors more or less relevant than others. We utilize the grading system to determine each loan's risk of loss and to provide a determination as to whether an individual loan is impaired and whether a specific CECL reserve is necessary. Based on a 5-point scale, the loans are graded "1" through "5," from less risk to greater risk, which gradings are defined as follows:

1. Very Low Risk
2. Low Risk
3. Medium Risk
4. High Risk/Potential for Loss: A loan that has a risk of realizing a principal loss
5. Impaired/Loss Likely: A loan that has a very high risk of realizing a principal loss or has otherwise incurred a principal loss

Specific CECL Reserve

In certain circumstances, we may determine that a loan is no longer suited for the WARM method because (i) it has unique risk characteristics, (ii) we have deemed the borrower/sponsor to be experiencing financial difficulty and the repayment of the loan's principal is collateral-dependent, and/or (iii) we anticipate assuming legal title and/or physical possession of the underlying collateral property and the fair value of the collateral asset is determined to be below our carrying value. We may instead elect to employ different methods to estimate credit losses that also conform to ASC 326 and related guidance. For such loans, we would separately measure the specific reserve for each loan by using the estimated fair value of the loan's collateral. If the estimated fair value of the collateral is less than the carrying value of the loan, an asset-specific reserve is created as a component of our overall current expected credit loss reserve. Specific reserves are equal to the excess of a loan's carrying value to the estimated fair value of the collateral. If recovery of our investment is expected from the sale of the collateral and such costs will reduce amounts recovered by us, specific reserves are equal to the excess of a loan's carrying value to the estimated fair value of the collateral less estimated costs to sell.

If we have determined that a loan or a portion of a loan is uncollectible, we will write off the amount deemed uncollectible through an adjustment to our CECL reserve. If we have determined that accrued interest receivable previously recognized under our revenue recognition policy is uncollectible, we will either reverse such amount against interest income or write off such amount through an adjustment to our CECL reserve. Significant judgment is required in determining impairment and in estimating the resulting credit loss reserve, and actual losses, if any, could materially differ from those estimates.

See Note 3 - Loan Portfolio - Current Expected Credit Losses for further detail.

Recent Accounting Guidance

The FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses" ("ASU 2024-03"). The standard provides improvements to disclosure of the nature of expenses included in the statement of operations via tabular disclosure in the footnotes that disaggregates relevant expenses into certain expense categories. Further, the FASB issued ASU 2025-01, "Clarifying the Effective Date," which clarifies the effective date of ASU 2024-03. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The adoption of ASU 2024-03 is not expected to have a material impact on our consolidated financial statements.

The FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures" ("ASU 2023-09"). The standard provides improvements to income tax disclosure requiring disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-09 is not expected to have a material impact on our consolidated financial statements.

The FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). The standard provides improvements to reportable segment disclosure requirements for annual and interim reporting, primarily through enhanced disclosures about significant segment expenses and measures of segment profit or loss. The standard is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024. As such, we have adopted ASU 2023-07 retrospectively for all periods presented. See Note 15 - Segment Reporting for further detail of segment profit and loss.

Note 3. Loan Portfolio

Loans Receivable

Our loan receivable held-for-investment portfolio as of March 31, 2025 was comprised of the following loans (\$ in thousands, except for number of loans):

	Number of Loans	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Weighted Average Spread ⁽³⁾	Weighted Average Interest Rate ⁽⁴⁾
Loans receivable held-for-investment:						
<u>Variable:</u>						
Senior loans ⁽⁵⁾	48	\$ 6,313,984	\$ 5,856,608	\$ 5,730,337	+ 3.49%	6.99%
	48	6,313,984	5,856,608	5,730,337	+ 3.49%	6.99%
<u>Fixed:</u>						
Senior loans ⁽⁵⁾	1	\$ 1,607	\$ 1,607	\$ 1,607	N/A	0.00%
Subordinate loans	2	125,886	125,886	124,893	N/A	8.44%
	3	127,493	127,493	126,500		8.33%
Total/Weighted Average	51	\$ 6,441,477	\$ 5,984,101	\$ 5,856,837	N/A	7.02%
General CECL reserve				(118,135)		
Loans receivable held-for-investment, net				\$ 5,738,702		

(1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.

(2) Net of specific CECL reserves of \$119.3 million.

(3) The weighted average spread is expressed as a spread over the relevant floating benchmark rates. One-month term Secured Overnight Financing Rate ("SOFR") as of March 31, 2025 was 4.32%. Weighted average is based on unpaid principal balance as of March 31, 2025. For loans placed on non-accrual, the spread used in calculating the weighted average spread is 0%.

(4) Reflects the weighted average interest rate based on the applicable floating benchmark rate (if applicable), including SOFR floors (if applicable). Weighted average is based on unpaid principal balance as of March 31, 2025 and includes loans on non-accrual status. For loans placed on non-accrual, the spread used in calculating the weighted average interest rate is 0%.

(5) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans (if any), and pari passu participations in senior mortgage loans.

Our loans receivable held-for-investment portfolio as of December 31, 2024 was comprised of the following loans (\$ in thousands, except for number of loans):

	Number of Loans	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Weighted Average Spread ⁽³⁾	Weighted Average Interest Rate ⁽⁴⁾
Loans receivable held-for-investment:						
<u>Variable:</u>						
Senior loans ⁽⁵⁾	49	\$ 6,571,059	\$ 6,072,753	\$ 5,942,843	+ 3.62%	7.20%
	49	6,571,059	6,072,753	5,942,843	+ 3.62%	7.20%
<u>Fixed:</u>						
Senior loans ⁽⁵⁾	1	\$ 1,651	\$ 1,651	\$ 1,651	N/A	0.00%
Subordinate loans	2	125,886	125,886	124,878	N/A	8.44%
	3	127,537	127,537	126,529		8.33%
Total/Weighted Average	52	\$ 6,698,596	\$ 6,200,290	\$ 6,069,372	N/A	7.22%
General CECL reserve				(122,110)		
Loans receivable held-for-investment, net				\$ 5,947,262		

(1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.

(2) Net of specific CECL reserves of \$120.9 million.

(3) The weighted average spread is expressed as a spread over the relevant floating benchmark rates. SOFR as of December 31, 2024 was 4.33%. Weighted average is based on unpaid principal balance as of December 31, 2024. For loans placed on non-accrual, the spread used in calculating the weighted average spread is 0%.

(4) Reflects the weighted average interest rate based on the applicable floating benchmark rate (if applicable), including SOFR floors (if applicable). Weighted average is based on unpaid principal balance as of December 31, 2024 and includes loans on non-accrual status. For loans placed on non-accrual, the interest rate used in calculating the weighted average interest rate is 0%.

(5) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans (if any), and pari passu participations in senior mortgage loans.

Activity relating to our loans receivable held-for-investment portfolio for the three months ended March 31, 2025 (\$ in thousands):

	Unpaid Principal Balance	Deferred Fees and Discounts	Specific CECL Reserve	Carrying Value ⁽¹⁾
Balance at December 31, 2024	\$ 6,200,290	\$ (9,998)	\$ (120,920)	\$ 6,069,372
Advances on existing loans	27,404	-	-	27,404
Non-cash advances in lieu of interest	14,487	-	-	14,487
Origination fees, discounts, extension fees and exit fees	-	(341)	-	(341)
Repayments of loans receivable	(213,001)	-	-	(213,001)
Repayments of non-cash advances in lieu of interest	(2,423)	-	-	(2,423)
Accretion of fees and discounts	-	2,797	-	2,797
Provision for specific CECL reserve	-	-	(41,458)	(41,458)
Charge-offs	(42,656)	(457)	43,113	-
Balance at March 31, 2025	<u>\$ 5,984,101</u>	<u>\$ (7,999)</u>	<u>\$ (119,265)</u>	<u>\$ 5,856,837</u>
General CECL reserve				(118,135)
Carrying Value				<u>\$ 5,738,702</u>

(1) Balance at December 31, 2024 does not include general CECL reserve.

During the three months ended March 31, 2025, we agreed to a loan repayment of a land loan with an unpaid principal balance of \$183.0 million and deferred interest of \$6.4 million, which resulted in (i) a discounted loan payoff of \$164.7 million, (ii) a discounted repayment of deferred interest of \$2.9 million, and (iii) a waiver of a \$0.5 million exit fee. During the three months ended March 31, 2025, we recognized a \$22.3 million charge-off through our provision for current expected credit loss reserve as a result of this repayment.

Sales of Loans Receivable

The following table summarizes our loan receivable held-for-sale as of March 31, 2025 and loan receivable sold during the three months ended March 31, 2025 (\$ in thousands):

Property Type	Location	Loan Commitment	Unpaid Principal Balance	Carrying Value Before Principal Charge-Off / Valuation Allowance	Cumulative Principal Charge-Off / Valuation Allowance	Held-For-Sale Carrying Value	Risk Rating ⁽¹⁾
For Sale Condo ⁽²⁾	CA	\$ 247,260	\$ 223,491	\$ 223,491	\$ (77,928)	\$ 145,563	4
Total held-for-sale, March 31, 2025		<u>\$ 247,260</u>	<u>\$ 223,491</u>	<u>\$ 223,491</u>	<u>\$ (77,928)</u>	<u>\$ 145,563</u>	
Hospitality ⁽³⁾	CA	\$ 101,059	\$ 101,059	\$ 101,299	\$ (315)	\$ 100,984	3
Total sold, three months ended March 31, 2025		<u>\$ 101,059</u>	<u>\$ 101,059</u>	<u>\$ 101,299</u>	<u>\$ (315)</u>	<u>\$ 100,984</u>	

(1) Reflects risk rating of the loan receivable prior to the loan sale or reclassification to held-for-sale.

(2) Principal charge-offs and valuation allowance attributable to the delinquency of the loan and its \$23.8 million of remaining unfunded commitments. During the three months ended March 31, 2025, we recognized a further adjustment to the held-for-sale carrying value of \$42.6 million as a result of additional protective advances made and a reduction in anticipated proceeds from the sale, which is reflected as a valuation adjustment for loan receivable held-for-sale on our consolidated statement of operations. Effective October 1, 2024, this loan was placed on non-accrual status.

(3) Loan classified as held-for-sale as of December 31, 2024 and sold in January 2025. Principal charge-off recognized upon reclassification to held-for-sale as of December 31, 2024.

Modifications of Loans Receivable Held-for-Investment

Retroactive to its initial maturity date of November 2024, we have agreed to a modification of a multifamily loan receivable with an unpaid principal balance of \$390.0 million which primarily provides for (i) a discounted loan payoff of \$350.0 million, contingent on the borrower meeting prescribed conditions within a certain timeframe, (ii) an extension of the maturity date from November 1, 2024 to August 1, 2025, (iii) a curtailment of existing maturity extension options, and (iv) partial deferral of monthly debt service payments until maturity. As the fair value of the collateral asset exceeds our carrying value of the loan receivable, we reserved for this contingent discounted loan payoff within our general CECL reserve and reflect this loan as risk rated 4.

During the year ended December 31, 2023, we modified a hospitality loan with a borrower that was experiencing financial difficulties, resulting in a maturity extension to June 10, 2024. As of March 31, 2025, the loan had total commitments and an amortized cost basis of \$79.3 million, represents approximately 1.4% of total loans receivable held-for-investment, based on carrying value net of specific CECL reserves, is current on interest payments, is in maturity default, and is risk rated 4. The loan is considered in determining our general CECL reserve.

During the year ended December 31, 2022, we modified an office loan with a borrower that was experiencing financial difficulties, resulting in a decrease in the index rate floor from 1.57% to 1.00% and modified extension requirements. During the year ended December 31, 2023, we further modified this loan to provide for an initial maturity extension to September 18, 2023. As of March 31, 2025, we agreed to a payoff of our loan with an unpaid principal balance of \$87.8 million prior to a principal charge-off following the borrower's sale of the collateral asset which occurred on April 7, 2025. During the three months ended March 31, 2025, we recognized a \$24.4 million charge-off through our provision for current expected credit loss reserve as a result of this anticipated repayment. Effective March 31, 2025, this loan was placed on non-accrual status.

Concentration of Risk

The following table presents our loans receivable held-for-investment by loan type, as well as property type and geographic location of the properties collateralizing these loans as of March 31, 2025 and December 31, 2024 (\$ in thousands):

<u>Loan Type</u>	<u>March 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Carrying Value ⁽¹⁾</u>	<u>Percentage</u>	<u>Carrying Value ⁽²⁾</u>	<u>Percentage</u>
Senior loans ⁽³⁾	\$ 5,731,944	98%	\$ 5,944,494	98%
Subordinate loans	124,893	2%	124,878	2%
	<u>\$ 5,856,837</u>	<u>100%</u>	<u>\$ 6,069,372</u>	<u>100%</u>
General CECL reserve	(118,135)		(122,110)	
	<u>\$ 5,738,702</u>		<u>\$ 5,947,262</u>	

<u>Property Type</u>	<u>Carrying Value ⁽¹⁾</u>	<u>Percentage</u>	<u>Carrying Value ⁽²⁾</u>	<u>Percentage</u>
Multifamily	\$ 2,606,118	44%	\$ 2,584,728	43%
Hospitality	1,128,995	19%	1,129,666	19%
Office	840,918	15%	859,085	14%
Mixed-Use ⁽⁴⁾	504,218	9%	541,311	9%
Other	471,334	8%	465,939	7%
Land	305,254	5%	488,643	8%
	<u>\$ 5,856,837</u>	<u>100%</u>	<u>\$ 6,069,372</u>	<u>100%</u>
General CECL reserve	(118,135)		(122,110)	
	<u>\$ 5,738,702</u>		<u>\$ 5,947,262</u>	

<u>Geographic Location</u>	<u>Carrying Value ⁽¹⁾</u>	<u>Percentage</u>	<u>Carrying Value ⁽²⁾</u>	<u>Percentage</u>
United States				
West	\$ 1,940,015	33%	\$ 1,916,586	32%
Northeast	1,399,395	24%	1,583,579	26%
Mid Atlantic	773,784	13%	793,359	12%
Southeast	648,720	11%	659,172	11%
Southwest	567,269	10%	589,956	10%
Midwest	487,702	8%	486,724	8%
Other	39,952	1%	39,996	1%
	<u>\$ 5,856,837</u>	<u>100%</u>	<u>\$ 6,069,372</u>	<u>100%</u>
General CECL reserve	(118,135)		(122,110)	
	<u>\$ 5,738,702</u>		<u>\$ 5,947,262</u>	

(1) Net of specific CECL reserves of \$119.3 million at March 31, 2025.

(2) Net of specific CECL reserves of \$120.9 million at December 31, 2024.

(3) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans and pari passu participations in senior mortgage loans.

(4) At March 31, 2025, mixed-use comprises of 3% office, 3% multifamily, 2% retail, 1% hospitality, and immaterial amounts of for sale condo. At December 31, 2024, mixed-use comprises of 3% office, 3% multifamily, 2% retail, 1% hospitality, and immaterial amounts of for sale condo.

Interest Income and Accretion

The following table summarizes our interest and accretion income from our loan portfolio and interest on cash balances for the three months ended March 31, 2025 and 2024, respectively (\$ in thousands):

	Three Months Ended	
	March 31, 2025	March 31, 2024
Coupon interest	\$ 114,477	\$ 153,007
Accretion of fees and discounts	2,797	4,633
Interest on cash, cash equivalents, and other income	764	3,205
Total interest and related income ⁽¹⁾	\$ 118,038	\$ 160,845

- (1) For the three months ended March 31, 2025 and 2024, we recognized \$0.0 million and \$1.3 million, respectively, of default interest, late fees, pre-payment penalties, and/or accelerated fees following repayments prior to maturity.

Loan Risk Ratings

As further described in Note 2 – Summary of Significant Accounting Policies, we evaluate the credit quality of our loan portfolio on a quarterly basis. In conjunction with our quarterly loan portfolio review, we assess the risk factors of each loan and assign a risk rating based on several factors including, but not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to, as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the current market conditions, we may consider certain previously mentioned factors more or less relevant than others. Loans are rated "1" (less risk) through "5" (greater risk), which ratings are defined in Note 2 – Summary of Significant Accounting Policies.

The following tables allocate the principal balance and carrying value of our loans receivable held-for-investment based on our internal risk ratings as of March 31, 2025 and December 31, 2024 (\$ in thousands):

March 31, 2025				
Risk Rating	Number of Loans	Unpaid Principal Balance	Carrying Value ⁽¹⁾	% of Total of Carrying Value
1	1	\$ 225,000	\$ 225,253	4%
2	-	-	-	0%
3	26	2,937,268	2,932,283	50%
4	13	2,093,517	2,092,203	36%
5	11	728,316	607,098	10%
	51	\$ 5,984,101	\$ 5,856,837	100%
General CECL reserve			(118,135)	
			\$ 5,738,702	

- (1) Net of specific CECL reserves of \$119.3 million.

December 31, 2024				
Risk Rating	Number of Loans	Unpaid Principal Balance	Carrying Value ⁽¹⁾	% of Total of Carrying Value
1	-	\$ -	\$ -	0%
2	-	-	-	0%
3	28	3,360,621	3,354,399	55%
4	14	2,174,343	2,172,522	36%
5	10	665,326	542,451	9%
	52	\$ 6,200,290	\$ 6,069,372	100%
General CECL reserve			(122,110)	
			\$ 5,947,262	

- (1) Net of specific CECL reserves of \$120.9 million.

As of March 31, 2025 and December 31, 2024, the average risk rating of our portfolio was 3.5 and 3.6, respectively, weighted by unpaid principal balance.

The following table presents the carrying value and significant characteristics of our loans receivable held-for-investment on non-accrual status as of March 31, 2025 (\$ in thousands):

Property Type	Location	Risk Rating	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value	Interest Recognition Method / as of Date
Land	VA	5	\$ 153,077	\$ 153,077	\$ (32,977)	\$ 120,100	Cost Recovery/ 1/1/2023
Multifamily	TX	5	119,084	118,719	(19)	118,700	Cash Basis/ 10/1/2024
Office	CA	5	111,542	111,263	(20,463)	90,800	Cost Recovery/ 4/1/2023
Multifamily	NV	5	96,529	96,082	(16,682)	79,400	Cash Basis/ 1/1/2024
Office	GA	5	67,892	67,494	(27,494)	40,000	Cost Recovery/ 9/1/2023
Office ⁽¹⁾⁽²⁾	TX	5	63,391	63,391	-	63,391	Cost Recovery/ 3/31/2025
Multifamily	AZ	5	50,164	49,957	(7,157)	42,800	Cash Basis/ 1/1/2024
Multifamily	TX	5	39,279	39,085	(10,985)	28,100	Cash Basis/ 1/1/2024
Multifamily	TX	5	24,865	24,804	(2,604)	22,200	Cash Basis/ 7/1/2024
Other ⁽¹⁾	Other	5	1,607	1,607	-	1,607	Cost Recovery/ 7/1/2020
Other ⁽³⁾	NY	5	886	884	(884)	-	Cost Recovery/ 6/30/2023
Total risk rated 5 loans			728,316	726,363	(119,265)	607,098	
Multifamily	TX	4	136,355	135,840	-	135,840	Cash Basis/ 7/1/2024
Office	CA	4	95,214	94,827	-	94,827	Cost Recovery/ 9/1/2023
Land	NY	4	87,741	88,166	-	88,166	Cash Basis/ 4/1/2024
Land	NY	4	67,000	67,000	-	67,000	Cash Basis/ 11/1/2021
Total risk rated 4 loans			386,310	385,833	-	385,833	
Total non-accrual			\$ 1,114,626	\$ 1,112,196	\$ (119,265)	\$ 992,931	

(1) Amounts deemed uncollectible have been charged-off as of March 31, 2025.

(2) Loan repaid in April 2025.

(3) In April 2025, we agreed to a loan repayment which resulted in a discounted loan payoff of \$775,000.

As of March 31, 2025, loans receivable classified as non-accrual represented 17.0% of our total loans receivable held-for-investment, based on carrying value net of specific CECL reserves. During the three months ended March 31, 2025, we recognized \$2.0 million of interest income and received \$0.6 million of cost recovery proceeds for such loans while on non-accrual status. Further, the above table excludes (i) four loans with an aggregate carrying value of \$477.8 million that are in maturity default but remain on accrual status as the borrower is either current on interest payments or interest is deemed collectible based on the underlying collateral value and (ii) two loans with an aggregate carrying value of \$477.7 million that are delinquent in accordance with our revenue recognition policy but remain on accrual status as the interest is deemed collectible based on the underlying collateral value.

The following table presents the carrying value and significant characteristics of our loans receivable held-for-investment on non-accrual status as of December 31, 2024 (\$ in thousands):

Property Type	Location	Risk Rating	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value	Interest Recognition Method / as of Date
Land	VA	5	\$ 152,834	\$ 152,834	\$ (32,734)	\$ 120,100	Cost Recovery/ 1/1/2023
Multifamily	TX	5	119,084	118,717	(617)	118,100	Cash Basis/ 10/1/2024
Office	CA	5	111,542	111,263	(20,463)	90,800	Cost Recovery/ 4/1/2023
Multifamily	NV	5	96,529	96,082	(16,682)	79,400	Cash Basis/ 1/1/2024
Office	GA	5	68,492	68,094	(27,894)	40,200	Cost Recovery/ 9/1/2023
Multifamily	AZ	5	50,164	49,957	(7,157)	42,800	Cash Basis/ 1/1/2024
Multifamily	TX	5	39,279	39,085	(10,885)	28,200	Cash Basis/ 1/1/2024
Multifamily	TX	5	24,865	24,804	(3,604)	21,200	Cash Basis/ 7/1/2024
Other ⁽¹⁾	Other	5	1,651	1,651	-	1,651	Cost Recovery/ 7/1/2020
Other	NY	5	886	884	(884)	-	Cost Recovery/ 6/30/2023
Total risk rated 5 loans			665,326	663,371	(120,920)	542,451	
Multifamily	TX	4	136,355	135,840	-	135,840	Cash Basis/ 7/1/2024
Office	CA	4	95,214	94,827	-	94,827	Cost Recovery/ 9/1/2023
Land	NY	4	87,741	88,166	-	88,166	Cash Basis/ 4/1/2024
Land	NY	4	67,000	67,000	-	67,000	Cash Basis/ 11/1/2021
Total risk rated 4 loans			386,310	385,833	-	385,833	
Total non-accrual			\$ 1,051,636	\$ 1,049,204	\$ (120,920)	\$ 928,284	

(1) Amounts deemed uncollectible have been charged-off as of December 31, 2024.

As of December 31, 2024, loans receivable classified as non-accrual represented 15.3% of our total loans receivable held-for-investment, based on carrying value net of specific CECL reserves. During the year ended December 31, 2024, we recognized \$4.6 million of interest income and received \$7.1 million of cost recovery proceeds for such loans while on non-accrual status. Further, the above table excludes (i) four loans with an aggregate carrying value of \$394.8 million that are in maturity default but remain on accrual status as the borrower is either current on interest payments or interest is deemed collectible based on the underlying collateral value and (ii) three loans with an aggregate carrying value of \$647.3 million that are delinquent in accordance with our revenue recognition policy but remain on accrual status as the interest is deemed collectible based on the underlying collateral value.

Current Expected Credit Losses

The current expected credit loss reserve required under GAAP reflects our current estimate of potential credit losses related to our loan commitments. See Note 2 for further detail of our current expected credit loss reserve methodology.

The following table illustrates the changes in the current expected credit loss reserve for our loans receivable held-for-investment for the three months ended March 31, 2025 and 2024, respectively (\$ in thousands):

	Specific CECL Reserve			General CECL Reserve				
	Loans Receivable Held-for-Investment	Accrued Interest Receivable	Total Specific CECL Reserve	Loans Receivable Held-for-Investment	Accrued Interest Receivable	Unfunded Loan Commitments	Total General CECL Reserve	Total CECL Reserve
Total reserve, December 31, 2023	\$ 72,587	\$ -	\$ 72,587	\$ 70,371	\$ -	\$ 9,726	\$ 80,097	\$ 152,684
Provision (reversal)	47,285	-	47,285	23,358	-	(683)	22,675	69,960
Charge-offs	(42,266)	-	(42,266)	-	-	-	-	(42,266)
Total reserve, March 31, 2024	\$ 77,606	\$ -	\$ 77,606	\$ 93,729	\$ -	\$ 9,043	\$ 102,772	\$ 180,378
Total reserve, December 31, 2024	\$ 120,920	\$ -	\$ 120,920	\$ 122,110	\$ 17,794	\$ 5,546	\$ 145,450	\$ 266,370
Provision (reversal)	41,458	3,540	44,998	(3,975)	-	100	(3,875)	41,123
Charge-offs	(43,113)	(3,540)	(46,653)	-	-	-	-	(46,653)
Total reserve, March 31, 2025	\$ 119,265	\$ -	\$ 119,265	\$ 118,135	\$ 17,794	\$ 5,646	\$ 141,575	\$ 260,840
Reserve at March 31, 2025 ⁽³⁾			2.0%				2.4%	4.4%

(1) CECL reserves for accrued interest receivable, if any, are included in other assets on our consolidated balance sheets.

(2) CECL reserve for unfunded commitments is included in other liabilities on the consolidated balance sheets.

(3) Represents CECL reserve as a percent of total unpaid principal balance of loans receivable held-for-investment.

The following table illustrates our specific and general CECL reserves as a percentage of total unpaid principal balance of loans receivable held-for-investment as of March 31, 2025, December 31, 2024, March 31, 2024, and December 31, 2023:

	Specific CECL Reserve ⁽¹⁾	General CECL Reserve ⁽²⁾	Total CECL Reserve ⁽³⁾
Reserve at December 31, 2023	21.5%	1.2%	2.2%
Reserve at March 31, 2024	22.9%	1.6%	2.6%
Reserve at December 31, 2024	18.2%	2.6%	4.3%
Reserve at March 31, 2025	16.4%	2.7%	4.4%

(1) Represents specific CECL reserve as a percentage of unpaid principal balance of risk rated 5 loans.

(2) Represents general CECL reserve as a percentage of unpaid principal balance of loans subject to the general CECL reserve.

(3) Represents total CECL reserve as a percent of total unpaid principal balance of loans receivable held-for-investment.

During the three months ended March 31, 2025, we recorded a provision for current expected credit losses of \$41.1 million, which consisted of a \$3.9 million reversal of our general CECL reserve and a \$45.0 million increase in our specific CECL reserve prior to principal, accrued interest receivable, and exit fee charge-offs. The reversal of our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous dataset, seasoning of our loan portfolio, and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. The reversal of our specific CECL reserves was primarily attributable to changes to collateral values, offset by protective advances made. As of March 31, 2025, our total current expected credit loss reserve was \$260.8 million.

During the three months ended March 31, 2024, we recorded a provision for current expected credit losses of \$70.0 million, which consisted of a \$22.7 million increase in our general CECL reserve and a \$47.3 million increase in our specific CECL reserve prior to principal charge-offs. This increase in our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous dataset and changes in risk ratings and non-accrual status within our loan portfolio, offset by the seasoning of our loan portfolio and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. The increase in our

specific CECL reserves was primarily attributable to changes to collateral values and additional protective advances made. As of March 31, 2024, our total current expected credit loss reserve was \$180.4 million.

Specific CECL Reserves

In certain circumstances, we may determine that a borrower is experiencing financial difficulty, and, if the repayment of the loan's principal is collateral dependent, the loan is no longer suited for the WARM model. In these instances, there have been diminutions in the fair value and performance of the underlying collateral asset primarily as a result of reduced tenant and/or capital markets demand for such property types in the markets in which these assets and borrowers operate in. Furthermore, we may recognize a specific CECL reserve if we anticipate assuming legal title and/or physical possession of the underlying collateral property and the fair value of the collateral asset is determined to be below our carrying value. The following table presents a summary of our risk rated 5 loans receivable held-for-investment as of March 31, 2025 (\$ in thousands):

Property Type	Location	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value
Land	VA	\$ 153,077	\$ 153,077	\$ 32,977	\$ 120,100
Total Land		153,077	153,077	32,977	120,100
Multifamily	TX	119,084	118,719	19	118,700
Multifamily	NV	96,529	96,082	16,682	79,400
Multifamily	AZ	50,164	49,957	7,157	42,800
Multifamily	TX	39,279	39,085	10,985	28,100
Multifamily	TX	24,865	24,804	2,604	22,200
Total Multifamily ⁽¹⁾		329,921	328,647	37,447	291,200
Office	CA	111,542	111,263	20,463	90,800
Office ⁽²⁾⁽³⁾	TX	63,391	63,391	-	63,391
Office	GA	67,892	67,494	27,494	40,000
Total Office		242,825	242,148	47,957	194,191
Other ⁽²⁾	Other	1,607	1,607	-	1,607
Other ⁽⁴⁾	NY	886	884	884	-
Total Other		2,493	2,491	884	1,607
Total		\$ 728,316	\$ 726,363	\$ 119,265	\$ 607,098

(1) Represents loans which we anticipate assuming legal title and/or physical possession of the underlying collateral properties.

(2) Amounts deemed uncollectible have been charged-off as of March 31, 2025.

(3) Loan repaid in April 2025.

(4) In April 2025, we agreed to a loan repayment which resulted in a discounted loan payoff of \$775,000.

Fair values used to determine specific CECL reserves are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine specific CECL reserves as of March 31, 2025 include assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates ranging from 6.0% to 9.5%, and market and terminal capitalization rates ranging from 5.0% to 8.25%. These assumptions are based upon the nature of the properties, recent sales and lease comparables, recent and projected property cash flows, and anticipated real estate and capital market conditions.

Our primary credit quality indicator is our internal risk rating, which is further discussed above. The following table presents the carrying value of our loans receivable held-for-investment as of March 31, 2025 by year of origination and risk rating, and principal charge-offs recognized during the three months ended March 31, 2025 (\$ in thousands):

Risk Rating	Number of Loans	Carrying Value ⁽¹⁾	Carrying Value by Origination Year as of March 31, 2025						
			2024 ⁽³⁾	2023	2022	2021	2020	2019	2018
1	1	\$ 225,253	\$ -	\$ -	\$ -	\$ 225,253	\$ -	\$ -	\$ -
2	-	-	-	-	-	-	-	-	-
3	26	2,932,283	100,636	-	1,555,705	667,034	-	367,558	241,350
4	13	2,092,203	-	-	539,118	572,490	-	813,160	167,435
5	11	607,098	-	-	291,200	40,000	154,191	1,607	120,100
	51	\$ 5,856,837	\$ 100,636	\$ -	\$ 2,386,023	\$ 1,504,777	\$ 154,191	\$ 1,182,325	\$ 528,885
Principal Charge-offs ⁽²⁾			\$ -	\$ -	\$ -	\$ -	\$ 24,359	\$ -	\$ 18,754

(1) Net of specific CECL reserves of \$119.3 million.

- (2) Principal charge-off of \$18.8 million recognized in connection with the repayment of a loan in March 2025 and includes charge-off of a \$0.5 million exit fee previously included in the carrying value of the loan. Principal charge-off of \$24.4 million recognized in connection with the anticipated repayment of a loan which occurred in April 2025.
- (3) Reflects a loan receivable acquired in connection with a full loan repayment in July 2024.

The following table details overall statistics for our loans receivable held-for-investment:

	March 31, 2025	December 31, 2024
Weighted average yield to maturity ⁽¹⁾	7.4%	7.6%
Weighted average term to initial maturity	0.6 years	0.7 years
Weighted average term to fully extended maturity ⁽²⁾	1.5 years	1.7 years

- (1) Represents the weighted average annualized yield to initial maturity of each loan, inclusive of coupon, and fees received, based on the applicable floating benchmark rate/floors (if applicable), in place as of March 31, 2025 and December 31, 2024. For loans placed on non-accrual, the annualized yield to initial maturity used in calculating the weighted average annualized yield to initial maturity is 0%.
- (2) Term to fully extended maturity is determined based on the maximum maturity of each of the corresponding loans, assuming all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date.

Note 4. Equity Method Investment

As of March 31, 2025 and December 31, 2024, we hold a 51% interest in CMTG/TT Mortgage REIT LLC (“CMTG/TT”). We are not deemed to be the primary beneficiary of CMTG/TT in accordance with ASC 810, therefore we do not consolidate this joint venture. During its active investment period, CMTG/TT originated loans collateralized by institutional quality commercial real estate. As of March 31, 2025, the sole remaining loan held by CMTG/TT had an unpaid principal balance of \$78.5 million and was placed on non-accrual status effective April 1, 2023. As of March 31, 2025, the carrying value of our 51% equity interest in CMTG/TT approximated \$42.3 million.

At each reporting period, we assess whether there are any indicators of other-than-temporary impairment of our equity investment. There were no other than temporary impairments of our equity method investment through March 31, 2025.

Note 5. Real Estate Owned

The following table presents additional detail related to our real estate owned held-for-investment, net, as of March 31, 2025 and December 31, 2024 (\$ in thousands):

	March 31, 2025	December 31, 2024
Land	\$ 112,898	\$ 112,898
Building	11,251	11,251
Tenant improvements	4,414	4,414
Real estate owned	128,563	128,563
Less: accumulated depreciation	(1,660)	(1,423)
Real estate owned, net	\$ 126,903	\$ 127,140

Depreciation expense related to our real estate owned held-for-investment assets for the three months ended March 31, 2025 and 2024 was \$0.2 million and \$2.4 million, respectively. At each reporting period, we assess whether there are any indicators of impairment of our real estate owned held-for-investment assets. There were no impairments of our real estate owned held-for-investment assets through March 31, 2025.

The following table presents additional detail related to the revenues and operating expenses of our real estate owned assets (\$ in thousands):

	Three Months Ended	
	March 31, 2025	March 31, 2024
Revenue		
Hotel portfolio	\$ 12,690	\$ 12,017
Mixed-Use property fixed rents	2,087	2,078
Mixed-Use property straight-line rent adjustment	25	31
Mixed-Use property variable rents	116	139
Mixed-Use property amortization of above and below market leases, net	(354)	(354)
Total revenue from real estate owned	<u>\$ 14,564</u>	<u>\$ 13,911</u>
Operating expenses		
Hotel portfolio	\$ 11,404	\$ 11,622
Mixed-Use property	1,511	1,258
Total operating expenses from real estate owned	<u>\$ 12,915</u>	<u>\$ 12,880</u>

Hotel Portfolio

On February 8, 2021, we acquired legal title to a portfolio of seven limited service hotels located in New York, NY through a foreclosure and assumed the securitized senior mortgage. As of December 31, 2024, we determined that our hotel portfolio had met the held-for-sale criteria and, accordingly, we reflected this asset as real estate owned held-for-sale on our consolidated balance sheet. Concurrent with this classification, we recognized an \$80.5 million loss based upon the anticipated sales price, less estimated costs to sell. During the three months ended March 31, 2025 we continued to pursue the sale of this asset and, as of March 31, 2025, it remains classified as held-for-sale. During the three months ended March 31, 2025, we incurred \$49.0 thousand of capital expenditures at our hotel portfolio, which is reflected as an additional loss on real estate owned held-for-sale on our consolidated statement of operations. As of March 31, 2025, approximately \$20.4 million of our restricted cash, \$4.4 million of our other assets, \$11.0 million of our other liabilities, and \$275.2 million of our debt related to real estate owned assets relate to our hotel portfolio real estate owned assets. We have determined this anticipated sale does not reflect a strategic shift and therefore does not qualify for presentation as a discontinued operation.

Mixed-Use Property

On June 30, 2023, we acquired legal title to a mixed-use property located in New York, NY and the equity interests in the borrower through an assignment-in-lieu of foreclosure and is comprised of office, retail, and signage components. As of March 31, 2025, the mixed-use property appears as part of real estate owned, net and related lease intangibles, net appear within other assets and other liabilities on our consolidated balance sheet. As of March 31, 2025, our mixed-use real estate owned asset with a carrying value of \$143.1 million (including related net lease intangible assets) was pledged as collateral to our term participation facility. In April 2025, we entered into a binding agreement to sell approximately 77,000 square feet of office and retail space to an unaffiliated purchaser for a sales price of \$28.8 million.

Leases

We have non-cancelable operating leases for space in our mixed-use property. These leases provide for fixed rent payments, which we recognize on a straight-line basis, and variable rent payments, including reimbursement of certain operating expenses and miscellaneous fees, which we recognize when earned. As of March 31, 2025, the future minimum fixed rents under our non-cancellable leases for each of the next five years and thereafter are as follows (\$ in thousands):

Year	Amount
2025 ⁽¹⁾	\$ 6,298
2026	8,567
2027	8,643
2028	8,570
2029	7,152
Thereafter	34,719
Total	<u>\$ 73,949</u>

(1) Contractual lease payments due for the remaining nine months of 2025.

Lease Intangibles

Upon acquisition of our mixed-use property on June 30, 2023, \$20.1 million of the purchase price was allocated to lease related intangible assets including \$4.8 million to in-place lease values, \$17.9 million to above market lease values, \$4.2 million to below market lease values, and \$1.6 million to other lease related values.

As of March 31, 2025 and December 31, 2024, our lease intangibles are comprised of the following (\$ in thousands):

Intangible	March 31, 2025	December 31, 2024
In-place, above market, and other lease values	\$ 24,289	\$ 24,289
Less: accumulated amortization	(4,536)	(3,888)
In-place, above market, and other lease values, net	\$ 19,753	\$ 20,401
Below market lease values	\$ (4,209)	\$ (4,209)
Less: accumulated amortization	660	565
Below market lease values, net	\$ (3,549)	\$ (3,644)

Amortization of in-place and other lease values for the three months ended March 31, 2025 and 2024 was \$0.2 million and \$0.2 million, respectively. Amortization of above market lease values for the three months ended March 31, 2025 and 2024 was \$0.4 million and \$0.4 million, respectively. Amortization of below market lease values for the three months ended March 31, 2025 and 2024 was \$0.1 million and \$0.1 million, respectively.

As of March 31, 2025, the estimated amortization of these intangibles is approximately as follows (\$ in thousands):

	In-place and Other Lease Values ⁽¹⁾	Above Market Lease Values ⁽²⁾	Below Market Lease Values ⁽²⁾
2025 ⁽³⁾	\$ 601	\$ (1,343)	\$ 283
2026	802	(1,791)	377
2027	802	(1,791)	377
2028	769	(1,771)	377
2029	410	(1,559)	377
Thereafter	1,615	(6,499)	1,758
Total	\$ 4,999	\$ (14,754)	\$ 3,549

(1) Amortization of in-place and other lease values is recognized in depreciation and amortization expense on our consolidated statements of operations.

(2) Amortization of above and below market lease values, net is recognized in revenue from real estate owned on our consolidated statements of operations.

(3) Represents amortization for the remaining nine months of 2025.

At acquisition, the weighted average amortization period for in-place and other lease values, above-market lease values, and below market lease values was approximately 8.9 years, 10.5 years, and 11.3 years, respectively.

Note 6. Debt Obligations

As of March 31, 2025 and December 31, 2024, we financed certain of our loans receivable using repurchase agreements, a term participation facility, the sale of loan participations, and/or notes payable. Further, we have a secured term loan and debt related to real estate owned. Our financings bear interest at a rate equal to SOFR plus a credit spread.

The following table summarizes our financings as of March 31, 2025 and December 31, 2024 (\$ in thousands):

	March 31, 2025			December 31, 2024		
	Capacity	Borrowings Outstanding	Weighted Average Spread ⁽¹⁾	Capacity	Borrowings Outstanding	Weighted Average Spread ⁽¹⁾
Repurchase agreements and term participation facility ⁽²⁾	\$ 5,646,865	\$ 3,526,059	+ 2.88%	\$ 5,454,083	\$ 3,667,923	+ 2.75%
Notes payable	195,830	166,758	+ 3.24%	273,330	238,938	+ 3.57%
Secured term loan	715,918	715,918	+ 4.50%	717,825	717,825	+ 4.50%
Debt related to real estate owned ⁽³⁾	275,214	275,214	+ 2.94%	275,000	275,000	+ 2.94%
Total/Weighted Average	\$ 6,833,827	\$ 4,683,949	+ 3.14%	\$ 6,720,238	\$ 4,899,686	+ 3.05%

- (1) Weighted average spread over the applicable benchmark rate is based on unpaid principal balance. SOFR as of March 31, 2025 and December 31, 2024 was 4.32% and 4.33%, respectively.
- (2) The repurchase agreements and term participation facility are partially recourse to us. As of March 31, 2025, the weighted average recourse on our repurchase agreements and term participation facility was 30%. As of December 31, 2024, the weighted average recourse on our repurchase agreements and term participation facility was 29%.
- (3) As of March 31, 2025, spread excludes additional interest accrual under the forbearance agreement. See debt related to real estate owned, net below for further detail.

Repurchase Agreements and Term Participation Facility

Repurchase Agreements

The following table summarizes our repurchase agreements by lender as of March 31, 2025 (\$ in thousands):

Lender	Initial Maturity	Fully Extended Maturity ⁽¹⁾	Maximum Capacity	Borrowings Outstanding and Carrying Value	Undrawn Capacity	Carrying Value of Collateral ⁽²⁾
JP Morgan Chase Bank, N.A.	7/28/2026	7/28/2028	\$ 2,381,600	\$ 1,844,460	\$ 537,140	\$ 2,885,419
JP Morgan Chase Bank, N.A. ⁽³⁾	3/31/2028	3/31/2030	214,449	205,149	9,300	291,200
Morgan Stanley Bank, N.A.	1/26/2026	1/26/2028	750,000	449,404	300,596	699,393
Goldman Sachs Bank USA ⁽⁴⁾	5/31/2025	5/31/2027	500,000	115,427	384,573	148,938
Barclays Bank PLC	12/20/2025	12/20/2025	500,000	-	500,000	-
Wells Fargo Bank, N.A. ⁽⁵⁾	4/30/2025	9/29/2026	750,000	424,600	325,400	574,543
Total			<u>\$ 5,096,049</u>	<u>\$ 3,039,040</u>	<u>\$ 2,057,009</u>	<u>\$ 4,599,493</u>

- (1) Facility maturity dates may be extended, subject to meeting prescribed conditions.
- (2) Net of specific CECL reserves, if any.
- (3) Repurchase agreement provides for the ability to finance (i) loans receivable and (ii) real estate owned assets subsequent to assuming legal title and/or physical possession of the underlying collateral property.
- (4) In May 2025, the initial and fully extended maturity dates of this repurchase agreement were extended to June 1, 2027.
- (5) In April 2025, we modified this repurchase agreement to primarily provide for (i) a decrease in the maximum capacity to \$500.0 million, (ii) an extension of the initial maturity date to April 30, 2026, and (iii) two one-year options to further extend the maturity date to April 30, 2028.

The following table summarizes our repurchase agreements by lender as of December 31, 2024 (\$ in thousands):

Lender	Initial Maturity	Fully Extended Maturity ⁽¹⁾	Maximum Capacity	Borrowings Outstanding and Carrying Value	Undrawn Capacity	Carrying Value of Collateral ⁽²⁾
JP Morgan Chase Bank, N.A.	7/28/2026	7/28/2028	\$ 2,398,421	\$ 1,966,560	\$ 431,861	\$ 3,015,354
Morgan Stanley Bank, N.A.	1/26/2025	1/26/2028	750,000	454,403	295,597	698,548
Goldman Sachs Bank USA	5/31/2025	5/31/2027	500,000	137,209	362,791	177,044
Barclays Bank PLC	12/20/2025	12/20/2025	500,000	-	500,000	-
Wells Fargo Bank, N.A.	1/13/2025	9/29/2026	750,000	632,167	117,833	863,518
Total			<u>\$ 4,898,421</u>	<u>\$ 3,190,339</u>	<u>\$ 1,708,082</u>	<u>\$ 4,754,464</u>

- (1) Facility maturity dates may be extended, subject to meeting prescribed conditions.
- (2) Net of specific CECL reserves, if any.

Term Participation Facility

On November 4, 2022, we entered into a master participation and administration agreement to finance certain of our loans receivable. As of March 31, 2025, our mixed-use real estate owned asset with a carrying value of \$143.1 million (including related net lease intangible assets) was pledged as collateral to our term participation facility.

Our term participation facility as of March 31, 2025 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Total Commitments	Borrowings Outstanding	Carrying Value	Carrying Value of Collateral ⁽¹⁾
12/23/2029	\$ 550,816	\$ 487,019	\$ 487,019	\$ 957,855

- (1) Amount includes the carrying value of our mixed-use real estate owned asset, including related net lease intangible assets.

Our term participation facility as of December 31, 2024 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Total Commitments	Borrowings Outstanding	Carrying Value	Carrying Value of Collateral ⁽¹⁾
12/23/2029	\$ 555,662	\$ 477,584	\$ 477,584	\$ 941,778

(1) Amount includes the carrying value of our mixed-use real estate owned asset, including related net lease intangible assets.

Notes Payable

Our notes payable as of March 31, 2025 are summarized as follows (\$ in thousands):

Contractual Maturity Date	Maximum Extension Date	Borrowing Outstanding	Carrying Value	Carrying Value of Collateral
9/2/2026	9/2/2027	\$ 110,592	\$ 109,788	\$ 156,815
2/2/2026	2/2/2027	56,166	55,717	70,847
Total		<u>\$ 166,758</u>	<u>\$ 165,505</u>	<u>\$ 227,662</u>

Our notes payable as of December 31, 2024 are summarized as follows (\$ in thousands):

Contractual Maturity Date	Maximum Extension Date	Borrowing Outstanding	Carrying Value	Carrying Value of Collateral
9/2/2026	9/2/2027	\$ 105,280	\$ 104,333	\$ 148,729
7/15/2027	7/15/2027	77,500	76,895	183,427
2/2/2026	2/2/2027	56,158	55,617	70,677
Total		<u>\$ 238,938</u>	<u>\$ 236,845</u>	<u>\$ 402,833</u>

Secured Term Loan, Net

On August 9, 2019, we entered into a \$450.0 million secured term loan which, on December 1, 2020, was modified to increase the aggregate principal amount by \$325.0 million, increase the interest rate, and to increase the quarterly amortization payment. On December 2, 2021, we further modified our secured term loan to reduce the interest rate to the greater of (i) SOFR plus a 0.10% credit spread adjustment, and (ii) 0.50%, plus a credit spread of 4.50%. Our secured term loan is collateralized by a pledge of equity in certain subsidiaries and their related assets.

The secured term loan as of March 31, 2025 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Interest Rate	Borrowing Outstanding	Carrying Value
8/9/2026	S + 4.50%	8.92%	\$ 715,918	\$ 709,078

(1) SOFR at March 31, 2025 was 4.32%.

The secured term loan as of December 31, 2024 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Interest Rate	Borrowing Outstanding	Carrying Value
8/9/2026	S + 4.50%	8.93%	\$ 717,825	\$ 709,777

(1) SOFR at December 31, 2024 was 4.33%.

Debt Related to Real Estate Owned, Net

On February 8, 2021 we assumed a \$300.0 million securitized senior mortgage in connection with a foreclosure of a hotel portfolio. Subsequently, we entered into modifications of our debt related to real estate owned to provide for, among other things, total principal payments of \$25.0 million, an extension of the contractual maturity date to February 9, 2025, and the designation of a portion of the loan becoming partial recourse to us. Concurrent with each modification, we acquired interest rate caps with notional amounts equal to the borrowing outstanding, strike rates ranging from 3.0% to 5.0%, and maturity dates matching the associated financing. Upon maturity in February 2025, we entered into a forbearance agreement with our lender which expires on May 9, 2025 and provides for interest to accrue at an additional rate of 4.0% per annum. In May 2025, we extended the forbearance period for our debt related to real estate owned through September 9, 2025 and concurrently repaid \$5.0 million of the principal balance.

Our debt related to real estate owned as of March 31, 2025 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Interest Rate ⁽²⁾	Borrowing Outstanding	Carrying Value
2/9/2025	S + 2.94%	11.26%	\$ 275,214	\$ 275,214

(1) SOFR at March 31, 2025 was 4.32%. Amount excludes additional interest accrual under the forbearance agreement.

(2) Interest rate includes an additional 4.0% per annum of interest provided for under the forbearance agreement.

Our debt related to real estate owned as of December 31, 2024 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Net Interest Rate ⁽¹⁾	Borrowing Outstanding	Carrying Value
2/9/2025	S + 2.94%	7.27%	\$ 275,000	\$ 274,604

- (1) SOFR at December 31, 2024 was 4.33%, which was below the 5.00% ceiling provided by our interest rate cap. See Note 7 – Derivatives for further detail.

Interest Expense and Amortization

The following table summarizes our interest and amortization expense on our secured financings, debt related to real estate owned and secured term loan for the three months ended March 31, 2025 and 2024, respectively (\$ in thousands):

	Three Months Ended	
	March 31, 2025	March 31, 2024
Interest expense on secured financings	\$ 67,414	\$ 92,816
Interest expense on secured term loan	16,048	18,245
Amortization of deferred financing costs	5,765	4,870
Interest and related expense	89,227	115,931
Interest expense on debt related to real estate owned ⁽¹⁾	6,554	6,329
Total interest and related expense	\$ 95,781	\$ 122,260

- (1) For the three months ended March 31, 2025 and 2024, interest expense on debt related to real estate owned includes \$0.4 million and \$0.4 million, respectively, of amortization of deferred financing costs.

Financial Covenants

Our financing agreements generally contain certain financial covenants. For example, our ratio of earnings before interest, taxes, depreciation, and amortization to interest charges (“Interest Coverage Ratio”), as defined in our repurchase agreements and term participation facility, shall not be less than 1.1 to 1.0, whereas our ratio of earnings before interest, taxes, depreciation, and amortization to interest charges as defined in our secured term loan agreement shall not be less than 1.5 to 1.0. Further, (i) our tangible net worth, as defined in the agreements, shall not be less than \$1.86 billion as of each measurement date; (ii) cash liquidity shall not be less than the greater of (x) \$20 million or (y) 3% of our recourse indebtedness (which includes our secured term loan); and (iii) our indebtedness shall not exceed 77.8% of our total assets. The requirements set forth in (i) through (iii) above are based upon the most restrictive financial covenants in place as of the reporting date. As of March 31, 2025, we are in compliance with all financial covenants under our financing agreements. Commencing with the quarter ending December 31, 2025, our Interest Coverage Ratio shall not be less than 1.3 to 1.0. Further, commencing July 1, 2025, our cash liquidity shall not be less than the greater of (x) \$20 million or (y) 5% of our recourse indebtedness (which includes our secured term loan).

Future compliance with our financial covenants is dependent upon the results of our operating activities, our financial condition, and the overall market conditions in which we and our borrowers operate. The impact of macroeconomic conditions on the commercial real estate and capital markets, including high benchmark interest rates compared to recent historical standards, may make it more difficult for us to satisfy these financial covenants in the future. Non-compliance with financial covenants may result in our lenders exercising their rights and remedies as provided for in the respective agreements. As market conditions evolve, we may continue to work with our counterparties on modifying financial covenants as needed; however, there is no assurance that our counterparties will agree to such modifications.

Note 7. Derivatives

On June 2, 2021 and in connection with our debt related to real estate owned, we acquired an interest rate cap with a notional amount of \$290.0 million, a strike rate of 3.00%, and a maturity date of February 15, 2024. Such interest rate cap effectively limited the maximum interest rate of our debt related to real estate owned to 5.83% through its then maturity. On February 7, 2024 and in connection with the modification of our debt related to real estate owned, we acquired an interest rate cap with a notional amount of \$280.0 million, a strike rate of 5.00%, and a maturity date of November 15, 2024. Upon further extension of our debt related to real estate owned, we acquired an interest rate cap with a notional amount of \$275.0 million, a strike rate of 5.00%, and a maturity date of February 9, 2025. Through the contractual maturity of our debt related to real estate owned, the interest rate cap effectively limited the maximum interest rate of our debt related to real estate owned to 7.94% through its maturity.

Changes in the fair value of our interest rate cap were recorded as an unrealized gain or loss on interest rate cap on our consolidated statements of operations and the fair value was recorded in other assets on our consolidated balance sheets. Proceeds received from our counterparty related to the interest rate cap were recorded as proceeds from interest rate cap on our consolidated statements of operations. As of March 31, 2025, we did not have an interest rate cap for our debt related to real estate owned. As of December 31, 2024, the fair

value of our interest rate cap was de minimis. During the three months ended March 31, 2025 and 2024, we recognized \$0.0 million and \$0.9 million, respectively, of proceeds from interest rate cap.

Note 8. Fair Value Measurements

ASC 820, “Fair Value Measurements and Disclosures” establishes a framework for measuring fair value as well as disclosures about fair value measurements. It emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use when pricing an asset or liability. As a basis for considering market participant assumptions in fair value measurements, the standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability other than quoted prices, such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement fall is based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Financial Instruments Reported at Fair Value

The fair value of our interest rate cap was determined by using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the interest rate cap. The variable interest rates used in the calculation of projected receipts on the interest rate cap was based on a third-party expert’s expectation of future interest rates derived from observable market interest rate curves and volatilities. Our interest rate cap was classified as Level 2 in the fair value hierarchy. As of March 31, 2025, we did not have an interest rate cap for our debt related to real estate owned. As of December 31, 2024, the fair value of our interest rate cap was de minimis.

Financial Instruments Not Reported at Fair Value

The carrying value and estimated fair value of financial instruments not recorded at fair value on a recurring basis but required to be disclosed at fair value were as follows (\$ in thousands):

March 31, 2025						
	Carrying Value	Unpaid Principal Balance	Fair Value	Fair Value Hierarchy Level		
				Level 1	Level 2	Level 3
Loans receivable held-for-investment, net	\$ 5,738,702	\$ 5,984,101	\$ 5,728,142	\$ -	\$ -	\$ 5,728,142
Loan receivable held-for-sale	145,563	223,491	145,563	-	-	145,563
Repurchase agreements	3,039,040	3,039,040	3,039,040	-	-	3,039,040
Term participation facility	487,019	487,019	486,106	-	-	486,106
Notes payable, net	165,505	166,758	165,614	-	-	165,614
Secured term loan, net	709,078	715,918	681,017	-	-	681,017
Debt related to real estate owned, net	275,214	275,214	275,214	-	-	275,214

December 31, 2024						
	Carrying Value	Unpaid Principal Balance	Fair Value	Fair Value Hierarchy Level		
				Level 1	Level 2	Level 3
Loans receivable held-for-investment, net	\$ 5,947,262	\$ 6,200,290	\$ 5,934,590	\$ -	\$ -	\$ 5,934,590
Loans receivable held-for-sale	277,062	312,471	277,062	-	-	277,062
Repurchase agreements	3,190,339	3,190,339	3,190,339	-	-	3,190,339
Term participation facility	477,584	477,584	476,099	-	-	476,099
Notes payable, net	236,845	238,938	236,939	-	-	236,939
Secured term loan, net	709,777	717,825	685,522	-	-	685,522
Debt related to real estate owned, net	274,604	275,000	274,680	-	-	274,680

Note 9. Equity

Common Stock

Our charter provides for the issuance of up to 500,000,000 shares of common stock with a par value of \$0.01 per share. As of March 31, 2025 and December 31, 2024, we had 139,362,657 and 139,362,657 shares of common stock issued and outstanding, respectively.

The following table provides a summary of the number of shares of common stock outstanding during the three months ended March 31, 2025 and 2024, respectively:

Common Stock Outstanding	Three Months Ended	
	March 31, 2025	March 31, 2024
Beginning balance	139,362,657	138,745,357
Conversion of fully vested RSUs to common stock	-	1,334
Ending balance	139,362,657	138,746,691

At the Market Stock Offering Program

On May 10, 2024, we entered into an equity distribution agreement with certain sales agents, pursuant to which we may sell, from time to time, up to an aggregate sales price of \$150.0 million of our common stock pursuant to a continuous offering program (the “ATM Agreement”) under our in place effective shelf registration. Sales of our common stock made pursuant to the ATM Agreement may be made in negotiated transactions or transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act of 1933, as amended. The timing and amount of actual sales will depend on a variety of factors, including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the three months ended March 31, 2025, we did not issue any shares of our common stock pursuant to the ATM Agreement. As of March 31, 2025, the ATM Agreement has not been utilized, and \$150.0 million remained available for issuance of our common stock pursuant to the ATM Agreement.

Dividends

The Board did not declare any dividends during the three months ended March 31, 2025. The following table details our dividend activity for common stock for the three months ended March 31, 2024 (\$ in thousands, except per share data):

	For the Quarter Ended	
	March 31, 2024	
	Amount	Per Share
Dividends declared - common stock	\$ 34,687	\$ 0.25
Record Date - common stock	March 29, 2024	
Payment Date - common stock	April 15, 2024	

Note 10. Earnings Per Share

We calculate basic earnings per share (“EPS”) using the two-class method, which defines unvested share-based payment awards that contain nonforfeitable rights to dividends as participating securities. Under the two-class method, both distributed and undistributed earnings are allocated to common stock and participating securities based on their respective rights. Basic EPS is calculated by dividing our net income (loss) less participating securities’ share in earnings by the weighted average number of shares of common stock outstanding during each period.

Diluted EPS is calculated under the more dilutive of the treasury stock or the two-class method. Under the treasury stock method, diluted EPS is calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding plus the incremental potential shares of common stock assumed issued during the period if they are dilutive.

As of March 31, 2025 and 2024, we had no dilutive securities. As a result, basic and diluted EPS are the same. The calculation of basic and diluted EPS is as follows (\$ in thousands, except for share and per share data):

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net loss	\$ (78,623)	\$ (52,795)
Dividends on participating securities ⁽¹⁾	-	(924)
Participating securities' share in earnings	-	-
Basic loss	\$ (78,623)	\$ (53,719)
Weighted average shares of common stock outstanding, basic and diluted ⁽²⁾	139,475,685	138,791,113
Net loss per share of common stock, basic and diluted	\$ (0.56)	\$ (0.39)

(1) For the three months ended March 31, 2025 and 2024, dividends on participating securities excludes \$0 and \$11,000 of dividends on fully vested RSUs, respectively.

(2) Amounts as of March 31, 2025 and 2024 include 113,151 and 45,231 fully vested RSUs, respectively.

For the three months ended March 31, 2025 and 2024, 2,717,009 and 2,612,712 of weighted average unvested RSUs, respectively, were excluded from the calculation of diluted EPS because the effect was anti-dilutive.

Note 11. Related Party Transactions

Our activities are managed by our Manager. Pursuant to the terms of the Management Agreement, our Manager is responsible for originating investment opportunities, providing asset management services and administering our day-to-day operations. Our Manager is entitled to receive a management fee, an incentive fee, and a termination fee as defined below.

The following table summarizes our management fees (\$ in thousands):

	Three Months Ended	
	March 31, 2025	March 31, 2024
Management fees	\$ 8,397	\$ 9,210

Management Fees

Effective October 1, 2015, our Manager earns a base management fee in an amount equal to 1.50% per annum of Stockholders' Equity, as defined in the Management Agreement. Management fees are reduced by our pro rata share of any management fees and incentive fees (if incentive fees are not incurred by us) incurred to our Manager by CMTG/TT. Management fees are generally paid quarterly, in arrears, and \$8.4 million and \$27.0 million were accrued and were included in management fee payable – affiliate, on our consolidated balance sheets at March 31, 2025 and December 31, 2024, respectively.

Incentive Fees

Our Manager is entitled to an incentive fee equal to 20% of the excess of our Core Earnings on a rolling four-quarter basis, as defined in the Management Agreement, over a 7.00% return on Stockholders' Equity. Incentive fees are reduced by our pro rata share of any incentive fees incurred to our Manager by CMTG/TT.

During the three months ended March 31, 2025 and 2024, we did not incur any incentive fees. As of March 31, 2025 and December 31, 2024, there were no accrued incentive fees on our consolidated balance sheets.

Termination Fees

If we elect to terminate the Management Agreement, we are required to pay our Manager a termination fee equal to three times the sum of the average total annual amount of management fees and the average annual incentive fee paid by us over the prior two years.

Reimbursable Expenses

Our Manager or its affiliates are entitled to reimbursement for certain documented costs and expenses incurred by them on our behalf, as set forth in the Management Agreement, excluding any expenses specifically required to be borne by our Manager under the Management Agreement. For the three months ended March 31, 2025 and 2024, we incurred \$0.7 million and \$0.7 million, respectively, of reimbursable expenses incurred on our behalf by our Manager which are included in general and administrative expenses on our

consolidated statements of operations. As of March 31, 2025 and December 31, 2024, \$0.7 million and \$3.1 million, respectively, of reimbursable expenses incurred on our behalf and due to our Manager are included in other liabilities on our consolidated balance sheets.

Note 12. Stock-Based Compensation

Incentive Award Plan

We are externally managed and do not currently have any employees. On March 30, 2016, we adopted the 2016 Incentive Award Plan (the “Plan”) to promote the success and enhance the value of the Company by linking the individual interests of employees of our Manager and its affiliates to those of our stockholders. As of March 31, 2025, the maximum remaining number of shares that may be issued under the Plan is 3,684,145 shares. Awards granted under the Plan may be granted with the right to receive dividend equivalents and generally vest in equal installments on the specified anniversaries of the grant.

Deferred Compensation Plan

On May 24, 2022, we adopted the Deferred Compensation Plan to provide our directors and certain executives with an opportunity to defer payment of their stock-based compensation or RSUs and director cash fees, if applicable, pursuant to the terms of the Deferred Compensation Plan.

Under our Deferred Compensation Plan, certain of our Board members elected to receive the annual fees and/or time-based RSUs to which they are entitled under our Non-Employee Director Compensation Program in the form of deferred RSUs. Accordingly, during the three months ended March 31, 2025 and 2024, we issued 11,088 and 3,451, respectively, of deferred RSUs in lieu of cash fees to such directors, and recognized an expense of approximately \$53,000 and \$47,000, respectively. Such expense is included in general and administrative expenses on our consolidated statements of operations.

Non-Employee Director Compensation Program

Our Board awards time-based RSUs to eligible non-employee Board members on an annual basis as part of such Board members’ annual compensation in accordance with the Non-Employee Director Compensation Program. The time-based awards are generally issued in the second quarter on the date of the annual meeting of our stockholders, in conjunction with the director’s election to our Board, and the awards vest on the earlier of (x) the one-year anniversary of the grant date and (y) the date of the next annual meeting of our stockholders following the grant date, subject to the applicable participants’ continued service through such vesting date. Effective January 1, 2025, to maintain competitiveness in our recruitment and retention of directors, our Non-Employee Director Compensation Program was amended to increase the value of the annual director grants and increase the annual retainer fees payable to the chairs and members of the Audit, Compensation and Nominating and Corporate Governing Committees, and the Lead Independent Director, as set forth in the amended Non-Employee Director Compensation Program.

Eligible non-executive members of our Board were granted the time-based RSUs under the Plan. Each RSU was granted with the right to receive dividend equivalents. Additionally, certain directors elected to defer their RSUs pursuant to the terms of the Deferred Compensation Plan. Such deferred awards will become payable on the earliest to occur of the participant’s separation from service or a change in control. The following table details the time-based RSUs granted to non-executive members of our Board:

<u>Date of Grant</u>	<u>Total RSU Grant</u>	<u>Grant Date Fair Value Per Share</u>
6/1/2024	89,214	\$ 8.07
6/1/2023	58,536	\$ 10.25
6/1/2022	29,280	\$ 20.49

Stock-Based Compensation Expense

For the three months ended March 31, 2025 and 2024, we recognized \$5.1 million and \$4.4 million, respectively, of stock-based compensation expense related to the RSUs. As of March 31, 2025, total unrecognized compensation expense was \$15.4 million based on the grant date fair value of RSUs granted. This expense is expected to be recognized over a remaining period of 1.4 years from March 31, 2025.

We may allow participants of the Plan to settle their tax liabilities through a reduction of their vested RSU delivery. Such amount will result in a corresponding adjustment to additional paid-in capital and a cash payment to our Manager or its affiliates in order to remit the required statutory tax withholding to each respective taxing authority. During the three months ended March 31, 2025 and 2024, there were no deliveries of shares of common stock for vested RSUs.

The following tables detail the time-based RSU activity during the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value Per Share	Number of Restricted Share Units	Weighted Average Grant Date Fair Value Per Share
Unvested, beginning of period	2,722,295	\$ 11.70	2,526,202	\$ 15.31
Granted	24,509	4.08	1,175,000	9.64
Vested	-	-	(1,334)	11.30
Forfeited	(25,838)	10.69	(5,166)	13.69
Unvested, end of period	2,720,966	11.64	3,694,702	13.51

Note 13. Income Taxes

We have elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code commencing with our taxable year ended December 31, 2015 and expect to continue to operate so as to qualify as a REIT. As a result, we will generally not be subject to federal and state income tax on that portion of our income that we distribute to stockholders if we (i) distribute at least 90% of our taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains, and (ii) comply with certain other requirements to qualify as a REIT. Since Commencement of Operations, we have been in compliance with all REIT requirements and we plan to continue to operate so that we meet the requirements for taxation as a REIT. Therefore, other than amounts relating to our taxable REIT subsidiary ("TRS"), as described below, we have not provided for current income tax expense related to our REIT taxable income for the three months ended March 31, 2025 and 2024, respectively. Additionally, no provision has been made for federal or state income taxes in the accompanying financial statements, as we believe we have met the prescribed requisite requirements.

In December 2024, our Board paused our quarterly dividend on our common stock commencing with the fourth quarter 2024 dividend that would have otherwise been paid in January 2025. The timing and amount of any future dividends declared by our Board depend on a variety of factors, including cash generated by operating activities, our financial condition, capital requirements, annual distribution requirements under the REIT provisions of the Internal Revenue Code, and such other factors as our Board deems relevant.

Our real estate owned hotel portfolio is held in a TRS. A TRS is a corporation that is owned directly or indirectly by a REIT and has jointly elected with the REIT to be treated as a TRS for tax purposes. Given the TRS's history of generating taxable losses, we are not able to conclude that it is more likely than not that we will realize the future benefit of the TRS's deferred tax assets and therefore recorded a full valuation allowance. Given the full valuation allowance, we did not record a provision for income taxes for the three months ended March 31, 2025 and 2024, and we did not have any deferred tax assets or deferred tax liabilities as of March 31, 2025 and December 31, 2024. As of March 31, 2025, our deferred tax asset and valuation allowance were \$59.7 million, respectively. As of December 31, 2024, our deferred tax asset and valuation allowance were \$56.6 million, respectively.

We recognize tax benefits for uncertain tax positions only if it is more likely than not that the position is sustainable based on its technical merits. Interest and penalties on uncertain tax positions, if applicable, are included as a component of the provision for income taxes in our consolidated statements of operations. As of March 31, 2025 and December 31, 2024, we have not recorded any amounts for uncertain tax positions.

Our tax returns are subject to audit by taxing authorities. As of the date of this filing, tax years 2021 and onward remain open to examination by major taxing jurisdictions in which we are subject to taxes.

Note 14. Commitments and Contingencies

We hold a 51% interest in CMTG/TT as a result of committing to invest \$124.9 million in CMTG/TT. Distributions representing repayment proceeds from CMTG/TT's loans may be recalled by CMTG/TT, if the repayment occurred at least six months prior to the loan's initial maturity date. As of March 31, 2025 and December 31, 2024, we have contributed \$163.1 million to CMTG/TT and have received return of capital distributions of \$123.3 million, of which \$111.1 million were recallable. As of March 31, 2025 and December 31, 2024, our remaining capital commitment to CMTG/TT was \$72.9 million.

As of March 31, 2025 and December 31, 2024, we had aggregate unfunded loan commitments of \$457.4 million and \$498.3 million, respectively, which amounts will generally be funded to finance construction or leasing related expenditures by our borrowers, subject to them achieving certain conditions precedent to such funding. These future commitments will expire over the remaining term of the loans, none of which exceed five years.

Our contractual payments due under all financings were as follows as of March 31, 2025 (\$ in thousands):

Year	Initial Maturity ⁽¹⁾	Fully Extended Maturity ⁽²⁾
2025 ⁽³⁾⁽⁴⁾	\$ 3,020,203	\$ 1,728,240
2026 ⁽⁵⁾	1,663,746	1,626,596
2027	-	1,044,348
2028	-	284,765
2029	-	-
Total	<u>\$ 4,683,949</u>	<u>\$ 4,683,949</u>

- (1) Initial maturity is based on the earlier of the initial maturity date of each individual corresponding loan receivable or the maximum maturity date under the respective financing agreement, assuming conditions to extend are met.
- (2) Fully extended maturity is based on the earlier of the fully extended maturity date of each individual corresponding loan receivable or the maximum maturity date under the respective financing agreement, assuming conditions to extend are met.
- (3) Includes financings outstanding of \$546.7 million related to eleven loans in maturity default with aggregate unpaid principal balance of \$1.0 billion. Of such financings outstanding, \$70.7 million was repaid in April 2025 upon the repayment of loans receivable.
- (4) Includes \$289.7 million and \$98.4 million of financings with initial and full extended maturities, respectively, which were repaid in April 2025 upon the repayment of loans receivable.
- (5) Includes \$191.3 million of financings with fully extended maturities which were repaid in April 2025 upon the repayment of loans receivable.

In the normal course of business, we may enter into contracts that contain a variety of representations and provide for general indemnifications. Our maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against us that have not yet occurred. However, based on experience, we expect the risk of loss to be remote.

Note 15. Segment Reporting

We have determined that we have two operating segments and two reporting segments, with activities related to investing in income-producing loans collateralized by institutional quality commercial real estate and activities related to the operations of our real estate owned assets. Our Chief Operating Decision Maker is J. Michael McGillis, our Chief Financial Officer, President, and Director, who primarily utilizes Distributable Earnings (Loss) as described below.

Distributable Earnings (Loss) is a non-GAAP measure used to evaluate our performance excluding the effects of certain transactions, non-cash items and GAAP adjustments. Distributable Earnings (Loss) is a non-GAAP measure, which we define as net income (loss) in accordance with GAAP, excluding (i) non-cash stock-based compensation expense, (ii) real estate owned held-for-investment depreciation and amortization, (iii) any unrealized gains or losses from mark-to-market valuation changes (other than permanent impairments) that are included in net income (loss) for the applicable period, (iv) one-time events pursuant to changes in GAAP and (v) certain non-cash items, which in the judgment of our Manager, should not be included in Distributable Earnings (Loss).

The following table provides a calculation of Distributable Loss for our loan and REO portfolios, as well as a reconciliation to net loss, for the three months ended March 31, 2025 and 2024 (\$ in thousands):

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Loan Portfolio	REO Portfolio	Total	Loan Portfolio	REO Portfolio	Total
Interest and related income	\$ 118,038	\$ -	\$ 118,038	\$ 160,845	\$ -	\$ 160,845
Interest and related expense	(89,227)	-	(89,227)	(115,931)	-	(115,931)
Revenue from real estate owned	-	14,564	14,564	-	13,911	13,911
Amortization of above and below market leases, net	-	354	354	-	354	354
Management fees - affiliate	(8,397)	-	(8,397)	(9,210)	-	(9,210)
General and administrative expenses	(4,270)	-	(4,270)	(3,877)	-	(3,877)
Real estate owned:						
Operating expenses	-	(12,915)	(12,915)	-	(12,880)	(12,880)
Interest expense	-	(6,554)	(6,554)	-	(6,329)	(6,329)
Proceeds from interest rate cap	-	-	-	-	865	865
Loss from equity method investment	(37)	-	(37)	-	(35)	(35)
Loss on extinguishment of debt	(547)	-	(547)	(2,244)	-	(2,244)
Principal charge-offs ⁽¹⁾	(46,653)	-	(46,653)	(42,266)	-	(42,266)
Loss on real estate owned held-for-sale	-	(49)	(49)	-	-	-
Distributable Loss	<u>\$ (31,093)</u>	<u>\$ (4,600)</u>	<u>\$ (35,693)</u>	<u>\$ (12,683)</u>	<u>\$ (4,114)</u>	<u>\$ (16,797)</u>
<i>Reconciliation to net loss</i>						
Principal charge-offs ⁽¹⁾			46,653			42,266
Provision for current expected credit loss reserve			(41,123)			(69,960)
Valuation adjustment for loan receivable held-for-sale			(42,594)			-
Depreciation and amortization			(438)			(2,599)
Amortization of above and below market leases, net			(354)			(354)
Stock-based compensation expense			(5,074)			(4,353)
Unrealized loss on interest rate cap			-			(998)
Net loss			<u>\$ (78,623)</u>			<u>\$ (52,795)</u>

(1) For the three months ended March 31, 2025, amount includes a \$3.5 million charge-off of accrued interest receivable and a \$0.5 million charge-off of an exit fee related to the discounted payoff of a land loan.

Note 16. Subsequent Events

We have evaluated subsequent events through the filing of this Quarterly Report on Form 10-Q and determined that the following transactions or events have occurred:

- Subsequent to March 31, 2025, the following loan realization activity has occurred. See Note 3 for further detail.
 - The full repayment of a hospitality loan with an unpaid principal balance of \$225.0 million as of March 31, 2025.
 - A discounted repayment of an office loan with an unpaid principal balance of \$63.4 million as of March 31, 2025.
 - A discounted repayment of a subordinate loan with an unpaid principal balance of \$0.9 million as of March 31, 2025.
- In April 2025, we entered into a binding agreement to sell approximately 77,000 square feet of office and retail space within our mixed-use real estate owned asset to an unaffiliated purchaser for a sales price of \$28.8 million.
- In April 2025, we modified our repurchase agreement with Wells Fargo Bank, N.A. to primarily provide for (i) a decrease in the maximum capacity to \$500.0 million, (ii) an extension of the initial maturity date to April 30, 2026, and (iii) two one-year options to further extend the maturity date to April 30, 2028.
- In May 2025, we extended the forbearance period for our debt related to real estate owned through September 9, 2025 and concurrently repaid \$5.0 million of the principal balance.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with our unaudited consolidated financial statements and notes thereto appearing elsewhere in this quarterly report on Form 10-Q. References herein to "Claros Mortgage Trust," "Company," "we," "us" or "our" refer to Claros Mortgage Trust, Inc. and its subsidiaries unless the context specifically requires otherwise. References to our "Manager" refer to Claros REIT Management LP and references to our "Sponsor" refer to Mack Real Estate Credit Strategies, L.P. ("MRECS"), the CRE lending and debt investment business affiliated with our Manager and Mack Real Estate Group, LLC ("MREG"). Although MRECS and MREG are distinct legal entities, for convenience, references to our "Sponsor" are deemed to include references to MRECS and MREG, individually or collectively, as appropriate for the context and unless otherwise indicated. References to "CRE" throughout this Quarterly Report on Form 10-Q means commercial real estate.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements herein and will make forward-looking statements in future filings with the SEC, press releases or other written or oral communications within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For these statements, we claim the protections of the safe harbor for forward-looking statements contained in such Sections. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, it intends to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: our business and investment strategy; changes in interest rates and their impact on our borrowers and on the availability and cost of our financing; our projected operating results; defaults by borrowers in paying debt service on outstanding loans; the timing of cash flows, if any, from our investments; the state of the U.S. and global economy generally or in specific geographic regions; reduced demand for office, multifamily or retail space, including as a result of the increase in remote and/or hybrid work trends which allow work from remote locations other than the employer's office premises; governmental actions and initiatives and changes to government policies; the amount of commercial mortgage loans requiring refinancing; our ability to obtain and maintain financing arrangements on attractive terms, or at all; our ability to maintain compliance with financial covenants under our financing arrangements; current and prospective financing costs and advance rates for our existing and target assets; our expected leverage; general volatility of the capital markets and the markets in which we may invest and our borrowers operate in; the impact of a protracted decline in the liquidity of capital markets on our business; the state of the regional, national, and global banking systems; the uncertainty surrounding the strength of the national and global economies; the return on or impact of current and future investments, including our loan portfolio and real estate owned assets; allocation of investment opportunities to us by our Manager and our Sponsor; changes in the market value of our investments; effects of hedging instruments on our existing and target assets; rates of default, decreased recovery rates, and/or increased loss severity rates on our existing and target assets and related impairment charges, including as it relates to our real estate owned assets; the degree to which our hedging strategies may or may not protect us from interest rate volatility; changes in governmental regulations, tax law and rates, and similar matters (including interpretation thereof); our ability to maintain our qualification as a real estate investment trust ("REIT"); our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the "1940 Act"); availability and attractiveness of investment opportunities we are able to originate in our target assets; the ability of our Manager to locate suitable investments for us, monitor, service and administer our investments and execute our investment strategy; availability of qualified personnel from our Sponsor and its affiliates, including our Manager; estimates relating to our ability to pay dividends to our stockholders in the future; our understanding of our competition; impact of increased competition on projected returns; the risk of securities class action litigation or stockholder activism; geopolitical or economic conditions or uncertainty, which may include military conflicts and activities (including the military conflicts between Russia and Ukraine, Israel and Hamas, and elsewhere throughout the Middle East and North Africa more broadly), tensions involving Russia, China, and Iran, political instability, social unrest, civil disturbances, terrorism, natural disasters and pandemics; and market trends in our industry, interest rates, real estate values, the debt markets generally, the CRE debt market or the general economy.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events and you should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. See "Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K. These and other risks, uncertainties, and factors, including those described in the annual, quarterly and current reports that we file with the SEC, could cause our actual results to differ materially from those included in any forward-looking statements we make. If a change occurs, our business, financial condition, liquidity, results of operations and prospects may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time and it is not possible to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Introduction

We are a CRE finance company focused primarily on originating senior and subordinate loans on transitional CRE assets located in major U.S. markets, including mortgage loans secured by a first priority or subordinate mortgage on transitional CRE assets, and subordinate loans including mezzanine loans secured by a pledge of equity ownership interests in the direct or indirect property owner rather than directly in the underlying commercial properties. These loans are subordinate to a mortgage loan but senior to the property owner's equity ownership interests. Transitional CRE assets are properties that require repositioning, renovation, rehabilitation, leasing, development or redevelopment or other value-added elements in order to maximize value. We believe our Sponsor's real estate development, ownership and operations experience, and infrastructure differentiates us in lending on these transitional CRE assets. Our objective is to be a premier provider of debt capital for transitional CRE assets and, in doing so, to generate attractive risk-adjusted returns for our stockholders over time, primarily through dividends. We strive to create a diversified investment portfolio of CRE loans that we generally intend to hold to maturity. We focus primarily on originating loans ranging from \$50 million to \$300 million on transitional CRE assets located in U.S. markets with attractive fundamental characteristics supported by macroeconomic tailwinds.

Our loan origination and repayment volume may fluctuate based on market conditions or other conditions inherent in our portfolio. As such, we may modify our investment strategy from time to time by shifting focus to optimizing outcomes within our existing portfolio, which may include actions such as selling a loan or syndicating a portion of a loan, working with our borrowers to enhance the value of underlying properties that constitute our collateral, and in certain circumstances assuming legal title and/or physical possession of the underlying collateral property of a defaulted loan.

We were organized as a Maryland corporation on April 29, 2015 and commenced operations on August 25, 2015, and our common stock is traded on the New York Stock Exchange, or NYSE, under the symbol "CMTG." We have elected and believe we have qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2015. We are externally managed and advised by our Manager, an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC") pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). We operate our business in a manner that permits us to maintain our exclusion from registration under the 1940 Act.

I. Key Financial Measures and Indicators

As a CRE finance company, we believe the key financial measures and indicators for our business are net income (loss) per share, Distributable Earnings (Loss) per share, Distributable Earnings per share prior to realized gains and losses, which includes charge-offs of principal, accrued interest receivable, and/or exit fees, dividends declared per share, book value per share, adjusted book value per share, Net Debt-to-Equity Ratio and Total Leverage Ratio. During the three months ended March 31, 2025, we had net loss per share of \$0.56, Distributable Loss per share of \$0.25, Distributable Earnings per share prior to realized gains and losses of \$0.08, and our Board did not declare any dividends. As of March 31, 2025, our book value per share was \$13.60, our adjusted book value per share was \$14.64, our Net Debt-to-Equity Ratio was 2.4x, and our Total Leverage Ratio was 2.8x. We use Net Debt-to-Equity Ratio and Total Leverage Ratio, financial measures which are not prepared in accordance with GAAP, to evaluate our financial leverage, which in the case of our Total Leverage Ratio, makes certain adjustments that we believe provide a more conservative measure of our financial condition.

Net Loss Per Share and Dividends Declared Per Share

The following table sets forth the calculation of basic and diluted net loss per share and dividends declared per share (\$ in thousands, except share and per share data):

	Three Months Ended	
	March 31, 2025	December 31, 2024
Net loss	\$ (78,623)	\$ (100,698)
Weighted average shares of common stock outstanding, basic and diluted	139,475,685	139,464,720
Basic and diluted net loss per share of common stock	\$ (0.56)	\$ (0.72)
Dividends declared per share of common stock	\$ -	\$ -

Distributable Earnings (Loss)

Distributable Earnings (Loss) is a non-GAAP measure used to evaluate our performance excluding the effects of certain transactions, non-cash items and GAAP adjustments, as determined by our Manager. Distributable Earnings (Loss) is a non-GAAP measure, which we define as net income (loss) in accordance with GAAP, excluding (i) non-cash stock-based compensation expense, (ii) real estate owned held-for-investment depreciation and amortization, (iii) any unrealized gains or losses from mark-to-market valuation changes (other than permanent impairments) that are included in net income (loss) for the applicable period, (iv) one-time events pursuant to changes in GAAP and (v) certain non-cash items, which in the judgment of our Manager, should not be included in Distributable Earnings (Loss). Furthermore, we present Distributable Earnings prior to realized gains and losses, which such gains and

losses include charge-offs of principal, accrued interest receivable, and/or exit fees as we believe this more easily allows our Board, Manager, and investors to compare our operating performance to our peers, to assess our ability to declare and pay dividends, and to determine our compliance with certain financial covenants. Pursuant to the Management Agreement, we use Core Earnings, which is substantially the same as Distributable Earnings (Loss) excluding incentive fees, to determine the incentive fees we pay our Manager.

We believe that Distributable Earnings (Loss) and Distributable Earnings prior to realized gains and losses provide meaningful information to consider in addition to our net income (loss) and cash flows from operating activities in accordance with GAAP. Distributable Earnings (Loss) and Distributable Earnings prior to realized gains and losses do not represent net income (loss) or cash flows from operating activities in accordance with GAAP and should not be considered as an alternative to GAAP net income (loss), an indication of our cash flows from operating activities, a measure of our liquidity or an indication of funds available for our cash needs. In addition, our methodology for calculating these non-GAAP measures may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures and, accordingly, our reported Distributable Earnings (Loss) and Distributable Earnings prior to realized gains and losses may not be comparable to the Distributable Earnings (Loss) and Distributable Earnings prior to realized gains and losses reported by other companies.

In order to maintain our status as a REIT, we are required to distribute at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain, as dividends. Distributable Earnings (Loss), Distributable Earnings prior to realized gains and losses, and other similar measures, have historically been a useful indicator over time of a mortgage REIT's ability to cover its dividends, and to mortgage REITs themselves in determining the amount of any dividends to declare. Distributable Earnings (Loss) and Distributable Earnings prior to realized gains and losses are key factors, among others, considered by our Board in determining the dividend each quarter and as such we believe Distributable Earnings (Loss) and Distributable Earnings prior to realized gains and losses are also useful to investors.

While Distributable Earnings (Loss) excludes the impact of our provision for or reversal of current expected credit loss reserve, charge-offs of principal, accrued interest receivable, and/or exit fees are recognized through Distributable Earnings (Loss) when deemed non-recoverable. Non-recoverability is determined (i) upon the resolution of a loan (i.e., when the loan is repaid, fully or partially, when we acquire title in the case of foreclosure, deed-in-lieu of foreclosure, or assignment-in-lieu of foreclosure, or when the loan is sold or anticipated to be sold for an amount less than its carrying value), or (ii) with respect to any amount due under any loan, when such amount is determined to be uncollectible.

In determining Distributable Earnings (Loss) per share and Distributable Earnings per share prior to realized gains and losses, the dilutive effect of unvested RSUs is considered. The weighted average diluted shares outstanding used for Distributable Earnings (Loss) and Distributable Earnings per share prior to realized gains and losses have been adjusted from weighted average diluted shares under GAAP to include weighted average unvested RSUs.

The table below summarizes the reconciliation from weighted average diluted shares under GAAP to the weighted average diluted shares used for Distributable Loss and Distributable Earnings prior to realized gains and losses for the three months ended March 31, 2025 and December 31, 2024:

Weighted Averages	Three Months Ended	
	March 31, 2025	December 31, 2024
Diluted Shares - GAAP	139,475,685	139,464,720
Unvested RSUs	2,717,009	2,490,901
Diluted Shares - Distributable Loss	142,192,694	141,955,621

The following table provides a reconciliation of net loss to Distributable Loss and Distributable Earnings prior to realized gains and losses (\$ in thousands, except share and per share data):

	Three Months Ended	
	March 31, 2025	December 31, 2024
Net loss	\$ (78,623)	\$ (100,698)
Adjustments:		
Non-cash stock-based compensation expense	5,074	4,777
Provision for current expected credit loss reserve	41,123	29,976
Depreciation and amortization expense	438	2,639
Amortization of above and below market lease values, net	354	354
Unrealized loss on interest rate cap	-	27
Loss on extinguishment of debt	547	630
Valuation adjustment for loan receivable held-for-sale	42,594	7,227
Loss on real estate owned held-for-sale	49	80,461
Distributable Earnings prior to realized gains and losses	\$ 11,556	\$ 25,393
Loss on extinguishment of debt	(547)	(630)
Principal charge-offs ⁽¹⁾	(46,653)	(756)
Previously recognized gain on foreclosure of real estate owned held-for-sale ⁽²⁾	-	5,592
Loss on real estate owned held-for-sale	(49)	(80,461)
Previously recognized depreciation on real estate owned held-for-sale ⁽³⁾	-	(32,302)
Distributable Loss	\$ (35,693)	\$ (83,164)
Weighted average diluted shares - Distributable Loss	142,192,694	141,955,621
Diluted Distributable Earnings per share prior to realized gains and losses	\$ 0.08	\$ 0.18
Diluted Distributable Loss per share	\$ (0.25)	\$ (0.59)

- (1) For the three months ended March 31, 2025, amount includes a \$3.5 million charge-off of accrued interest receivable and a \$0.5 million charge-off of an exit fee related to the discounted payoff of a land loan.
- (2) Reflects total gain on foreclosure of our hotel portfolio real estate owned asset, which was classified as real estate owned held-for-sale as of December 31, 2024. Amount not previously recognized in Distributable Earnings (Loss).
- (3) Reflects previously recognized depreciation on real estate owned classified as held-for-sale as of December 31, 2024. Amount not previously recognized in Distributable Earnings (Loss).

Book Value Per Share

We believe that presenting book value per share adjusted for our general current expected credit loss reserve and accumulated depreciation and amortization on our real estate owned held-for-investment and related lease intangibles is useful for investors as it enhances the comparability to our peers who may not hold real estate investments. Further, we believe that our investors and lenders consider book value excluding these items as an important metric related to our overall capitalization.

The following table sets forth the calculation of our book value and our adjusted book value per share, a non-GAAP financial measure, as of March 31, 2025 and December 31, 2024 (\$ in thousands, except share and per share data):

	March 31, 2025	December 31, 2024
Total Equity	\$ 1,934,585	\$ 2,008,086
Number of shares of common stock outstanding and RSUs	142,196,774	142,187,015
Book Value per share ⁽¹⁾	\$ 13.60	\$ 14.12
Add back: accumulated depreciation and amortization on real estate owned and related lease intangibles	0.04	0.03
Add back: general CECL reserve	1.00	1.02
Adjusted Book Value per share	\$ 14.64	\$ 15.17

- (1) Calculated as (i) total equity divided by (ii) number of shares of common stock outstanding and RSUs at period end.

II. Our Portfolio

The below table summarizes our loans receivable held-for-investment as of March 31, 2025 (\$ in thousands):

	Number of Loans	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Weighted Average ⁽³⁾			Weighted Average Origination LTV ⁽⁶⁾	Weighted Average Adjusted LTV ⁽⁷⁾
					Yield to Maturity ⁽⁴⁾	Term to Initial Maturity	Term to Fully Extended Maturity ⁽⁵⁾		
Senior and subordinate loans	51	\$ 6,441,477	\$ 5,984,101	\$ 5,856,837	7.4%	0.6 years	1.5 years	70.6%	72.8%

(1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.

(2) Net of specific CECL reserve of \$119.3 million.

(3) Weighted averages are based on unpaid principal balance.

(4) Represents the weighted average annualized yield to initial maturity of each loan, inclusive of coupon, and fees received, based on the applicable floating benchmark rate/floors (if applicable), in place as of March 31, 2025. For loans placed on non-accrual, the annualized yield to initial maturity used in calculating the weighted average annualized yield to initial maturity is 0%.

(5) Fully extended maturity assumes all extension options are exercised by the borrower upon satisfaction of the applicable conditions.

(6) Origination LTV represents “loan-to-value” or “loan-to-cost,” which is calculated as our total loan commitment upon origination, as if fully funded, plus any financings that are pari passu with or senior to our loan, divided by our estimate of either (1) the value of the underlying real estate, determined in accordance with our underwriting process (typically consistent with, if not less than, the value set forth in a third-party appraisal) or (2) the borrower’s projected, fully funded cost basis in the asset, in each case as we deem appropriate for the relevant loan and other loans with similar characteristics. Underwritten values and projected costs should not be assumed to reflect our judgment of current market values or project costs, which may have changed materially since the date of origination. Weighted average origination LTV is based on loan commitment, including non-consolidated senior interests and pari passu interests, and excludes risk rated 5 loans.

(7) Adjusted LTV represents origination LTV updated only in connection with a partial loan paydown and/or release of collateral, material changes to expected project costs, the receipt of a new appraisal (typically in connection with financing or refinancing activity) or a change in our loan commitment. Adjusted LTV should not be assumed to reflect our judgment of current market values or project costs, which may have changed materially since the date of the most recent determination of LTV. Weighted average adjusted LTV is based on loan commitment, including non-consolidated senior interests, pari passu interests, and risk rated 5 loans. Loans with specific CECL reserves are reflected as 100% LTV.

Sales of Loans Receivable

The following table summarizes our loan receivable held-for-sale as of March 31, 2025 and loan receivable sold during the three months ended March 31, 2025 (\$ in thousands):

Property Type	Location	Loan Commitment	Unpaid Principal Balance	Carrying Value Before Principal Charge-Off / Valuation Allowance	Cumulative Principal Charge-Off / Valuation Allowance	Held-For-Sale Carrying Value	Risk Rating ⁽¹⁾
For Sale Condo ⁽²⁾	CA	\$ 247,260	\$ 223,491	\$ 223,491	\$ (77,928)	\$ 145,563	4
Total held-for-sale, March 31, 2025		\$ 247,260	\$ 223,491	\$ 223,491	\$ (77,928)	\$ 145,563	
Hospitality ⁽³⁾	CA	\$ 101,059	\$ 101,059	\$ 101,299	\$ (315)	\$ 100,984	3
Total sold, three months ended March 31, 2025		\$ 101,059	\$ 101,059	\$ 101,299	\$ (315)	\$ 100,984	

(1) Reflects risk rating of the loan receivable prior to the loan sale or reclassification to held-for-sale.

(2) Principal charge-offs and valuation allowance attributable to the delinquency of the loan and its \$23.8 million of remaining unfunded commitments. During the three months ended March 31, 2025, we recognized a further adjustment to the held-for-sale carrying value of \$42.6 million as a result of additional protective advances made and a reduction in anticipated proceeds from the sale, which is reflected as a valuation adjustment for loan receivable held-for-sale on our consolidated statement of operations. Effective October 1, 2024, this loan was placed on non-accrual status.

(3) Loan classified as held-for-sale as of December 31, 2024 and sold in January 2025. Principal charge-off recognized upon reclassification to held-for-sale as of December 31, 2024.

Portfolio Activity and Overview

The following table summarizes changes in unpaid principal balance for our loans receivable held-for-investment (\$ in thousands):

		Three Months Ended March 31, 2025
Unpaid principal balance, beginning of period	\$	6,200,290
Advances on existing loans		41,891
Repayments of loans receivable		(215,424)
Principal charge-offs		(42,656)
Total net fundings		(216,189)
Unpaid principal balance, end of period	\$	5,984,101

The following table details our individual loans receivable held-for-investment based on unpaid principal balances as of March 31, 2025 (\$ in thousands):

Loan Number	Loan Type	Origination Date	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Origination LTV ⁽³⁾	Fully Extended Maturity ⁽⁴⁾	Property Type ⁽⁵⁾	Construction	Location	Risk Rating
1	Senior	12/16/2021	\$ 405,000	\$ 402,339	\$ 401,873	70.0%	7/31/2025	Multifamily	-	CA	4
2	Senior	11/1/2019	390,000	390,000	390,000	74.3%	8/1/2025	Multifamily	-	NY	4
3	Senior	7/12/2018	240,000	240,000	241,350	52.9%	8/1/2028	Hospitality	-	NY	3
4 ⁽⁷⁾	Senior	7/26/2021	225,000	225,000	225,253	65.1%	7/26/2026	Hospitality	-	GA	1
5	Senior	6/30/2022	227,000	224,940	224,995	63.9%	6/30/2029	Hospitality	-	CA	3
6	Senior	8/17/2022	235,000	220,000	220,030	68.3%	8/17/2027	Hospitality	-	CA	3
7	Senior	9/26/2019	319,900	206,160	206,160	68.0%	3/31/2026	Office	-	GA	4
8	Senior	4/14/2022	193,400	172,912	172,912	55.7%	4/14/2027	Multifamily	-	MI	3
9	Senior	1/14/2022	170,000	170,000	170,000	64.8%	1/14/2027	Multifamily	-	CO	4
10	Senior	9/2/2022	176,257	157,963	156,815	60.0%	9/2/2027	Multifamily	Y	UT	3
11	Senior	9/8/2022	160,000	155,000	154,778	63.5%	9/8/2027	Multifamily	-	AZ	4
12	Senior	1/9/2018	153,077	153,077	120,100	n/m	1/9/2024	Land	-	VA	5
13	Senior	5/13/2022	173,601	150,147	148,993	67.6%	5/13/2027	Mixed-Use	Y	VA	3
14	Senior	2/28/2019	150,000	150,000	150,000	72.2%	2/28/2024	Office	-	CT	4
15	Senior	10/4/2019	148,938	148,938	148,938	74.8%	10/1/2025	Mixed-Use	-	DC	3
16	Senior	12/30/2021	136,500	136,500	136,244	76.7%	12/30/2025	Multifamily	-	PA	3
17	Senior	4/26/2022	151,698	136,355	135,840	66.7%	4/26/2027	Multifamily	-	TX	4
18	Senior	12/10/2021	130,000	130,000	130,000	75.6%	12/10/2026	Multifamily	-	VA	3
19	Subordinate	12/9/2021	125,000	125,000	124,893	80.3%	1/1/2027	Office	-	IL	3
20	Senior	6/17/2022	127,250	123,346	123,245	62.8%	6/17/2027	Multifamily	-	TX	3
21	Senior	4/29/2019	122,123	120,289	120,287	61.5%	4/29/2025	Mixed-Use	-	NY	3
22	Senior	3/1/2022	122,000	119,084	118,700	n/m	2/28/2027	Multifamily	-	TX	5
23	Senior	7/20/2021	113,500	113,500	113,841	76.2%	7/20/2026	Multifamily	-	IL	3
24	Senior	2/13/2020	123,910	111,542	90,800	n/m	2/13/2026	Office	-	CA	5
25	Senior	11/4/2022	135,000	103,786	103,468	43.1%	11/9/2026	Other	Y	MA	3
26	Senior	7/30/2024	104,455	102,233	100,636	82.4%	10/21/2026	Other	-	NJ	3
27	Senior	1/27/2022	100,800	96,529	79,400	n/m	1/27/2027	Multifamily	-	NV	5
28	Senior	8/2/2021	97,000	95,214	94,827	68.5%	8/2/2026	Office	-	CA	4
29	Senior	1/10/2022	130,461	90,124	89,509	65.0%	1/9/2027	Other	-	PA	3
30	Senior	12/21/2018	87,741	87,741	88,166	50.6%	6/21/2022	Land	-	NY	4
31	Senior	12/15/2021	86,000	86,000	86,000	58.5%	12/15/2026	Mixed-Use	-	TN	3
32	Senior	7/10/2018	79,269	79,269	79,269	79.2%	6/10/2024	Hospitality	-	CA	4
33	Senior	12/21/2022	112,100	78,782	77,993	60.9%	12/21/2027	Multifamily	Y	WA	3
34	Senior	8/1/2022	115,250	78,500	78,500	82.1%	7/30/2026	Hospitality	Y	NY	4
35	Senior	6/3/2021	79,600	76,075	76,056	68.3%	6/3/2026	Other	-	MI	3
36	Senior	12/22/2021	83,901	75,937	75,793	69.5%	12/22/2026	Multifamily	-	TX	4
37	Senior	7/27/2022	76,000	75,550	75,588	66.1%	7/27/2027	Multifamily	-	UT	3
38	Senior	2/2/2022	90,000	71,257	70,847	66.3%	2/2/2027	Office	-	WA	3
39	Senior	8/27/2021	81,210	67,892	40,000	n/m	8/27/2026	Office	-	GA	5
40	Senior	7/31/2019	67,000	67,000	67,000	42.4%	1/30/2022	Land	-	NY	4
41 ⁽⁷⁾	Senior	3/31/2020	63,391	63,391	63,391	n/m	2/9/2025	Office	-	TX	5
42	Senior	1/19/2022	73,677	59,825	59,594	51.2%	1/19/2027	Hospitality	-	TN	3
43	Senior	3/15/2022	53,300	50,164	42,800	n/m	3/15/2027	Multifamily	-	AZ	5
44	Senior	2/4/2022	44,768	39,279	28,100	n/m	2/4/2027	Multifamily	-	TX	5
45	Senior	4/5/2019	38,345	38,345	38,345	n/m	4/5/2028	Other	-	Other	3
46	Senior	2/18/2022	32,083	31,758	31,713	66.0%	2/18/2027	Other	Y	FL	3
47	Senior	4/5/2019	30,000	30,000	30,000	49.0%	4/6/2026	Other	-	NY	3
48	Senior	4/18/2019	30,000	30,000	29,988	71.4%	5/1/2025	Land	-	MA	3
49	Senior	2/17/2022	28,479	24,865	22,200	n/m	2/17/2027	Multifamily	-	TX	5
50	Senior	7/1/2019	1,607	1,607	1,607	n/m	12/30/2020	Other	-	Other	5
51 ⁽⁸⁾	Subordinate	8/2/2018	886	886	-	n/m	7/9/2023	Other	-	NY	5
Total			6,441,477	5,984,101	5,856,837						
General CECL reserve					(118,135)						
Grand Total/Weighted Average			\$ 6,441,477	\$ 5,984,101	\$ 5,738,702				12%		3.5

(1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.

(2) Net of specific CECL reserve of \$119.3 million.

(3) Origination LTV represents “loan-to-value” or “loan-to-cost,” which is calculated as our total loan commitment upon origination, as if fully funded, plus any financings that are pari passu with or senior to our loan, divided by our estimate of either (1) the value of the underlying real estate, determined in accordance with our underwriting process (typically consistent with, if not less than, the value set forth in a third-party appraisal) or (2) the borrower’s projected, fully funded cost basis in the asset, in each case as we deem appropriate for the relevant loan and other loans with similar characteristics. Underwritten values and projected costs should not be assumed to reflect our judgment of current market values

or project costs, which may have changed materially since the date of origination. Weighted average origination LTV of 70.6% is based on loan commitment, including non-consolidated senior interests and pari passu interests, and excludes risk rated 5 loans.

- (4) Fully extended maturity assumes all extension options are exercised by the borrower upon satisfaction of the applicable conditions.
- (5) Classification of property type and construction status reflect the state of collateral as of March 31, 2025.
- (6) Percent of total construction loans based on loan commitments as of March 31, 2025.
- (7) Loan repaid in April 2025.
- (8) In April 2025, we agreed to a loan repayment which resulted in a discounted loan payoff of \$775,000.

Real Estate Owned

On February 8, 2021, we acquired legal title to a portfolio of seven limited service hotels located in New York, NY through a foreclosure and assumed the securitized senior mortgage. As of December 31, 2024, we determined that our hotel portfolio had met the held-for-sale criteria and, accordingly, we reflected this asset as real estate owned held-for-sale on our consolidated balance sheet. During the three months ended March 31, 2025 we continued to pursue the sale of this asset and, as of March 31, 2025, it remains classified as held-for-sale. As of March 31, 2025, approximately \$20.4 million of our restricted cash, \$4.4 million of our other assets, \$11.0 million of our other liabilities, and \$275.2 million of our debt related to real estate owned assets relate to our hotel portfolio real estate owned assets.

On June 30, 2023, we acquired legal title to a mixed-use property located in New York, NY and the equity interests in the borrower through an assignment-in-lieu of foreclosure and is comprised of office, retail, and signage components. As of March 31, 2025, the mixed-use property appears as part of real estate owned, net and related lease intangibles, net appear within other assets and other liabilities on our consolidated balance sheet. As of March 31, 2025, our mixed-use real estate owned asset with a carrying value of \$143.1 million (including related net lease intangible assets) was pledged as collateral to our term participation facility. In April 2025, we entered into a binding agreement to sell approximately 77,000 square feet of office and retail space within our mixed-use real estate owned asset to an unaffiliated purchaser for a sales price of \$28.8 million.

See Note 5 to our consolidated financial statements for additional details.

Asset Management

Our Manager proactively manages the loans in our portfolio from closing to final repayment or resolution and our Sponsor has dedicated asset management employees who perform asset management services. Following the closing of an investment, the asset management team rigorously monitors the loan, with an emphasis on ongoing analyses of both quantitative and qualitative matters, including financial, legal, and market conditions. Through the final repayment or resolution of a loan, the asset management team maintains regular contact with borrowers, servicers and local market experts monitoring performance of the collateral, anticipating borrower, property and market issues, and enforcing our rights and remedies when appropriate.

Some of our borrowers may experience delays in the execution of their business plans, changes in their capital position and available liquidity and/or changes in market conditions which may impact the performance of the underlying collateral asset, borrower, or sponsor. As a transitional lender, we may from time to time execute loan modifications with borrowers when and if appropriate, which may include additional equity contributions from them, repurposing of reserves, pledges of additional collateral or other forms of credit support, additional guarantees, temporary deferrals of interest or principal, partial deferral of coupon interest as payment-in-kind interest, and/or a discounted loan payoff. To the extent warranted by ongoing conditions specific to our borrowers or overall market conditions, we may make additional modifications when and if appropriate, depending on the business plans, financial condition, liquidity and results of operations of our borrowers, among other factors.

Our Manager evaluates the credit quality of each of our loans receivable on an individual basis and assigns a risk rating at least quarterly. We have developed a loan grading system for all of our outstanding loans receivable that are collateralized directly or indirectly by real estate. Grading criteria include, but are not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to, as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the overall market conditions, we may consider certain previously mentioned factors more or less relevant than others. We utilize the grading system to determine each loan's risk of loss and to provide a determination as to whether an individual loan is impaired and whether a specific CECL reserve is necessary. Based on a 5-point scale, the loans are graded "1" through "5," from less risk to greater risk, respectively. The weighted average risk rating of our total loan portfolio was 3.5 as of March 31, 2025.

Current Expected Credit Losses

The current expected credit loss reserve required under GAAP reflects our current estimate of potential credit losses related to our loan portfolio, which may fluctuate depending on market conditions and changes in our loan portfolio. See Note 2 to our consolidated financial statements for further detail of our current expected credit loss reserve methodology.

During the three months ended March 31, 2025, we recorded a provision for current expected credit losses of \$41.1 million, which consisted of a \$3.9 million reversal of our general CECL reserve and a \$45.0 million increase in our specific CECL reserve prior to principal, accrued interest receivable, and exit fee charge-offs. The reversal of our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous dataset, seasoning of our loan portfolio, and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. The reversal of our specific CECL reserves was primarily attributable to changes to collateral values, offset by protective advances made. As of March 31, 2025, our total current expected credit loss reserve was \$260.8 million.

During the three months ended March 31, 2024, we recorded a provision for current expected credit losses of \$70.0 million, which consisted of a \$22.7 million increase in our general CECL reserve and a \$47.3 million increase in our specific CECL reserve prior to principal charge-offs. This increase in our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous dataset and changes in risk ratings and non-accrual status within our loan portfolio, offset by the seasoning of our loan portfolio and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. The increase in our specific CECL reserves was primarily attributable to changes to collateral values and additional protective advances made. As of March 31, 2024, our total current expected credit loss reserve was \$180.4 million.

Specific CECL Reserves

In certain circumstances, we may determine that a borrower is experiencing financial difficulty, and, if the repayment of the loan's principal is collateral dependent, the loan is no longer suited for the WARM model. In these instances, there have been diminutions in the fair value and performance of the underlying collateral asset primarily as a result of reduced tenant and/or capital markets demand for such property types in the markets in which these assets and borrowers operate in. Furthermore, we may recognize a specific CECL reserve if we anticipate assuming legal title and/or physical possession of the underlying collateral property and the fair value of the collateral asset is determined to be below our carrying value. The following table presents a summary of our loans receivable held-for-investment with specific CECL reserves as of March 31, 2025 (\$ in thousands):

Property Type	Location	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value
Land	VA	\$ 153,077	\$ 153,077	\$ 32,977	\$ 120,100
Total Land		153,077	153,077	32,977	120,100
Multifamily	TX	119,084	118,719	19	118,700
Multifamily	NV	96,529	96,082	16,682	79,400
Multifamily	AZ	50,164	49,957	7,157	42,800
Multifamily	TX	39,279	39,085	10,985	28,100
Multifamily	TX	24,865	24,804	2,604	22,200
Total Multifamily ⁽¹⁾		329,921	328,647	37,447	291,200
Office	CA	111,542	111,263	20,463	90,800
Office ⁽²⁾⁽³⁾	TX	63,391	63,391	-	63,391
Office	GA	67,892	67,494	27,494	40,000
Total Office		242,825	242,148	47,957	194,191
Other ⁽²⁾	Other	1,607	1,607	-	1,607
Other ⁽⁴⁾	NY	886	884	884	-
Total Other		2,493	2,491	884	1,607
Total		\$ 728,316	\$ 726,363	\$ 119,265	\$ 607,098

(1) Represents loans which we anticipate assuming legal title and/or physical possession of the underlying collateral properties.

(2) Amounts deemed uncollectible have been charged-off as of March 31, 2025.

(3) Loan repaid in April 2025.

(4) In April 2025, we agreed to a loan repayment which resulted in a discounted loan payoff of \$775,000.

Fair values used to determine specific CECL reserves are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine specific CECL reserves as of March 31, 2025 include assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates ranging from 6.0% to 9.5%, and market and terminal capitalization rates ranging from 5.0% to 8.25%. These assumptions are based upon the nature of the properties, recent sales and lease comparables, recent and projected property cash flows, and anticipated real estate and capital market conditions.

The following table presents our loan commitment originations, loan commitment realizations, and the amount of principal charge-offs recognized for each origination vintage year as of March 31, 2025 by year of origination (\$ in thousands):

	Total by Origination Year as of March 31, 2025								2018 and Prior
	Total	2025	2024 ⁽²⁾	2023	2022	2021	2020	2019	
Loan Commitment Originations ⁽¹⁾	\$ 18,124,128	\$ -	\$ 104,455	\$ 101,059	\$ 3,463,564	\$ 2,959,122	\$ 401,743	\$ 4,056,115	\$ 7,038,070
Loan Commitment Realizations	\$ 10,942,938	\$ -	\$ -	\$ 101,059	\$ 701,542	\$ 1,361,811	\$ 189,183	\$ 2,293,592	\$ 6,295,751
Principal Charge-offs ⁽³⁾	\$ 279,478	\$ -	\$ -	\$ 315	\$ 46,484	\$ 8,251	\$ 24,359	\$ 112,592	\$ 87,477

- (1) Loan commitment upsizes and protective advances subsequent to origination are reflected as increases in loan commitment in the year that the loan was originated.
(2) Reflects a loan receivable acquired in connection with a full loan repayment.
(3) Excludes loss in connection with the reclassification of our real estate owned hotel portfolio to held-for-sale.

Portfolio Financing

Our financing arrangements include repurchase arrangements, a term participation facility, asset-specific financings, debt related to real estate owned, and secured term loan borrowings.

The following table summarizes our loans portfolio financing (\$ in thousands):

	March 31, 2025		
	Capacity	Borrowings Outstanding	Weighted Average Spread ⁽¹⁾
Repurchase agreements and term participation facility	\$ 5,646,865	\$ 3,526,059	+ 2.88%
Notes payable	195,830	166,758	+ 3.24%
Secured term loan	715,918	715,918	+ 4.50%
Debt related to real estate owned ⁽²⁾	275,214	275,214	+ 2.94%
Total/Weighted Average	\$ 6,833,827	\$ 4,683,949	+ 3.14%

- (1) Weighted average spread over the applicable benchmark rate is based on unpaid principal balance. SOFR as of March 31, 2025 was 4.32%.
(2) Excludes an additional 4.0% per annum of interest provided for under the forbearance agreement.

See Note 6 to our consolidated financial statements for additional details.

Repurchase Agreements and Term Participation Facility

We finance certain of our loans using repurchase agreements and a term participation facility. As of March 31, 2025, aggregate borrowings outstanding under our repurchase agreements and term participation facility totaled \$3.5 billion, with a weighted average spread of SOFR plus 2.88% per annum based on unpaid principal balance. As of March 31, 2025, the loans receivable securing the outstanding borrowings under these facilities had a weighted average term to initial maturity and fully extended maturity of 0.5 years and 1.4 years, respectively, assuming all conditions to extend are met.

Each repurchase agreement contains “margin maintenance” provisions, which are designed to allow the counterparty to require the delivery of cash or other assets to de-lever financings on assets that are determined to have experienced a diminution in value. Since inception through March 31, 2025, we have not received any margin calls under any of our repurchase agreements.

Loan Participations Sold

We may finance certain of our loans via the sale of a participation in such loans, and we present the loan participations sold as a liability on our consolidated balance sheet when such arrangements do not qualify as sales under GAAP. We generally seek to (i) have financings not cross-collateralized to the extent that we have multiple loan participations with the same lender, and (ii) term match our loan participations sold to the underlying loans. As of March 31, 2025, we had no loan participations sold.

Notes Payable

We finance certain of our loans via secured financings that are term matched to the underlying loan, some of which are partially recourse to us. We refer to such financings as notes payable and they are secured by the related loans receivable. As of March 31, 2025, two of our loans were financed with notes payable.

Secured Term Loan

We have a secured term loan which we originally entered into on August 9, 2019. Our secured term loan is presented net of any original issue discount and transaction expenses which are deferred and recognized as interest expense over the life of the loan using the effective interest method. The secured term loan matures on August 9, 2026 and as of March 31, 2025 has an unpaid principal balance of \$715.9 million and a carrying value of \$709.1 million.

Debt Related to Real Estate Owned

On February 8, 2021 we assumed a \$300.0 million securitized senior mortgage in connection with a foreclosure of a hotel portfolio. On June 1, 2021, the terms of the securitized senior mortgage were modified to include an extension of the maturity date to February 9, 2024 and a principal repayment of \$10.0 million. On February 7, 2024, we modified our debt related to real estate owned to provide for, among other things, an extension of the contractual maturity date to November 9, 2024, a \$10.0 million principal payoff, and the designation of a portion of the loan becoming partial recourse to us. Concurrent with this modification, we purchased an interest rate cap with a notional amount of \$280.0 million and a strike rate of 5.00% through the then extended contractual maturity date. We subsequently further extended the contractual maturity date to February 9, 2025 and concurrently purchased an interest rate cap with a notional amount of \$275.0 million and a strike rate through the further extended contractual maturity date. Upon maturity in February 2025, we entered into a forbearance agreement with our lender which expires on May 9, 2025 and provides for interest to accrue at an additional rate of 4.0% per annum. In May 2025, we extended the forbearance period for our debt related to real estate owned through September 9, 2025 and concurrently repaid \$5.0 million of the principal balance. As of March 31, 2025, our debt related to real estate owned has an unpaid principal balance of \$275.2 million, a carrying value of \$275.2 million and a stated rate of SOFR plus 2.94%. See Derivatives below for further detail of our interest rate cap.

Derivatives

On June 2, 2021 and in connection with our debt related to real estate owned, we acquired an interest rate cap with a notional amount of \$290.0 million, a strike rate of 3.00%, and a maturity date of February 15, 2024. Such interest rate cap effectively limited the maximum interest rate of our debt related to real estate owned to 5.83% through its then maturity. On February 7, 2024 and in connection with the modification of our debt related to real estate owned, we acquired an interest rate cap with a notional amount of \$280.0 million, a strike rate of 5.00%, and a maturity date of November 15, 2024. Upon further extension of our debt related to real estate owned, we acquired an interest rate cap with a notional amount of \$275.0 million, a strike rate of 5.00%, and a maturity date of February 9, 2025. Through the contractual maturity of our debt related to real estate owned, the interest rate cap effectively limited the maximum interest rate of our debt related to real estate owned to 7.94% through its maturity.

Changes in the fair value of our interest rate cap were recorded as an unrealized gain or loss on interest rate cap on our consolidated statements of operations and the fair value was recorded in other assets on our consolidated balance sheets. Proceeds received from our counterparty related to the interest rate cap were recorded as proceeds from interest rate cap on our consolidated statements of operations. As of March 31, 2025, we did not have an interest rate cap for our debt related to real estate owned. As of December 31, 2024, the fair value of our interest rate cap was de minimis. During the three months ended March 31, 2025 and 2024, we recognized \$0.0 million and \$0.9 million, respectively, of proceeds from interest rate cap.

Financial Covenants

Our financing agreements generally contain certain financial covenants. For example, our ratio of earnings before interest, taxes, depreciation, and amortization to interest charges ("Interest Coverage Ratio"), as defined in our repurchase agreements and term participation facility shall not be less than 1.1 to 1.0, whereas our ratio of earnings before interest, taxes, depreciation, and amortization to interest charges as defined in our secured term loan agreement shall not be less than 1.5 to 1.0. Further, (i) our tangible net worth, as defined in the agreements, shall not be less than \$1.86 billion as of each measurement date; (ii) cash liquidity shall not be less than the greater of (x) \$20 million or (y) 3% of our recourse indebtedness (which includes our secured term loan); and (iii) our indebtedness shall not exceed 77.8% of our total assets. The requirements set forth in (i) through (iii) above are based upon the most restrictive financial covenants in place as of the reporting date. As of March 31, 2025, we are in compliance with all financial covenants under our financing agreements. Commencing with the quarter ending December 31, 2025, our Interest Coverage Ratio shall not be less than 1.3 to 1.0. Further, commencing July 1, 2025, our cash liquidity shall not be less than the greater of (x) \$20 million or (y) 5% of our recourse indebtedness (which includes our secured term loan).

Future compliance with our financial covenants is dependent upon the results of our operating activities, our financial condition, and the overall market conditions in which we and our borrowers operate. The impact of macroeconomic conditions on the commercial real estate and capital markets, including high benchmark interest rates compared to recent historical standards, may make it more difficult for us to satisfy these financial covenants in the future. Non-compliance with financial covenants may result in our lenders exercising their rights and remedies as provided for in the respective agreements. As market conditions evolve, we may continue to work with our counterparties on modifying financial covenants as needed; however, there is no assurance that our counterparties will agree to such modifications.

Non-Consolidated Senior Interests Sold and Non-Consolidated Senior Interests Held by Third Parties

In certain instances, we use structural leverage through the non-recourse syndication of a match-term senior loan interest to a third party which qualifies for sale accounting under GAAP, or through the acquisition of a subordinate loan for which a non-recourse senior interest is retained by a third party. In such instances, the senior loan is not included on our consolidated balance sheet.

The following table summarizes our non-consolidated senior interests and related retained subordinate interests, excluding for loans classified as held-for-sale, as of March 31, 2025 (\$ in thousands):

	Loan Count	Loan Commitment	Unpaid Principal Balance	Carrying Value	Weighted Average Interest Rate ⁽¹⁾	Term to Initial Maturity (in years)	Term to Fully Extended Maturity ⁽²⁾
Fixed rate non-consolidated senior loans	1	\$ 830,000	\$ 830,000	N/A	3.47%	1.8	1.8
Retained fixed rate subordinate loans	1	\$ 125,000	\$ 125,000	\$ 124,893	8.50%	1.8	1.8

(1) Weighted average is based on unpaid principal balance.

(2) Term to fully extended maturity is determined based on the maximum maturity of each of the corresponding loans, assuming all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date.

Floating and Fixed Rate Portfolio

Our business model seeks to minimize our exposure to changing interest rates by originating floating rate loans and financing them with floating rate liabilities. Further, we seek to match the benchmark index in the floating rate loans we originate with the benchmark index used in the related floating rate financings. Generally, we use SOFR as the benchmark index in both our floating rate loans and floating rate financings. As of March 31, 2025, 97.9% of our loans receivable held-for-investment based on unpaid principal balance were floating rate and indexed to SOFR. All of our encumbered floating rate loans were financed with floating rate liabilities indexed to SOFR, which resulted in approximately \$1.2 billion of net floating rate exposure.

The following table details our net floating rate exposure as of March 31, 2025 (\$ in thousands):

	Net Floating Rate Exposure ⁽¹⁾
Floating rate assets	\$ 5,856,608
Floating rate liabilities	(4,683,949)
Net floating rate exposure	<u>\$ 1,172,659</u>

(1) SOFR as of March 31, 2025 was 4.32%. Net floating rate exposure includes \$521.8 million related to loans on non-accrual status and excludes one unencumbered loan receivable classified as held-for-sale as of March 31, 2025.

As of March 31, 2025, we do not employ interest rate derivatives (interest rate swaps, caps, collars or floors) to hedge our asset or liability portfolio, but we may do so in the future.

Results of Operations – Three Months Ended March 31, 2025 and December 31, 2024

As previously disclosed, beginning with our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, and for all subsequent reporting periods, we have elected to present results of operations by comparing to the immediately preceding period, as well as the same year to date period in the prior year. Given the dynamic nature of our business and the sensitivity to the real estate and capital markets, we believe providing analysis of results of operations by comparing to the immediately preceding period is more meaningful to our stockholders in assessing the overall performance of our current business.

Operating Results

The following table sets forth information regarding our consolidated results of operations for the three months ended March 31, 2025, and December 31, 2024 (\$ in thousands, except per share data):

	Three Months Ended		
	March 31, 2025	December 31, 2024	\$ Change
Revenue			
Interest and related income	\$ 118,038	\$ 132,563	\$ (14,525)
Less: interest and related expense	89,227	100,092	(10,865)
Net interest income	28,811	32,471	(3,660)
Revenue from real estate owned	14,564	27,755	(13,191)
Total net revenue	43,375	60,226	(16,851)
Expenses			
Management fees - affiliate	8,397	8,930	(533)
General and administrative expenses	4,270	3,340	930
Stock-based compensation expense	5,074	4,777	297
Real estate owned:			
Operating expenses	12,915	16,369	(3,454)
Interest expense	6,554	6,514	40
Depreciation and amortization	438	2,639	(2,201)
Total expenses	37,648	42,569	(4,921)
Proceeds from interest rate cap	-	6	(6)
Unrealized loss on interest rate cap	-	(27)	27
Loss from equity method investment	(37)	(40)	3
Loss on extinguishment of debt	(547)	(630)	83
Loss on real estate owned held-for-sale	(49)	(80,461)	80,412
Provision for current expected credit loss reserve	(41,123)	(29,976)	(11,147)
Valuation adjustment for loan receivable held-for-sale	(42,594)	(7,227)	(35,367)
Net loss	\$ (78,623)	\$ (100,698)	\$ 22,075
Net loss per share of common stock:			
Basic and diluted	\$ (0.56)	\$ (0.72)	\$ 0.16

Comparison of the three months ended March 31, 2025 and December 31, 2024

Net Revenue

Total net revenue decreased \$16.9 million during the three months ended March 31, 2025, compared to the three months ended December 31, 2024. The decrease is primarily due to a decrease in revenue from real estate owned of \$13.2 million due to lower overall average occupancy, average daily rate (“ADR”), and revenue per available room (“RevPAR”) levels at the hotel portfolio compared to the three months ended December 31, 2024 due to seasonality, a decrease in net interest income of \$3.7 million, which was driven by a decrease in interest income of \$14.5 million as a result of decreased average loans receivable balances, partially offset by a decrease in interest expense of \$10.9 million as a result of lower average borrowing levels during the three months ended March 31, 2025 compared to the three months ended December 31, 2024 as a result of continued deleveraging.

Expenses

Expenses are primarily comprised of base management fees payable to our Manager, general and administrative expenses, stock-based compensation expense, operating expenses from real estate owned, interest expense from debt related to real estate owned, and depreciation and amortization on real estate owned and related in-place and other lease values. Expenses decreased by \$4.9 million during the three months ended March 31, 2025, as compared to the three months ended December 31, 2024, primarily due to:

- (i) a decrease in operating expenses from real estate owned of \$3.5 million during the comparative period, due to lower variable operating expenses in connection with lower occupancy levels at the hotel portfolio due to seasonality;
- (ii) a decrease in depreciation and amortization from real estate owned of \$2.2 million due to depreciation expense not being recognized on the hotel portfolio during the three months ended March 31, 2025, as we determined the fair value of the hotel portfolio at March 31, 2025 to be less than the carrying value while the hotel portfolio was classified as held-for-sale;
- (iii) a decrease in management fees of \$0.5 million as a result of lower stockholders' equity over the comparative period;
- (iv) partially offset by an increase in general and administrative expenses of \$0.9 million primarily as a result of an increase in certain non-recurring charges incurred over the comparative period.

Proceeds from Interest Rate Cap

Proceeds from interest rate cap decreased \$0.1 million during the three months ended March 31, 2025, as compared to the three months ended December 31, 2024, due to SOFR falling below our interest rate cap's 5.0% strike rate.

Unrealized Loss on Interest Rate Cap

During the three months ended March 31, 2025, we did not recognize an unrealized loss on interest rate cap as the value of the interest rate cap was negligible at December 31, 2024 and the term of the interest rate cap expired on February 9, 2025. Compared to a \$0.1 million unrealized loss on interest rate cap during the three months ended December 31, 2024.

Loss from Equity Method Investment

During the three months ended March 31, 2025 and the three months ended December 31, 2024, we recognized losses from our equity method investment of \$0.1 million as a result of the net losses recognized by our investee during each respective period.

Loss on Extinguishment of Debt

During the three months ended March 31, 2025 and the three months ended December 31, 2024, we recognized losses on extinguishment of debt of \$0.6 million due to the recognition of unamortized deferred financing costs resulting from the repayment of financing balances prior to maturity.

Loss on Real Estate Owned Held-for-Sale

During the three months ended December 31, 2024, we determined that our hotel portfolio real estate owned asset met the held-for-sale criteria and concurrently recognized a \$80.5 million loss based upon anticipated sales price, less estimated costs to sell. During the three months ended March 31, 2025 we recognized an additional \$49.0 thousand of loss on real estate owned held-for-sale as a result of capital expenditures incurred.

Provision for Current Expected Credit Loss Reserve

During the three months ended March 31, 2025, we recorded a provision for current expected credit losses of \$41.1 million, which consisted of a \$3.9 million reversal of our general CECL reserve and a \$45.0 million increase in our specific CECL reserve prior to principal, accrued interest receivable, and exit fee charge-offs. The reversal of our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous dataset, seasoning of our loan portfolio, and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. The reversal of our specific CECL reserves was primarily attributable to changes to collateral values, offset by protective advances made. During the three months ended December 31, 2024, we recorded a provision for current expected credit losses of \$30.0 million, which consisted of a \$19.8 million increase in our general reserve and a \$9.4 million increase in our specific CECL reserve prior to principal charge-offs. The increase in our general CECL reserve was primarily attributable to consideration of a contingent discounted loan payoff and reserves against accrued interest receivable, offset by the seasoning of our loan portfolio and a reduction in the size of our loan portfolio. The increase in our specific CECL reserves was primarily attributable to changes to collateral values and additional protective advances made.

Valuation Adjustment for Loan Receivable Held-for-Sale

During the three months ended March 31, 2025 we recognized a valuation adjustment of \$42.6 million for our loan receivable held-for-sale and during the three months ended December 31, 2024 we recognized a valuation adjustment of \$7.2 million for our loan receivable held-for sale. In both instances the valuation adjustments were as a result of additional protective advances made and a reduction in anticipated proceeds from the sale of such loan.

Results of Operations – Three Months Ended March 31, 2025 and March 31, 2024

The following table sets forth information regarding our consolidated results of operations for the three months ended March 31, 2025 and 2024 (\$ in thousands, except per share data):

	Three Months Ended		
	March 31, 2025	March 31, 2024	\$ Change
Revenue			
Interest and related income	\$ 118,038	\$ 160,845	\$ (42,807)
Less: interest and related expense	89,227	115,931	(26,704)
Net interest income	28,811	44,914	(16,103)
Revenue from real estate owned	14,564	13,911	653
Total net revenue	43,375	58,825	(15,450)
Expenses			
Management fees - affiliate	8,397	9,210	(813)
General and administrative expenses	4,270	3,877	393
Stock-based compensation expense	5,074	4,353	721
Real estate owned:			
Operating expenses	12,915	12,880	35
Interest expense	6,554	6,329	225
Depreciation and amortization	438	2,599	(2,161)
Total expenses	37,648	39,248	(1,600)
Proceeds from interest rate cap	-	865	(865)
Unrealized loss on interest rate cap	-	(998)	998
Loss from equity method investment	(37)	(35)	(2)
Loss on extinguishment of debt	(547)	(2,244)	1,697
Loss on real estate owned held-for-sale	(49)	-	(49)
Provision for current expected credit loss reserve	(41,123)	(69,960)	28,837
Valuation adjustment for loan receivable held-for-sale	(42,594)	-	(42,594)
Net loss	<u>\$ (78,623)</u>	<u>\$ (52,795)</u>	<u>\$ (25,828)</u>
Net loss per share of common stock:			
Basic and diluted	\$ (0.56)	\$ (0.39)	\$ (0.17)

Comparison of the three months ended March 31, 2025 and March 31, 2024

Net Revenue

Total net revenue decreased \$15.5 million during the three months ended March 31, 2025, compared to the three months ended March 31, 2024. The decrease is primarily due to a decrease in net interest income of \$16.1 million, which was driven by a decrease in interest income of \$42.8 million as a result of a reduction in the size of our loan portfolio and an increase in the portion of loans on non-accrual status during the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, partially offset by a decrease in interest expense of \$26.7 million primarily as a result of lower average borrowing levels. The decrease in total net revenue was partially offset by an increase in revenue from real estate owned of \$0.7 million due to higher overall average occupancy, RevPAR, and ADR levels at our hotel portfolio compared to the three months ended March 31, 2024.

Expenses

Expenses are primarily comprised of base management fees payable to our Manager, general and administrative expenses, stock-based compensation expense, operating expenses from real estate owned, interest expense from debt related to real estate owned, and depreciation and amortization on real estate owned. Expenses decreased by \$1.6 million during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to:

- (i) a decrease in depreciation and amortization from real estate owned of \$2.2 million due to depreciation expense not being recognized on the hotel portfolio during the three months ended March 31, 2025, as we determined the fair value of the hotel portfolio at March 31, 2025 to be less than the carrying value while the hotel portfolio was classified as held-for-sale;
- (ii) a decrease in management fees of \$0.8 million as a result of lower stockholders' equity over the comparative period;
- (iii) partially offset by an increase in stock-based compensation of \$0.7 million during the comparative period, due to an increase in stock based compensation expense recognized during the three months ended March 31, 2025;

- (iv) further offset by an increase in general and administrative expenses of \$0.4 million as a result of certain non-recurring charges and certain corporate overhead items incurred.

Proceeds from Interest Rate Cap

Proceeds from interest rate cap decreased \$0.9 million during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024 due to SOFR falling below our interest rate cap's 5.0% strike rate.

Unrealized Loss on Interest Rate Cap

During the three months ended March 31, 2025, we did not recognize an unrealized loss on interest rate cap as the value of the interest rate cap was negligible at December 31, 2024 and the term of the interest rate cap expired on February 9, 2025. Compared to a \$1.0 million unrealized loss on interest rate cap during the three months ended March 31, 2024.

Loss from Equity Method Investment

During the three months ended March 31, 2025 and the three months ended March 31, 2024, we recognized loss from equity method investment of \$0.1 million as a result of the net losses recognized by our investee during each respective period.

Loss on Extinguishment of Debt

During the three months ended March 31, 2025 we recognized a loss on extinguishment of debt of \$0.6 million due to the recognition of unamortized deferred financing costs resulting from the repayment of financing balances prior to maturity. During the three months ended March 31, 2024, we recognized a loss on extinguishment of debt of \$2.2 million inclusive of a \$1.6 million spread maintenance payment and \$0.6 million of unamortized deferred financing costs, as a result of the repayment of a note payable prior to maturity which occurred simultaneously with the sale of the associated loan receivable.

Loss on Real Estate Owned Held-for-Sale

During the three months ended March 31, 2025 we recognized an additional \$49.0 thousand of loss on real estate owned held-for-sale as a result of capital expenditures incurred.

Provision for Current Expected Credit Loss Reserve

During the three months ended March 31, 2025, we recorded a provision for current expected credit losses of \$41.1 million, which consisted of a \$3.9 million reversal of our general CECL reserve and a \$45.0 million increase in our specific CECL reserve prior to principal, accrued interest receivable, and exit fee charge-offs. The reversal of our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous dataset, seasoning of our loan portfolio, and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. The reversal of our specific CECL reserves was primarily attributable to changes to collateral values, offset by protective advances made. During the three months ended March 31, 2024, we recorded a provision for current expected credit losses of \$70.0 million, which consisted of a \$22.7 million increase in our general CECL reserve and a \$47.3 million increase in our specific CECL reserve prior to principal charge-offs. The increase in general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous dataset and changes in risk ratings and non-accrual status within our loan portfolio, offset by the seasoning of our loan portfolio and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. The increase in our specific CECL reserves was primarily attributable to changes to collateral values and additional protective advances made.

Valuation Adjustment for Loan Receivable Held-for-Sale

During the three months ended March 31, 2025 we recognized a valuation adjustment of \$42.6 million for our loan receivable held-for-sale as a result of additional protective advances made and a reduction in anticipated proceeds from the sale of such loan.

Liquidity and Capital Resources

Capitalization

We have capitalized our business to date primarily through the issuance of shares of our common stock and borrowings under our secured financings and our secured term loan. As of March 31, 2025, we had 139,362,657 shares of our common stock outstanding, representing \$1.9 billion of equity, and also had \$4.7 billion of outstanding borrowings under our secured financings, our secured term loan, and our debt related to real estate owned. As of March 31, 2025, our secured financings consisted of six repurchase agreements with capacity of \$5.1 billion and a combined outstanding balance of \$3.0 billion, a term participation facility with a capacity of \$550.8 million and an outstanding balance of \$487.0 million, and two asset-specific financings with capacity of \$195.8 million and an

outstanding balance of \$166.8 million. As of March 31, 2025, our secured term loan had an outstanding balance of \$715.9 million and our debt related to real estate owned had an outstanding balance of \$275.2 million.

Net Debt-to-Equity Ratio and Total Leverage Ratio

Net Debt-to-Equity Ratio and Total Leverage Ratio are non-GAAP measures that we use to evaluate our financial leverage, which in the case of our Total Leverage Ratio, makes certain adjustments that we believe provide a more conservative measure of our financial condition.

Net Debt-to-Equity Ratio is calculated as the ratio of asset-specific debt (repurchase agreements, term participation facility, loan participations sold, net, notes payable, net, and debt related to real estate owned, net) and secured term loan, less cash and cash equivalents to total equity.

Total Leverage Ratio is similar to Net Debt-to-Equity Ratio; however, it includes non-consolidated senior interests sold and non-consolidated senior interests held by third parties. Non-consolidated senior interests sold and non-consolidated senior interests held by third parties, as applicable, are secured by the same collateral as our loan and are structurally senior in repayment priority relative to our loan. We believe the inclusion of non-consolidated senior interests sold and non-consolidated senior interests held by third parties provides a meaningful measure of our financial leverage.

The following table presents our Net Debt-to-Equity Ratios and Total Leverage Ratios as of March 31, 2025 and December 31, 2024 (\$ in thousands):

	March 31, 2025	December 31, 2024
Asset-specific debt	\$ 3,966,778	\$ 4,179,372
Secured term loan, net	709,078	709,777
Total debt	4,675,856	4,889,149
Less: cash and cash equivalents	(127,829)	(99,075)
Net Debt	\$ 4,548,027	\$ 4,790,074
Total Equity	\$ 1,934,585	\$ 2,008,086
Net Debt-to-Equity Ratio	2.4x	2.4x
Non-consolidated senior loans	830,000	830,000
Total Leverage	\$ 5,378,027	\$ 5,620,074
Total Leverage Ratio	2.8x	2.8x

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents, interest income from our loans, proceeds from loan repayments, available borrowings under our repurchase agreements based on existing collateral, identified borrowing capacity related to our asset-specific financings based on existing collateral, proceeds from the issuance of incremental secured term loan or other corporate debt issuances, and proceeds from the issuance of our common stock. As circumstances warrant, we and our subsidiaries may also issue common equity, preferred equity and/or debt, incur other debt, including term loans, or explore sales of certain of our loans receivable or real estate owned assets from time to time, dependent upon market conditions and available pricing.

Although we generally intend to hold our loans to maturity, sales of loans receivable, which may result in realized losses, discounted loan payoffs, and/or sales of real estate owned assets may occur in order to redeploy capital to more accretive opportunities, meet operating objectives, adapt to market conditions, and/or manage liquidity needs. Furthermore, we cannot predict the timing or impact of future asset sales or loan repayments, and, since many of our loans are financed, a portion or in some cases all of the net proceeds from the sales or repayments of our loans are expected to be used to de-lever our secured financings.

The following table sets forth, as of March 31, 2025 and December 31, 2024, our sources of available liquidity (\$ in thousands):

	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 127,829	\$ 99,075
Approved and undrawn credit capacity ⁽¹⁾	7,766	2,599
Total sources of liquidity	\$ 135,595	\$ 101,674

(1) Amounts based on existing collateral.

Under the terms of our loan agreements with certain of our borrowers, we require and have oversight of borrower funds held in reserve accounts with third-party loan servicers for our benefit which provide additional collateral support for our loans. Upon the occurrence of certain events or the borrower meeting prescribed conditions in accordance with the terms of the loan agreement, these funds may be transferred by the third-party loan servicers to the borrower subject to our approval. In instances where the borrower is in

default under the terms of the loan agreement, we have the ability to direct the third-party loan servicers to release such reserve funds to us to satisfy past due amounts. As of March 31, 2025 and December 31, 2024, reserve balances for loans on non-accrual status or delinquent, loans in maturity default, and/or loans risk rated 5 totaled \$21.2 million and \$22.2 million, respectively, and such amounts are not reflected on our consolidated balance sheets. Additionally, reserve balances as of March 31, 2025 include \$13.4 million related to a loan which was repaid in April 2025.

The following table presents a summary of our unencumbered loans receivable as of March 31, 2025 (\$ in thousands):

Loan Type	Loan Commitment	Unpaid Principal Balance ⁽¹⁾	Carrying Value ⁽¹⁾⁽²⁾	Property Type	Construction	Location	Risk Rating
Senior	\$ 115,250	\$ 78,500	\$ 78,500	Hospitality	Y	NY	4
Senior	97,000	95,214	94,827	Office	-	CA	4
Senior	81,210	67,892	40,000	Office	-	GA	5
Senior	1,607	1,607	1,607	Other	-	Other	5
Subordinate	886	886	-	Other	-	NY	5
Total, held-for-investment	295,953	244,099	214,934				
Senior	247,260	223,491	145,563	For Sale Condo	-	CA	4
Total, held-for-sale	247,260	223,491	145,563				
Total	\$ 543,213	\$ 467,590	\$ 360,497				

(1) For loans receivable held-for-sale, reflects amounts prior to principal charge-offs and valuation allowances.

(2) For loans receivable held-for-investment, reflects amounts net of specific CECL reserves of \$28.4 million.

The ability to finance or sell certain of these unencumbered assets is subject to one or more counterparties' willingness to finance or purchase such loans.

As of March 31, 2025, our mixed-use real estate owned asset with a carrying value of \$143.1 million (including related net lease intangible assets) was pledged as collateral to our term participation facility. In April 2025, we entered into a binding agreement to sell approximately 77,000 square feet of office and retail space within our mixed-use real estate owned asset to an unaffiliated purchaser for a sales price of \$28.8 million.

To facilitate future offerings of equity, debt and other securities, we have in place an effective shelf registration statement (the "Shelf") with the SEC. The securities covered by this Shelf include up to \$250,000,000 in the aggregate of: (i) common stock, (ii) preferred stock, (iii) debt securities, (iv) depositary shares, (v) warrants, (vi) purchase contracts, and (vii) units, and up to 16,058,983 shares of common stock offered by the selling securityholders. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering material, at the time of any offering.

On May 10, 2024, we entered into an equity distribution agreement with certain sales agents, pursuant to which we may sell, from time to time, up to an aggregate sales price of \$150.0 million of our common stock pursuant to a continuous offering program (the "ATM Agreement") under our Shelf. Sales of our common stock made pursuant to the ATM Agreement may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended. The timing and amount of actual sales will depend on a variety of factors including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the three months ended March 31, 2025, we did not issue any shares of our common stock pursuant to the ATM Agreement, and we incurred \$0.5 million of professional and legal fees to establish the program which are included in general and administrative expense on our consolidated statement of operations. As of March 31, 2025, the ATM Agreement has not been utilized, and \$150.0 million remained available for issuance of our common stock pursuant to the ATM Agreement.

Liquidity Needs

In addition to our loan origination and acquisition activity, our primary liquidity needs include future fundings to our borrowers on our unfunded loan commitments, interest and principal payments on outstanding borrowings under our financings, operating expenses, accrued management fees, and dividend payments to our stockholders necessary to satisfy REIT dividend requirements. Additionally, certain financial covenants in our financing agreements require us to maintain minimum levels of liquidity. We currently maintain, and seek to maintain, cash and liquidity to comply with minimum liquidity requirements under our financings. We also seek to maintain excess cash and liquidity to meet our primary liquidity needs, which include principal repayment obligations under certain of our secured financings, and seek to meet such short-term and long-term liquidity needs through our primary sources of liquidity as noted above.

As of March 31, 2025, we had approximately \$354.4 million of indebtedness scheduled to repay in the coming year with no further extension options available on the respective financings. Of such amount, \$27.8 million was repaid subsequent to March 31, 2025 and \$275.2 million relates to our real estate owned hotel portfolio. During the two-year period ended December 31, 2024, we made deleveraging payments to certain of our financing counterparties in the amounts of \$643.1 million. Further, during the three months ended March 31, 2025, we made deleveraging payments to certain of our financing counterparties in the amount of \$35.1 million and expect to continue to do so as agreed with our lenders or on an as-needed basis. Our ability to make any future deleveraging payments or required principal repayments will depend upon the results of our operating activities, our total sources of liquidity, our financial condition, and the overall market conditions in which we operate, among other factors. In addition, as market conditions evolve, we expect to continue to work with our secured financing counterparties as needed to seek adjustments to the timing and amount of any required principal repayment obligations; however, there is no assurance that such counterparties will agree to modify the required amount or timing of such repayments.

As of March 31, 2025, we had aggregate unfunded loan commitments of \$457.4 million which is comprised of funding for capital expenditures and construction, leasing costs, and carry costs. The timing of these fundings will vary depending on the progress of capital projects, leasing, and cash flows at the properties securing our loans and equity contributions from our borrowers, if required. Therefore, the exact timing and amounts of such future loan fundings are uncertain and will depend on the current and future performance of the underlying collateral assets, but are expected to occur over the remaining loan term. In certain circumstances, conditions to funding may not be met by our borrowers and portions of our unfunded loan commitments may never become eligible to be drawn on.

We may from time to time use capital to retire, redeem, or repurchase our equity or debt securities, term loans or other debt instruments through open market purchases, privately negotiated transactions or otherwise. The execution of such retirements, redemptions or repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and/or other factors deemed relevant.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of March 31, 2025 were as follows (\$ in thousands):

	Payment Timing				
	Total Obligations	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Unfunded loan commitments ⁽¹⁾	\$ 457,376	\$ 308,205	\$ 29,855	\$ 119,316	\$ -
Unfunded loan commitments for non-accrual, maturity default, risk rated 5 and/or delinquent loans ⁽¹⁾	(109,616)	(7,969)	(2,655)	(98,992)	-
Secured financings, term loan agreement, and debt related to real estate owned - principal ⁽²⁾⁽³⁾⁽⁴⁾	4,683,949	1,793,018	2,606,169	284,762	-
Secured financings, term loan agreement, and debt related to real estate owned - interest ⁽²⁾⁽³⁾	476,613	280,932	188,023	7,658	-
Total	<u>\$ 5,508,322</u>	<u>\$ 2,374,186</u>	<u>\$ 2,821,392</u>	<u>\$ 312,744</u>	<u>\$ -</u>

- (1) The estimated allocation of our unfunded loan commitments for loans receivable held-for-investment is based on the earlier of our expected funding date and the commitment expiration date. As of March 31, 2025, we have \$266.8 million of in-place financings to fund our remaining commitments, excluding \$7.8 million of approved and undrawn credit capacity based on existing collateral.
- (2) The allocation of our secured financings and secured term loan is based on the earlier of the fully extended maturity date (assuming conditions to extend are met) of each individual corresponding loan receivable or the maximum maturity date under the respective financing agreement, and assumes eleven loans that are in maturity default that represent collateral for aggregate borrowings outstanding of \$546.7 million that are in maturity default have a contractual obligation to pay in less than one year.
- (3) Amounts include the related future interest payment obligations, which are estimated by assuming the amounts outstanding under our secured financing agreements and SOFR in effect as of March 31, 2025, will remain constant into the future. Actual amounts borrowed and rates will vary over time. Our floating rate loans and related liabilities are indexed to SOFR. Totals exclude non-consolidated senior interests.
- (4) In April 2025, \$98.4 million of financings due in less than one year and \$191.3 million of financings due between one and three years were repaid upon the repayment of loans receivable.

In certain circumstances, conditions to funding may not be met by our borrowers and portions of our unfunded loan commitments may not become eligible to be drawn on. Of the \$457.4 million of unfunded loan commitments for our loans receivable held-for-investment as of March 31, 2025, the following table details the portion of unfunded loan commitments and in-place financings to fund our remaining commitments for loans receivable held-for-investment whereby conditions to funding are not currently being met, including loans on non-accrual status, in maturity default, risk rated 5, and/or which are delinquent in accordance with our revenue recognition policy (\$ in thousands):

	Unfunded Loan Commitments	In-place Financing Commitments	Net Loan Commitment
Gross total commitment	\$ 457,376	\$ 266,833	\$ 190,543
Non-accrual, maturity default, risk rated 5 and/or delinquent loans	(109,616)	(51,564)	(58,052)
Net loan commitment	<u>\$ 347,760</u>	<u>\$ 215,269</u>	<u>\$ 132,491</u>

Subject to borrowers meeting future funding conditions provided for in our loan agreements, we expect to fund our \$132.5 million of net loan commitments over the remaining maximum term of the related loans, which have a weighted average future funding period of 1.7 years.

We incur to our Manager, payable in cash, a base management fee and incentive fee (to the extent earned), which are generally paid quarterly, in arrears. The tables above do not include the amounts payable to our Manager under the Management Agreement which are reflected as management fee payable - affiliate on our consolidated balance sheet.

Loan Maturities

The following table summarizes the future scheduled repayments of principal for loans receivable held-for-investment as of March 31, 2025 (\$ in thousands):

Year	Initial Maturity		Fully Extended Maturity	
	Unpaid Principal Balance ⁽¹⁾	Loan Commitment ⁽¹⁾	Unpaid Principal Balance ⁽¹⁾	Loan Commitment ⁽¹⁾
2025 ⁽²⁾	\$ 3,051,346	\$ 3,186,192	\$ 1,228,068	\$ 1,232,561
2026 ⁽²⁾	1,860,651	2,157,090	1,501,839	1,724,726
2027	469,133	495,224	2,147,940	2,375,874
2028	-	-	278,345	278,345
2029	-	-	224,938	227,000
Thereafter	-	-	-	-
Total	<u>\$ 5,381,130</u>	<u>\$ 5,838,506</u>	<u>\$ 5,381,130</u>	<u>\$ 5,838,506</u>

(1) Excludes \$603.0 million in unpaid principal balance and loan commitments of loans receivable held-for-investment that are in maturity default with no available extension options.

(2) Includes \$225.0 million in unpaid principal balance and loan commitments for a loan with initial and fully extended maturity dates in 2025 and 2026, respectively, which was repaid in April 2025.

Cash Flows

The following table provides a breakdown of the net change in our cash and cash equivalents and restricted cash for the three months ended March 31, 2025 and 2024, respectively (\$ in thousands):

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net cash flows (used in) provided by operating activities	\$ (35,785)	\$ 21,488
Net cash flows provided by investing activities	274,795	286,610
Net cash flows used in financing activities	(223,638)	(271,217)
Net increase in cash, cash equivalents, and restricted cash	<u>\$ 15,372</u>	<u>\$ 36,881</u>

We experienced a net increase in cash, cash equivalents, and restricted cash of \$15.4 million during the three months ended March 31, 2025, compared to a net increase of \$36.9 million during the three months ended March 31, 2024.

During the three months ended March 31, 2025, we received \$213.0 million from loan repayments, received \$101.0 million of loan sale proceeds, and received \$217.1 million of proceeds from borrowings under our financing arrangements, net of payments for deferred financing costs and exit fees. Additionally, we made \$39.5 million of advances on loans and made repayments on financings arrangements of \$440.7 million (inclusive of \$35.1 million of deleveraging repayments).

Income Taxes

We have elected and believe we have qualified to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2015. We generally must distribute annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain, to maintain our REIT status. To the extent

that we satisfy this distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal income tax on our undistributed REIT taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay (or are treated as paying) out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. Our real estate owned hotel portfolio is held in a TRS. Our TRS is not consolidated for U.S. federal income tax purposes and is taxed separately as a corporation. For financial reporting purposes, a provision or benefit for current and deferred taxes is established for the portion of earnings or expense recognized by us with respect to our TRS.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state and local income tax on our REIT taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of March 31, 2025, we were in compliance with all REIT requirements.

Off-Balance Sheet Arrangements

As of March 31, 2025, we had no off-balance sheet arrangements aside from those discussed in Note 3 - Loan Portfolio, Note 4 - Equity Method Investment, and Note 14 - Commitments and Contingencies.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires our Manager to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. We believe that all of the decisions and estimates are reasonable, based upon the information available to us. We believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements. The assumptions within our accounting policies may vary from quarter to quarter as our portfolio changes and market and economic conditions evolve.

See Note 2 to our consolidated financial statements for a description of our significant accounting policies.

Current Expected Credit Losses

The CECL reserve required under ASC 326, *Financial Instruments – Credit Losses*, reflects our current estimate of potential credit losses related to our loan portfolio. Changes to the CECL reserve are recognized through a provision for or reversal of current expected credit loss reserve on our consolidated statements of operations. ASC 326 specifies the reserve should be based on relevant information about past events, including historical loss experience, current loan portfolio, market conditions and reasonable and supportable macroeconomic forecasts for the duration of each loan.

For our loan portfolio, we perform a quantitative assessment of the impact of CECL primarily using the Weighted Average Remaining Maturity, or WARM, method. The application of the WARM method to estimate a general CECL reserve requires judgment, including the appropriate historical loan loss reference data, the expected timing and amount of future loan fundings and repayments, the current credit quality of our portfolio, and our expectations of performance and market conditions over the relevant time period.

The WARM method requires us to reference historical loan loss data from a comparable data set and apply such loss rate to each of our loans over their expected remaining duration, taking into consideration expected economic conditions over the forecasted timeframe. Our general CECL reserve reflects our forecast of the current and future macroeconomic conditions that may impact the performance of the commercial real estate assets securing our loans and the borrower's ultimate ability to repay. These estimates include unemployment rates, price indices for commercial properties, and market liquidity, all of which may influence the likelihood and magnitude of potential credit losses for our loans during their expected remaining duration. Additionally, further adjustments may be made based upon loan positions senior to ours, the risk rating of a loan, whether a loan is a construction loan, whether the loan's initial maturity is near-term, or the economic conditions specific to the property type of a loan's underlying collateral.

To estimate an annual historical loss rate, we obtained historical loss rate data for loans most comparable to our loan portfolio from a commercial mortgage-backed securities database licensed by a third party, Trepp, LLC, which contains historical loss data from January 1, 1999 through March 31, 2025. We believe this CMBS data is the most relevant, available, and comparable dataset to our portfolio.

When evaluating the current and future macroeconomic environment, we consider the aforementioned macroeconomic factors. Historical data for each metric is compared to historical commercial real estate credit losses in order to determine the relationship between the two variables. We use projections of each macroeconomic factor, obtained from a third party, to approximate the impact the macroeconomic outlook may have on our loss rate. Selections of these economic forecasts require judgment about future events that, while based on the information available to us as of the balance sheet date, are ultimately subjective and uncertain, and the actual economic conditions could vary significantly from the estimates we made. Following a reasonable and supportable forecast period, we use a straight-line method of reverting to the historical loss rate. Additionally, we assess the obligation to extend credit through our unfunded loan commitments through their expected remaining duration, adjusted for projected fundings from interest reserves, if applicable, which is considered in the estimate of the general CECL reserve. For both the funded and unfunded portions of our loans, we consider our internal risk rating of each loan as the primary credit quality indicator underlying our assessment.

We evaluate the credit quality of each of our loans receivable on an individual basis and assign a risk rating at least quarterly. We have developed a loan grading system for all of our outstanding loans receivable that are collateralized directly or indirectly by real estate. Grading criteria include, but are not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to, as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the overall market conditions, we may consider certain previously mentioned factors more or less relevant than others. We utilize the grading system to determine each loan's risk of loss and to provide a determination as to whether an individual loan is impaired and whether a specific CECL reserve is necessary.

In certain circumstances, we may determine that a loan is no longer suited for the WARM method because (i) it has unique risk characteristics, (ii) we have deemed the borrower/sponsor to be experiencing financial difficulty and the repayment of the loan's principal is collateral-dependent and/or (iii) we anticipate assuming legal title and/or physical possession of the underlying collateral property and the fair value of the collateral asset is determined to be below our carrying value. We may instead elect to employ different methods to estimate credit losses that also conform to ASC 326 and related guidance.

For such loans, we would separately measure the specific reserve for each loan by using the estimated fair value of the loan's collateral. If the estimated fair value of the collateral is less than the carrying value of the loan, an asset-specific reserve is created as a component of our overall current expected credit loss reserve. Specific reserves are equal to the excess of a loan's carrying value to the estimated fair value of the collateral. If recovery of our investment is expected from the sale of the collateral and such costs will reduce amounts recovered by us, specific reserves are equal to the excess of a loan's carrying value to the estimated fair value of the collateral less estimated costs to sell.

Fair values used to determine specific reserves are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine specific CECL reserves as of March 31, 2025 include assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates ranging from 6.0% to 9.5%, and market and terminal capitalization rates ranging from 5.0% to 8.25%. These assumptions are based upon the nature of the properties, recent sales and lease comparables, recent and projected property cash flows, and anticipated real estate and capital market conditions.

Significant judgment is required in determining impairment and in estimating the resulting credit loss reserve, and actual losses, if any, could materially differ from those estimates.

Real Estate Owned

We may assume legal title and/or physical possession of the underlying collateral property of a defaulted loan through foreclosure, a deed-in-lieu of foreclosure, or an assignment-in-lieu of foreclosure.

We account for acquisitions of real estate, including foreclosures, deed-in-lieu of foreclosures, or assignment-in-lieu of foreclosures, in accordance with ASC 805, *Business Combinations*, which first requires that we determine if the real estate investment is the acquisition of an asset or a business combination. Under this model, we identify and determine the estimated fair value of any assets acquired and liabilities assumed. This generally results in the allocation of the purchase price to the assets acquired and liabilities assumed based on the relative estimated fair values of each respective asset and liability. Debt related to real estate owned is initially recorded at its estimated fair value at the time of foreclosure, deed-in-lieu of foreclosure, or assignment-in-lieu of foreclosure.

Assets acquired and liabilities assumed generally include land, building, building improvements, tenant improvements, furniture, fixtures and equipment, mortgages payable, and identified intangible assets and liabilities, which generally include above or below market lease values, in-place lease values, and other lease-related values. In estimating fair values for allocating the purchase price of

our real estate owned, we may utilize various methods, including a market approach, which considers recent sales of similar properties, adjusted for differences in location and state of the physical asset, or a replacement cost approach, which considers the composition of physical assets acquired, adjusted based on industry standard information and the remaining useful life of the acquired property. In estimating fair values of intangible assets acquired or liabilities assumed, we consider the estimated cost of leasing our real estate owned assuming the property was vacant, the value of the current lease agreements relative to market-rate leases, and the estimation of total lease-up time including lost rents.

Real estate assets held-for-investment are evaluated for indicators of impairment on a quarterly basis. Factors that we may consider in our impairment analysis include, among others: (1) significant underperformance relative to historical or anticipated operating results; (2) significant negative industry or economic trends; (3) costs necessary to extend the life or improve the real estate asset; (4) significant increase in competition; and (5) ability to hold and dispose of the real estate asset in the ordinary course of business. A real estate asset is considered impaired when the sum of estimated future undiscounted cash flows expected to be generated by the real estate asset over the estimated remaining holding period is less than the carrying amount of such real estate asset. Cash flows include operating cash flows and anticipated capital proceeds generated by the sale of the real estate asset. If the sum of such estimated undiscounted cash flows is less than the carrying amount of the real estate asset, an impairment charge is recorded equal to the excess of the carrying value of the real estate asset over its estimated fair value.

When determining the estimated fair value of a real estate asset, we make certain assumptions including consideration of projected operating cash flows, comparable selling prices and projected cash flows from the eventual disposition of the real estate asset based upon our estimate of a capitalization rate and discount rate.

There were no impairments of our real estate owned held-for-investment assets through March 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

In early 2022, the U.S. Federal Reserve began a campaign to combat inflationary pressures by increasing interest rates, ultimately resulting in benchmark interest rates increasing by 5.25% by the end of 2023. Although the U.S. Federal Reserve has reduced benchmark interest rates as a result of moderating inflation pressures, such benchmark rates remain high relative to recent historical standards. Additionally, the U.S. Federal Reserve has indicated that further changes in benchmark interest rates are dependent upon changes in prices and employment markets. The timing, direction, and extent of any future adjustment to benchmark interest rates by the U.S. Federal Reserve is increasingly uncertain, particularly in light of recent global trade tensions. High benchmark interest rates imposed by the U.S. Federal Reserve may continue to increase our interest expense, negatively impact the ability of our borrowers to service their debt, and reduce the value of the CRE collateral underlying our loans. Conversely, in a period of declining interest rates, the interest income on floating rate investments would decline, while any decline in the interest we are charged on our floating rate debt may not equal or exceed the decrease in interest income and the interest expense we incur.

Rising interest rates will generally increase our net interest income, while declining interest rates will generally decrease our net interest income.

The following table illustrates as of March 31, 2025 the impact on our net interest income and net interest income per share for loans receivable held-for-investment for the twelve-month period following March 31, 2025, assuming a decrease in SOFR of 50 and 100 basis points and an increase in SOFR of 50 and 100 basis points in the applicable interest rate benchmark (based on SOFR of 4.32% as of March 31, 2025) (\$ in thousands, except per share data):

Net Floating Rate Exposure ⁽¹⁾	Change in	Decrease		Increase	
		100 Basis Points	50 Basis Points	50 Basis Points	100 Basis Points
\$ 1,172,659	Net interest income	\$ (382)	\$ (303)	\$ 303	\$ 605
	Net interest income per share	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ 0.00

(1) Includes \$521.8 million related to loans on non-accrual status and excludes one unencumbered loan receivable classified as held-for-sale as of March 31, 2025.

Risks related to fluctuations in cash flows and asset values associated with movements in interest rates may also contribute to the risk of nonperformance on floating rate assets. In the case of a significant increase in interest rates, the cash flows of the collateral real estate assets to our loans may be insufficient to pay debt service due, which may contribute to nonperformance of our loans. We seek to manage this risk by, among other things, generally requiring our borrowers to acquire interest rate caps from an unaffiliated third-party.

Credit Risk

Our loans and other investments are also subject to credit risk, including the risk of default. In particular, changes in general economic conditions, including interest rates, will affect the creditworthiness of borrowers and/or the value of underlying real estate collateral relating to our investments. By its very nature, our investment strategy emphasizes prudent risk management and capital preservation by primarily originating senior loans utilizing underwriting techniques requiring relatively conservative loan-to-value ratio levels to insulate us from credit losses absent a significant diminution in collateral value. In addition, we seek to manage credit risk by performing extensive due diligence on our collateral, borrower and guarantors, as applicable, evaluating, among other things, title, environmental and physical condition of collateral, comparable sales and leasing analysis of similar collateral, the quality of and alternative uses for the real estate collateral being underwritten, submarket trends, our borrower's track record and the reasonableness of the borrower's projections prior to originating a loan. Subsequent to origination, we also manage credit risk by proactively monitoring our investments and, whenever possible, limiting our own leverage to partial recourse or non-recourse, match-funding financing. Notwithstanding these efforts, there can be no assurance that we will be able to avoid losses in all circumstances. The performance and value of our loans and investments depend upon the borrower's ability to improve and operate the properties that serve as our collateral so that they produce cash flows adequate to pay interest and principal due to us. To monitor this risk, our Sponsor's asset management team monitors the performance of our loan portfolio and our Sponsor's asset management and origination teams maintain regular contact with borrowers, co-lenders and local market experts to monitor the performance of the underlying loan collateral, anticipate borrower, property and market issues and, to the extent necessary or appropriate, enforce our rights as the lender.

In addition, we are exposed to the risks generally associated with the CRE market, including variances in occupancy rates, capitalization rates, absorption rates and other macroeconomic factors beyond our control, including changes in benchmark interest rates, cost increases associated with construction materials, and supply chain and labor market disruptions. We seek to manage these risks through our underwriting, loan structuring, financing structuring, and asset management processes.

In the event that we are forced to foreclose, our broader Sponsor platform includes professionals experienced in CRE development, ownership, property management, and asset management which enables us to execute the workout of a troubled loan and protect investors' capital in a way that we believe many non-traditional lenders cannot.

Capital Markets Risks

We are exposed to risks related to the equity and debt capital markets which impact our related ability to raise capital through the issuance of our common stock or other debt or equity-related instruments. As a REIT, we are required to distribute a significant portion of our REIT taxable income annually, which constrains our ability to retain and accumulate operating earnings and therefore requires us to utilize debt or equity capital to finance the growth of our business. We seek to mitigate these risks by constantly monitoring the debt and equity capital markets, the maturity profile of our in-place loan portfolio and financings, and future funding requirements on our loan portfolio to inform our decisions on the amount, timing, and terms of any capital we may raise.

Each of our repurchase agreements contain "margin maintenance" provisions, which allow the lender to require the delivery of cash or other assets to reduce the financing amount against loans that have been deemed to have experienced a diminution in value. A substantial deterioration in the commercial real estate capital markets may negatively impact the value of assets financed with lenders that have margin maintenance provisions in their facilities. Certain of our repurchase agreements permit valuation adjustments solely as a result of collateral-specific credit events, while other repurchase agreements contain provisions also allowing our lenders to make margin calls upon the occurrence of adverse changes in the capital markets or as a result of interest rate or spread fluctuations, subject to minimum thresholds, among other factors. As of March 31, 2025, we have not received any margin calls under any of our repurchase agreements.

Financing Risk

We finance our business through a variety of means, including the syndication of non-consolidated senior interests, notes payable, borrowings under our repurchase and participation facilities, the syndication of pari passu portions of our loans, the syndication of senior participations in our originated senior loans, and our secured term loan. Over time, as market conditions change, we may use other forms of financing in addition to these methods of financing. Weakness or volatility in the debt capital markets, the CRE and mortgage markets, changes in regulatory requirements, geopolitical volatility, global trade tensions, and fluctuation in interest rates and the resulting market disruptions therefrom could adversely affect one or more of our lenders or potential lenders and could cause one or more of our lenders or potential lenders to be unwilling or unable to provide us with financing, increase the costs of or reduce the advance rate on existing financing or otherwise offer unattractive terms for that financing. In addition, we may seek to finance our business through the issuance of our common stock or other equity or equity-related instruments, though there is no assurance that such financing will be available on a timely basis with attractive terms, or at all.

Counterparty Risk

The nature of our business requires us to hold cash and cash equivalents with various financial institutions, as well as obtain financing from various financial institutions. This exposes us to the risk that these financial institutions may not fulfill their obligations to us under various contractual arrangements. We mitigate this exposure by depositing our cash and cash equivalents and entering into financing agreements with high credit-quality institutions.

Our relationships with our lenders subject us to counterparty risks including the risk that a counterparty is unable to fund undrawn credit capacity, particularly if such counterparty enters bankruptcy, among other detrimental effects. We seek to manage this risk by diversifying our financing sources across counterparties and financing types and generally obtaining financing from high credit quality institutions.

The nature of our loans and other investments also exposes us to the risk that our borrowers are unable to execute their business plans, and as a result do not make required interest and principal payments on scheduled due dates, as well as the impact of our borrowers' tenants not making scheduled rent payments when contractually due. We seek to manage this risk through a comprehensive credit analysis prior to making an investment and rigorous monitoring of our borrowers' progress in executing their business plans as well as market conditions that may affect the underlying collateral, through our asset management process. Each loan is structured with various lender protections that are designed to discourage and deter fraudulent behavior and other bad acts by borrowers, as well as require borrowers to adhere to their stated business plans while the loan is outstanding. Such protections may include, without limitation: cash management accounts, "bad boy" carveout guarantees, completion guarantees, guarantor minimum net worth and liquidity requirements, partial or full recourse to sponsors and/or guarantors, approval rights over major decisions, and performance tests throughout the loan term.

Prepayment Risk

Prepayment risk is the risk that principal will be repaid prior to initial maturity, which may require us to identify new investment opportunities to deploy such capital at a similar rate of return in order to avoid an overall reduction in our net interest income. We may structure our loans with spread maintenance, minimum multiples and make-whole provisions to protect against early repayment. Typically, investments are structured with the equivalent of 12 to 24 months' spread maintenance or a minimum level of income that an investment is contractually obligated to return. In general, an increase in prepayment rates accelerates the accretion of deferred income, including origination fees and exit fees, which increases interest income earned on the asset during the period of repayment. Conversely, if capital that is repaid is not subsequently redeployed into investment opportunities generating a similar return, future periods may experience reduced net interest income.

Repayment / Extension Risk

Loans are generally expected to be repaid at maturity, unless the borrower repays early or meets contractual conditions to qualify for a maturity extension. The granting of these extensions may cause a loan's term to extend beyond the term of its related secured financing. Higher interest rates recently imposed by the U.S. Federal Reserve relative to recent historical standards may lead to an increase in the number of our borrowers who exercise or request additional extension options, or who may become unwilling or unable to make contractual payments when due. Some of our borrowers may experience delays in the execution of their business plans, changes in their capital position and available liquidity, and/or changes in market conditions which may impact the performance of the underlying collateral asset, borrower, or sponsor. Accordingly, this may result in the borrower not meeting certain extension conditions such as minimum debt yield, maximum LTV, and/or the ability of the borrower to purchase replacement interest rate caps. Higher interest rates may also increase the number of our borrowers who may default because, among other things, they may not be able to find replacement financing for our loan. Furthermore, there may be certain instances where, for loans which have been modified, we may not be able to maintain the associated financing on its existing terms. This could have a negative impact on our results of operations, and in some situations, we may be forced to sell assets to maintain adequate liquidity, which could cause us to incur losses.

Currency Risk

To date, we have made no loans and hold no assets or liabilities denominated or payable in foreign currencies, although we may do so in the future.

We may in the future hold assets denominated or payable in foreign currencies, which would expose us to foreign currency risk. As a result, a change in foreign currency exchange rates may have a positive or an adverse impact on the valuation of our assets, as well as our income and dividends. Any such changes in foreign currency exchange rates may impact the measurement of such assets or income for the purposes of our REIT tests and may affect the amounts available for payment of dividends to our stockholders.

Although not required, if applicable, we may hedge any currency exposures. However, such currency hedging strategies may not eliminate all of our currency risk due to, among other things, uncertainties in the timing and/or amount of payments received on the related investments and/or unequal, inaccurate or unavailability of hedges to perfectly offset changes in future exchange rates. Additionally, we may be required under certain circumstances to collateralize our currency hedges for the benefit of the hedge counterparty, which could adversely affect our liquidity.

Real Estate Risk

The market values of loans secured directly or indirectly by CRE assets are subject to volatility and may be adversely affected by a number of factors, including the interest rate environment; persistent inflation; increases in remote work trends; natural disasters or pandemics; national, regional, local and foreign economic conditions (which may be adversely affected by industry slowdowns, global trade tensions, and other factors); regulatory and legislative uncertainty; supply chain and labor market disruptions; changes in social conditions; regional or local real estate conditions; geopolitical volatility; changes or continued weakness in specific industry segments; construction quality, age and design; changes to construction costs; demographic factors; changes to building or similar codes and government regulatory requirements (such as rent control and zoning laws); and changes in real property tax rates. In addition, decreases in property values reduce the value of the loan collateral and the potential proceeds available and to a borrower to repay the underlying loans, which could also cause us to suffer losses. We may realize losses related to foreclosures or to the restructuring of the loans in our investment portfolio on terms that may be more favorable to borrowers than those underwritten at origination. We seek to manage these risks through our underwriting, loan structuring, financing structuring and asset management processes.

Item 4. Controls and Procedures.**Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act of 1934) during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

As of March 31, 2025, an evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2025.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we and our Manager are or may become party to legal proceedings, which arise in the ordinary course of our respective businesses. Neither we nor our Manager is currently subject to any legal proceedings that we or our Manager consider reasonably likely to have a material impact on our respective financial conditions. See Note 14 to our consolidated financial statements for information on our commitments and contingencies.

Item 1A. Risk Factors.

For a discussion of our potential risks and uncertainties, see the information under the heading “Risk Factors” in our Annual Report on Form 10-K. There have been no material changes to our principal risks that we believe are material to our business, results of operations, and financial condition from the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024, which is accessible on the SEC’s website at www.sec.gov.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

- (a) None.
- (b) None.
- (c) During the three months ended March 31, 2025, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each such term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Description
3.1	<u>Articles of Amendment and Restatement of Claros Mortgage Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, dated November 5, 2021, filed by the Company, Commission File No. 001-40993)</u>
3.2	<u>Amended and Restated Bylaws of Claros Mortgage Trust, Inc. (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K, dated November 5, 2021, filed by the Company, Commission File No. 001-40993)</u>
10.1*+	<u>Fourth Amended and Restated Short-Term Extension Letter Agreement by and among Claros Mortgage Trust, Inc., CMTG WF Finance LLC, CMTG WF Finance Holdco LLC, and Wells Fargo Bank, National Association, dated as of April 2, 2025</u>
10.2*	<u>Amendment No. 6 to Amended and Restated Master Repurchase Agreement by and among Claros Mortgage Trust, Inc., CMTG JP Finance LLC, and JPMorgan Chase Bank, National Association, dated as of March 31, 2025</u>
10.3	<u>Amendment No. 4 to Guarantee Agreement by and between Claros Mortgage Trust, Inc. and Wells Fargo Bank, National Association, dated as of January 31, 2025 (incorporated by reference to Exhibit 10.60 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.4	<u>Fourth Amendment to Amended and Restated Guarantee Agreement by and between Claros Mortgage Trust Inc. and Goldman Sachs Bank USA, dated as of January 31, 2025 (incorporated by reference to Exhibit 10.68 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.5	<u>Claros Mortgage Trust, Inc., Amended and Restated Non-Employee Director Compensation Program (incorporated by reference to Exhibit 10.76 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.6	<u>Eighth Amendment to Master Repurchase Agreement by and between CMTG BB Finance LLC and Barclays Bank PLC, dated as of January 23, 2025 (incorporated by reference to Exhibit 10.77 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.7	<u>Fourth Amendment to Guaranty by and between Claros Mortgage Trust, Inc. and Barclays Bank PLC, dated as of January 23, 2025 (incorporated by reference to Exhibit 10.78 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.8	<u>Second Amended and Restated Short-Term Extension Letter Agreement by and among Claros Mortgage Trust, Inc., CMTG WF Finance LLC, CMTG WF Finance Holdco LLC and Wells Fargo Bank, National Association, dated as of January 24, 2025 (incorporated by reference to Exhibit 10.80 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.9	<u>Third Amended and Restated Short-Term Extension Letter Agreement by and among Claros Mortgage Trust, Inc., CMTG WF Finance LLC, CMTG WF Finance Holdco LLC, and Wells Fargo Bank National Association, dated as of January 1, 2025 (incorporated by reference to Exhibit 10.81 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.10	<u>Amendment No. 4 to Guarantee Agreement by and between Claros Mortgage Trust, Inc. and JPMorgan Chase Bank, National Association, dated as of February 6, 2025 (incorporated by reference to Exhibit 10.82 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>
10.11	<u>Fourth Amendment to the Guaranty by and between Claros Mortgage Trust, Inc. and Morgan Stanley Bank, N.A., dated as of February 10, 2025 (incorporated by reference to Exhibit 10.83 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993)</u>

- 10.12 [Amendment No. 5 to Guarantee Agreement by and between Claros Mortgage Trust, Inc. and JPMorgan Chase Bank, National Association, dated as of February 11, 2025 \(incorporated by reference to Exhibit 10.84 to the Annual Report on Form 10-K, dated February 19, 2025, filed by the Company, Commission File No. 001-40993\)](#)
- 10.13 [Uncommitted Master Repurchase Agreement by and among CMTG JNP Finance LLC, Claros Mortgage Trust, Inc., and JPMorgan Chase Bank, National Association, dated as of March 31, 2025 \(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated April 4, 2025, filed by the Company, Commission File No. 001-40993\)](#)
- 10.14 [Amendment No. 4 to Master Repurchase and Securities Contract by and between CMTG WF Finance LLC and Wells Fargo Bank, National Association, dated as of April 30, 2025 \(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated May 5, 2025, filed by the Company, Commission File No. 001-40993\)](#)
- 10.15* [Amendment No. 1 to Master Repurchase and Securities Contract by and among Claros Mortgage Trust, Inc., CMTG WF Finance LLC, CMTG WF Finance Holdco LLC and Wells Fargo Bank, National Association, dated as of January 24, 2022](#)
- 10.16* [Amendment No. 3 to Master Repurchase and Securities Contract by and among Claros Mortgage Trust, Inc., CMTG WF Finance LLC, CMTG WF Finance Holdco LLC and Wells Fargo Bank, National Association, dated as of August 22, 2022](#)
- 31.1* [Certification of Principal Executive Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2* [Certification of Principal Financial Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1* [Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2* [Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
- * Filed herewith
- + Portions of this exhibit (indicated by asterisks) have been omitted pursuant to Regulation S-K, Item 601(b)(10) or certain schedules and attachments to this exhibit have been omitted pursuant to Regulation S-K, Item 601(a)(5). Such omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Claros Mortgage Trust, Inc.

Date: May 7, 2025

By: /s/ Richard J. Mack

Richard J. Mack
Chief Executive Officer and Chairman
(Principal Executive Officer)

Date: May 7, 2025

By: /s/ J. Michael McGillis

J. Michael McGillis
Chief Financial Officer, President and Director
(Principal Financial and Accounting Officer)

***] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

**FOURTH AMENDED AND RESTATED SHORT-TERM EXTENSION LETTER
AGREEMENT**

April 2, 2025

CMTG WF Finance LLC
c/o Mack Real Estate Credit Strategies
60 Columbus Circle
20th Floor
New York, New York 10023

Claros Mortgage Trust, Inc.
c/o Mack Real Estate Credit Strategies
60 Columbus Circle
20th Floor
New York, New York 10023

Re: That certain (i) Master Repurchase and Securities Contract, dated as of September 29, 2021 (as the same has been and may be further amended, modified and/or restated from time to time, the “Repurchase Agreement”), by and between CMTG WF Finance LLC (“Seller”) and Wells Fargo Bank, National Association (“Buyer”) and (ii) Guarantee Agreement, dated as of September 29, 2021 (as the same has been and may be further amended, modified and/or restated from time to time, the “Guarantee Agreement”), made by Claros Mortgage Trust, Inc. (“Guarantor”) for the benefit of Buyer.

Ladies and Gentlemen:

This letter agreement (as amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the “Letter Agreement”) is delivered to you on the date set forth above but effective as of March 31, 2025 (the “Effective Date”), in connection with the Repurchase Agreement and the other Repurchase Documents. Capitalized terms used herein that are not otherwise defined herein shall have the meanings set forth in the Repurchase Agreement or the Guarantee Agreement, as applicable. In the event of any conflict between the terms of this Letter Agreement and any other Repurchase Document, the terms of this Letter Agreement shall control.

SECTION 1. Short-Term Extension of Maturity Date and Revolving Period Expiration Date.

(a) Buyer and Seller acknowledge and agree that the Maturity Date and the Revolving Period Expiration Date shall be extended from March 31, 2025 to April 30, 2025 for all purposes under the Repurchase Documents; provided that, if Seller shall exercise the first of its two remaining options to extend the scheduled Maturity Date in accordance with Section 3.06(a) of the Repurchase Agreement, the scheduled Maturity Date after giving effect to such extension shall be September 30, 2025.

(b) By signing this Letter Agreement below, Seller hereby represents and warrants that, as of the date of this Letter Agreement: (i) [reserved], (ii) each of the

representations and warranties made by Seller in the Repurchase Agreement is true and correct as if made on and as of the date of this Letter Agreement (except for (x) any such representation or warranty that by its terms refers to a specific date other than the date first above written (in which case it shall be true and correct in all respects as of such other date), (y) the representations and warranties set forth in Schedule 1 of the Repurchase Agreement, and (z) the representations and warranties set forth in Section 7.10 of the Repurchase Agreement) and (iii) Seller has performed all agreements and satisfied all conditions that the Repurchase Agreement provides shall be performed or satisfied by it as of the date hereof.

SECTION 2. [***]

SECTION 3. Miscellaneous.

(a) This Letter Agreement is a Repurchase Document executed pursuant to the Repurchase Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof. Guarantor hereby acknowledges and confirms that the Guarantee Agreement remains in full force and effect notwithstanding this Letter Agreement and reaffirms its obligations under the Guarantee Agreement. Pledgor hereby acknowledges and confirms that the Pledge Agreement remains in full force and effect notwithstanding this Letter Agreement, and hereby reaffirms its obligations under the Pledge Agreement.

(b) THIS LETTER AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS LETTER AGREEMENT, THE RELATIONSHIP OF THE PARTIES TO THIS LETTER AGREEMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS LETTER AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS LETTER AGREEMENT.

(c) By signing or countersigning below, Buyer, Seller, Pledgor and Guarantor each acknowledge and agree to the terms of this Letter Agreement. This Letter Agreement may be executed in counterparts (including using any electronic signature covered by the United States ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com), and such counterparts may be delivered in electronic format, including by facsimile, email or other transmission method. Such delivery of counterparts shall be conclusive evidence of the intent to be bound hereby and each such counterpart, including those delivered in electronic format, and copies produced therefrom shall have the same effect as an originally signed counterpart. To the extent applicable, the foregoing constitutes the election of the parties to invoke any law authorizing electronic signatures. Minor variations in the form of the signature page, including footers from

earlier versions of this Letter Agreement, shall be disregarded in determining a party's intent or the effectiveness of such signature. No party shall raise the use the delivery of signatures to this Letter Agreement in electronic format as a defense to the formation of a contract and each such party forever waives any such defense.

(d) Each of Seller, Pledgor and Guarantor acknowledges and agrees that as of the date hereof it has no known defenses, rights of setoff, claims, counterclaims or causes of action of any kind or description against Buyer arising under or in respect of the Repurchase Agreement or any other Repurchase Document and any such known defenses, rights of setoff, claims, counterclaims or causes of action as of the date hereof are hereby irrevocably waived.

(e) In consideration of Buyer entering into this Letter Agreement, Seller, Pledgor and Guarantor hereby waive, release and discharge Buyer and Buyer's officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known to Seller, Pledgor and Guarantor to the extent that any of the foregoing exist as of the date hereof and arise out of or from or in any way relating to or in connection with the Repurchase Agreement or the other Repurchase Documents, including, but not limited to, any action or failure to act under the Repurchase Agreement or the other Repurchase Documents on or prior to the date hereof, except, with respect to any such Person being released hereby, any actions, causes of action, claims, demands, damages and liabilities arising out of such Person's gross negligence or willful misconduct in connection with the Repurchase Agreement or the other Repurchase Documents.

(f) Guarantor hereby acknowledges the execution and delivery of this Letter Agreement and agrees that it continues to be bound by the Guarantee Agreement to the extent of the Guaranteed Obligations (as defined therein).

(g) Seller agrees to pay and reimburse Buyer for all reasonable out-of-pocket costs and expenses incurred by Buyer in connection with the preparation, execution and delivery of this Letter Agreement, including, without limitation, the reasonable fees and disbursements of Mayer Brown LLP, counsel to Buyer.

(h) From and after the Effective Date, the letter agreement dated as of January 31, 2025 among Seller, Buyer, Pledgor and Guarantor (as the same may have been amended, restated, supplemented or otherwise modified from time to time prior to the Effective Date, the "Existing Letter Agreement") shall be consolidated, amended, restated and superseded in their entirety by this Letter Agreement. This Letter Agreement is not intended to, and shall not, effect a novation of any of the obligations of the parties to the Existing Letter Agreement, but merely an amendment and restatement of the terms governing such obligations. Accordingly, all of the agreements and obligations incurred pursuant to the terms of the Existing Letter Agreement are hereby ratified and affirmed by the parties hereto and remain in full force and effect. All references to the Existing Letter Agreement in any Repurchase Document or other document or instrument delivered in connection therewith shall be deemed to refer to this Letter Agreement and the provisions hereof.

[Signature Pages Follow]

Please evidence your agreement to the terms of this Letter Agreement by signing a counterpart of this Letter Agreement and returning it to the undersigned.

Sincerely,

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: /s/Allen Lewis
Name: Allen Lewis
Title: Managing Director

AGREED TO AND ACCEPTED BY:

CMTG WF FINANCE LLC

By: /s/J. Michael McGillis
Name: J. Michael McGillis
Title: Authorized Representative

AGREED TO AND ACCEPTED BY:

CMTG WF FINANCE HOLDCO LLC

By: /s/J. Michael McGillis
Name: J. Michael McGillis
Title: Authorized Representative

AGREED TO AND ACCEPTED BY:

CLAROS MORTGAGE TRUST, INC.

By: /s/J. Michael McGillis
Name: J. Michael McGillis
Title: Authorized Representative

Exhibit 10.2
EXECUTION VERSION

AMENDMENT NO. 6 TO AMENDED AND RESTATED MASTER REPURCHASE
AGREEMENT

AMENDMENT NO. 6 TO AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT, dated as of March 31, 2025 (this “Amendment”), between CMTG JP FINANCE LLC (“Seller”), a Delaware limited liability company, and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association (“Buyer”). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement.

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Amended and Restated Uncommitted Master Repurchase Agreement, dated as of May 27, 2021 (as amended by Amendment No. 1 to Amended and Restated Master Repurchase Agreement and Amendment No. 1 to Amended and Restated Fee and Pricing Letter, dated as of June 29, 2021, the Term SOFR Conforming Changes Amendment, dated December 31, 2021, Amendment No. 2 to Amended and Restated Master Repurchase Agreement, dated as of January 14, 2022, Amendment No. 3 to Amended and Restated Master Repurchase Agreement and Amendment No. 1 to Guarantee Agreement, dated as of March 10, 2023, Amendment No. 4 to Amended and Restated Master Repurchase Agreement and Amendment No. 2 to Guarantee Agreement, dated as of July 28, 2023, Amendment No. 5 to Amended and Restated Master Repurchase Agreement and Amendment No. 3 to Guarantee Agreement, dated as of June 20, 2024, as amended hereby and as may be further amended, restated, supplemented or otherwise modified and in effect from time to time, the “Repurchase Agreement”); and

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer each agree as follows:

SECTION 1. Amendments to Repurchase Agreement.

(a) Article 2 of the Repurchase Agreement is hereby amended by inserting the following new defined terms in correct alphabetical order:

“NPL Repurchase Agreement” shall mean that certain Uncommitted Master Repurchase Agreement, dated as of March 31, 2025, among CMTG JPM Finance LLC, as seller, Claros Mortgage Trust, Inc., as seller, and JPMorgan Chase Bank, National Association, as buyer (as amended, restated, supplemented or otherwise modified and in effect from time to time).”

(b) Article 12(a) is hereby amended by inserting the following new subsection (xxvii) in the correct numerical order:

“(xxvii) the occurrence and continuance, pursuant to the NPL Repurchase Agreement, of any Event of Default (as defined therein).”

SECTION 2. Conditions Precedent; Effective Date. This Amendment shall become effective on the date on which the following has occurred: a counterpart of this Amendment is duly executed and delivered by a duly authorized officer of each of the Seller, Guarantor and Buyer.

SECTION 3. Seller’s Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) Seller has taken all necessary action to authorize the execution, delivery and performance of this Amendment and (b) this Amendment has been duly executed and delivered by or on behalf of Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms subject to applicable bankruptcy, insolvency, and other limitations on creditors’ rights generally and to equitable principles.

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by Seller and agrees that Guarantor continues to be bound by the Guarantee Agreement to the extent of the Obligations (as defined therein), notwithstanding the impact of the changes set forth herein.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Transaction Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the effective date hereof, all references in the Repurchase Agreement to the “Transaction Documents” shall be deemed to include, in any event, this Amendment. Each reference to Repurchase Agreement in any of the Transaction Documents shall be deemed to be a reference to the Repurchase Agreement, as amended hereby.

SECTION 6. Counterparts. This Amendment may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument, and the words “executed,” “signed,” “signature,” and words of like import as used above and elsewhere in this Amendment or in any other certificate, agreement or document related to this transaction shall include, in addition to manually executed signatures, images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, any electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and

Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

SECTION 7. No Novation, Effect of Agreement. Guarantor, Seller and Buyer have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller or Guarantor (the “Repurchase Parties”) under or in connection with the Repurchase Agreement or any of the other document executed in connection therewith to which any Repurchase Party is a party (the “Transaction Documents”). It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Agreement and the other Transaction Documents are preserved, (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect, and (iii) any reference to the Repurchase Agreement in any such Transaction Document shall be deemed to also reference this Amendment.

SECTION 8. Consent to Jurisdiction; Waiver of Jury Trial.

(a) Each party irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Amendment or relating in any way to this Amendment or any Transaction under the Repurchase Agreement and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding and irrevocably consent to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified in the Repurchase Agreement. The parties hereby agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 8 shall affect the right of Buyer to serve legal process in any other manner permitted by law or affect the right of Buyer to bring any action or proceeding against the Seller or its property in the courts of other jurisdictions.

(b) EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY INSTRUMENT OR DOCUMENT DELIVERED HEREUNDER OR THEREUNDER.

SECTION 9. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BUYER:

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION,
a national banking association organized
under the laws of the United States

By: /s/Thomas N. Cassino
Name: Thomas N. Cassino
Title: Managing Director

SELLER:

CMTG JP FINANCE LLC, a Delaware limited
liability company

By: /s/J. Michael McGillis
Name: J. Michael McGillis
Title: Authorized Representative

Acknowledged and Agreed:

CLAROS MORTGAGE TRUST, INC., a
Maryland corporation, in its capacity as
Guarantor, and solely for purposes of
acknowledging and agreeing to the terms of this
Amendment:

By: /s/J. Michael McGillis
Name: J. Michael McGillis
Title: Authorized Representative

**AMENDMENT NO. 1 TO
MASTER REPURCHASE AND SECURITIES CONTRACT**

AMENDMENT NO. 1 TO MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of January 24, 2022 (this “Amendment”) by and between **CMTG WF FINANCE LLC**, a Delaware limited liability company (“Seller”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association (“Buyer”). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase and Securities Contract, dated as of September 29, 2021, by and between Seller and Buyer (as amended hereby, and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the “Repurchase Agreement”); and

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment; and Claros Mortgage Trust, Inc. (“Guarantor”) has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

SECTION 1. Repurchase Agreement Amendments. The Repurchase Agreement is hereby amended as follows:

(a) The defined term “Rate Election Notice” as set forth in Article 2 of the Repurchase Agreement, is hereby deleted in its entirety.

(b) Article 2 of the Repurchase Agreement is hereby amended by inserting the following new definitions in correct alphabetical order:

“Amendment Effective Date”: January 24, 2022.

“Applicable SOFR”: With respect to each SOFR Based Transaction, either the SOFR Average or Term SOFR, as applicable, as designated in the related Confirmation therefor, or if such Applicable SOFR is not specified in the related Confirmation for such SOFR Based Transaction, as specified with respect to such Transaction in the related notice of Rate Conversion delivered by Buyer in accordance with Section 12.01(d).

“Early Opt-in Effective Date”: With respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Seller.

“LIBOR Based Pricing Rate Determination Date”: (a) In the case of the first Pricing Period for any Purchased Asset, the related Purchase Date for such Purchased Asset, and (b) in the case of each subsequent Pricing Period, two (2) Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and communicated to Seller. The failure to communicate shall not impair Buyer’s decision to reset the Pricing Rate on any date.

“LIBOR Based Transaction”: Subject to Section 12.01(a), any Transaction (A) for which the related Purchase Date occurred prior to the Amendment Effective Date (and with respect to which Buyer and Seller have not entered into an amended and restated Confirmation following the Amendment Effective Date expressly re-designating such Transaction as a “SOFR Based Transaction”) or (B) that is expressly designated as a “LIBOR Based Transaction” in the related Confirmation therefor; provided that, for the avoidance of doubt, from and after the Rate Conversion Effective Date, all Transactions under this Agreement shall be SOFR Based Transactions for all purposes of this Agreement and the Repurchase Documents, and no Transactions hereunder shall be LIBOR Based Transactions.

“LIBOR Reference Time”: Means, with respect to any Pricing Period, 11:00 a.m. (London time) on the LIBOR Based Pricing Rate Determination Date applicable thereto.

“Mezzanine Related Mortgage Asset”: An Eligible Asset or a Purchased Asset for which one or more related Mezzanine Loans exist and with respect to which the principal balance of such Mezzanine Loan(s) remains outstanding.

“Rate Conversion”: Defined in Section 12.01(a).

“Rate Conversion Effective Date”: Defined in Section 12.01(a).

“SOFR Adjustment”: 0.11448% per annum.

“SOFR Average”: For any Pricing Period, the rate per annum determined by Buyer as the compounded average of SOFR over a rolling calendar day period of thirty (30) days (“30-Day SOFR Average”), for the SOFR Based Pricing Rate Determination Date as such rate is published by the SOFR Administrator on the SOFR Administrator’s Website; provided, however, that (i) if as of 5:00 p.m. (New York City time) on any SOFR Based Pricing Rate Determination Date, such 30-Day SOFR Average has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to SOFR Average has not occurred, then SOFR Average will be the 30-Day SOFR Average as published on the SOFR Administrator’s Website for the first preceding U.S. Government Securities Business Day for which such 30-Day SOFR Average was published on the SOFR Administrator’s Website so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such SOFR Based Pricing Rate Determination Date and (ii) if the calculation of SOFR Average as determined as provided above (including pursuant to clause (i) of this proviso) results in a SOFR Average rate of less than the Floor, SOFR Average shall be deemed to be the Floor for all purposes of this Agreement and the

other Repurchase Documents. Each calculation by Buyer of SOFR Average shall be conclusive and binding for all purposes, absent manifest error.

“SOFR Based Pricing Rate Determination Date”: (a) In the case of the first Pricing Period for any Purchased Asset, two (2) U.S. Government Securities Business Days prior to the related Purchase Date for such Purchased Asset, and (b) in the case of each subsequent Pricing Period, two (2) U.S. Government Securities Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and communicated to Seller. The failure to communicate shall not impair Buyer’s decision to reset the Pricing Rate on any date.

“SOFR Based Transaction”: Any Transaction that is not a LIBOR Based Transaction.

“Term SOFR Administrator”: CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Buyer in its reasonable discretion).

“Term SOFR Reference Rate”: The forward-looking term rate based on SOFR.

“USD LIBOR”: The London interbank offered rate for U.S. dollars with a tenor of one month.

“USD LIBOR Transition Date”: Means the earlier of (a) the date that USD LIBOR has either (i) permanently or indefinitely ceased to be provided by the administrator of USD LIBOR; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide an USD LIBOR or (ii) been announced by the regulatory supervisor of the administrator of USD LIBOR pursuant to public statement or publication of information to be no longer representative, (b) the Early Opt-in Effective Date and (c) such other date as Buyer and Seller may mutually agree.

(c) The defined terms “Benchmark”, “Benchmark Replacement”, “Benchmark Replacement Adjustment”, “Benchmark Replacement Conforming Changes”, “Benchmark Replacement Date”, “Benchmark Transition Event”, “Early Opt-in Election”, “LIBOR”, “Pricing Rate”, “Pricing Rate Determination Date”, “Reference Time”, “Relevant Government Body”, “SOFR”, “SOFR Administrator’s Website”, “Term SOFR”, “Unadjusted Benchmark Replacement” and “U.S. Government Securities Business Day”, as set forth in Article 2 of the Repurchase Agreement, are each hereby amended and restated in their respective entireties to read as follows:

“Benchmark”: (A) With respect to any LIBOR Based Transaction, subject to Section 12.01(a) hereof, USD LIBOR, (B) with respect to any SOFR Based Transaction for which the Applicable SOFR is initially the SOFR Average (including, without limitation, any such SOFR Based Transaction resulting from a Rate Conversion pursuant to Section 12.01(a) for which the Applicable SOFR designated in the related notice of Rate Conversion is the SOFR Average), initially, 30-Day SOFR Average; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to 30-Day SOFR Average or the then-current Benchmark in accordance with

Section 12.01(b) for purposes of this clause (B), then, for purposes of this clause (B), “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 12.01, and (C) with respect to any SOFR Based Transaction for which the Applicable SOFR is initially Term SOFR (including, without limitation, any such SOFR Based Transaction resulting from a Rate Conversion pursuant to Section 12.01(a) for which the Applicable SOFR designated in the related notice of Rate Conversion is Term SOFR), initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark in accordance with Section 12.01(b) for purposes of this clause (C), then, for purposes of this clause (C), “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 12.01.

“Benchmark Replacement”: With respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by Buyer as a replacement of the applicable then-current Benchmark as of the Benchmark Replacement Date:

(A) if such then-current Benchmark is the 30-Day SOFR Average, the sum of: (i) Term SOFR and (ii) the Benchmark Replacement Adjustment; or

(B) if such then-current Benchmark is the Term SOFR Reference Rate, the sum of: (i) SOFR Average and (ii) the Benchmark Replacement Adjustment; or

the sum of: (a) the alternate benchmark rate that has been selected by Buyer as the replacement for the then-current Benchmark and (b) the related Benchmark Replacement Adjustment;

provided that, in each case, if such Benchmark Replacement as so determined would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Repurchase Documents.

“Benchmark Replacement Adjustment”: With respect to any replacement of the then-current Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable) with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer.

“Benchmark Replacement Conforming Changes”: With respect to any Benchmark Replacement or Rate Conversion, any technical, administrative or operational changes (including changes to the definition of “Business Day”, “Pricing Rate,” the definition of “Pricing Period,” timing and frequency of determining rates and making payments of Price Differential, prepayment provisions, early repurchases, and other technical, administrative or operational matters) that Buyer decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement or Rate Conversion, and to permit the administration thereof by Buyer in a manner substantially consistent with market practice

(or, if Buyer decides that adoption of any portion of such market practice is not administratively feasible or if Buyer determines that no market practice for the administration of the Benchmark Replacement or Rate Conversion exists, in such other manner of administration as Buyer decides is reasonably necessary in connection with the administration of this Agreement and the other Repurchase Documents).

“Benchmark Replacement Date”: With respect to any Benchmark(as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), the earliest to occur of the following events with respect to such Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide such Benchmark; or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark has been determined and announced by the regulatory supervisor for the administrator of such Benchmark to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) even if such Benchmark continues to be provided on such date.

“Benchmark Transition Event”: With respect to any Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), the occurrence of one or more of the following events with respect to such Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is not, or as of a specified future date will not be, representative.

“Early Opt-in Election”: The election by Buyer to trigger a fallback from the then-current Benchmark and the provision by Buyer of written notice of such election to Seller.

“LIBOR”: The rate of interest per annum determined by Buyer on the basis of the rate for deposits in Dollars for delivery on the first (1st) day of each Pricing Period, for a one-month period commencing on (and including) the first day of such Pricing Period and ending on (but excluding) the same corresponding date in the following month, as reported on Reuters Screen Libor01 Page (or any successor page) at approximately 11:00 a.m., London time, on the Pricing Rate Determination Date (or if not so reported, then as determined by Buyer from another recognized source or interbank quotation); provided, that in no event shall LIBOR be less than the Floor. Each calculation by Buyer of LIBOR shall be conclusive and binding for all purposes, absent manifest error.

“Pricing Rate”: For any Pricing Period and any Transaction, the applicable Benchmark for such Transaction for such Pricing Period plus the applicable Pricing Margin for such date; provided, that while an Event of Default is continuing, the Pricing Rate shall be the Default Rate.

“Pricing Rate Determination Date”: (A) With respect to any LIBOR Based Transaction, subject to Section 12.01(a), the LIBOR Based Pricing Rate Determination Date and (B) with respect to any SOFR Based Transaction, the SOFR Based Pricing Rate Determination Date.

“Reference Time”: With respect to any setting of the then-current Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), (a) if such Benchmark is the SOFR Average or Term SOFR, with respect to any setting thereof, then two (2) U.S. Government Securities Business Days prior to such date and (b) if such Benchmark is not the SOFR Average or Term SOFR, then the time determined by Buyer in accordance with the Benchmark Replacement Conforming Changes.

“Relevant Governmental Body”: The Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR”: A rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator’s Website”: The website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Term SOFR”: For any calculation with respect to a SOFR Based Transaction, the Term SOFR Reference Rate for a tenor comparable to the related Pricing Period on the day (such day, for purposes of this definition, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Pricing Period, as such rate is published by the Term SOFR Administrator; provided,

however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; provided, further, that if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“Unadjusted Benchmark Replacement”: The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“U.S. Government Securities Business Day”: Any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

(d) Section 3.01 of the Repurchase Agreement is hereby amended by adding the following new subsections (j) and (k) immediately after subsection (i).

“(j) In addition to the foregoing provisions of this Section 3.01, solely with respect to any Mezzanine Related Mortgage Asset owned by Seller that is being purchased by Buyer hereunder, Seller shall (i) as part of the Underwriting Package, provide Buyer with such information regarding the related Mezzanine Loans as Buyer may request including, without limitation, any related intercreditor, co-lender or similar agreements, and (ii) in connection with the purchase thereof by Buyer, convey, transfer and assign to Buyer, for no additional consideration from Buyer, each Mezzanine Loan relating to such Mezzanine Related Mortgage Asset owned by Seller, Guarantor or any of their respective Affiliates to Buyer, in form and substance satisfactory to Buyer, together with all other documents necessary or desirable to effect such collateral assignment, in each case as determined by Buyer and its counsel in their discretion.

(k) Notwithstanding anything to the contrary herein, in no event shall any LIBOR Based Transaction be entered into on or after January 1, 2022, unless otherwise agreed by Buyer in its sole discretion.”

(e) Section 3.10 of the Repurchase Agreement is hereby amended by adding the following new subsection (iv) immediately after subsection (iii).

“(iv) Notwithstanding anything to the contrary herein, in no event shall any Future Funding Transaction with respect to any LIBOR Based Transaction be entered into on or after January 1, 2022, unless otherwise agreed by Buyer in its sole discretion.”

(f) Section 3.11 of the Repurchase Agreement is hereby amended by adding the following new text at the end of such section.

“Notwithstanding anything to the contrary herein, in no event shall Buyer make any Additional Advance with respect to any LIBOR Based Transaction on or after January 1, 2022, unless otherwise agreed by Buyer in its sole discretion.”

(g) Section 11.01 of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

“Section 11.01 Grant. Buyer and Seller intend that the Transactions be sales to Buyer of the Purchased Assets and not loans from Buyer to Seller secured by the Purchased Assets. However, to preserve and protect Buyer’s rights with respect to the Purchased Assets and under the Repurchase Documents if any Governmental Authority recharacterizes any Transaction with respect to a Purchased Asset as other than a sale, and as security for Seller’s performance of the Repurchase Obligations, Seller hereby grants to Buyer a present Lien on and security interest in all of the right, title and interest of Seller in, to and under (i) the Purchased Assets (which for this purpose shall be deemed to include the items described in clause (B) of the proviso in the definition thereof), (ii) subject to the limitations permitted in Section 8.10, each Interest Rate Protection Agreement with each Hedge Counterparty relating to each Purchased Asset, including, the case of Cleared Swaps, the Seller’s account at the relevant FCM, and (iii) each Mezzanine Loan assigned to Buyer pursuant to Section 3.01(j), and the transfer of the Purchased Assets to Buyer shall be deemed to constitute and confirm such grant, to secure the payment and performance of the Repurchase Obligations (including the obligation of Seller to pay the Repurchase Price, or if the related Transaction is recharacterized as a loan, to repay such loan for the Repurchase Price).”Section 12.01 of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

“Section 12.01 Benchmark Replacement; Market Disruption

(a) Benchmark Replacement for LIBOR Based Transactions. Notwithstanding anything to the contrary herein or in any other Repurchase Document, with respect to any LIBOR Based Transaction, if the USD LIBOR Transition Date has occurred prior to the LIBOR Reference Time in respect of any setting of USD LIBOR for any Pricing Period of such LIBOR Based Transaction, then such LIBOR Based Transaction shall be permanently converted to being a SOFR Based Transaction as of the first day of such Pricing Period (such conversion, a “Rate Conversion”) without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document (such date on which the LIBOR Based Transactions are converted to SOFR Based Transactions, the “Rate Conversion Effective Date”); provided, that except as otherwise expressly specified in any Confirmation (or amended and restated Confirmation) entered into by Buyer and Seller following the Closing Date, from and after the Rate Conversion Effective Date, the Pricing Margin (as in effect immediately prior to the effectiveness of such Rate Conversion) for each such converted Transaction shall be increased by an amount equal to the SOFR Adjustment without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document.

(b) Benchmark Replacement for SOFR Based Transactions. Notwithstanding

anything to the contrary herein or in any other Repurchase Document, with respect to any SOFR Based Transaction, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), then the Benchmark Replacement will replace the then-current Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, applicable) with respect to each affected SOFR Based Transaction for all purposes hereunder or under any Repurchase Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document.

(c) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement or any Rate Conversion, Buyer will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Seller or any other party to this Agreement or any other Repurchase Document.

(d) Notices; Standards for Decisions and Determinations. Buyer will promptly notify Seller of (i) the implementation of any Benchmark Replacement or Rate Conversion, as applicable, and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by Buyer pursuant to this Section 12.01, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from Seller or any other party to this Agreement or any other Repurchase Document. Any notice of Rate Conversion delivered by Buyer as described in the preceding clause (i) shall specify the Applicable SOFR designated by Buyer with respect to each such converted Transaction, which designation shall be conclusive and binding on Seller for all purposes of this Agreement.

(e) Market Disruption. Notwithstanding the foregoing, if prior to any Pricing Period, Buyer determines that, by reason of circumstances affecting the relevant market (other than a Benchmark Transition Event), adequate and reasonable means do not exist for ascertaining any applicable current Benchmark for such Pricing Period, Buyer shall give prompt notice thereof to Seller, whereupon the Pricing Rate for such Pricing Period with respect to each Transaction based on such Benchmark, and for all subsequent Pricing Periods for Transactions based on such Benchmark until such notice has been withdrawn by Buyer, shall be the sum of (i) an alternate benchmark rate that has been selected by Buyer, (ii) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer and (iii) the applicable Pricing Margin.”

(i) Section 12.02 of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

“Section 12.02 Illegality. If the adoption of or any change in any Requirements of Law or in the interpretation or application thereof after the date hereof shall make it unlawful for Buyer to effect or continue Transactions as contemplated by the Repurchase Documents, (a) any commitment of Buyer hereunder to enter into new Transactions shall be terminated and the Maturity Date shall be deemed to have occurred, (b) if required by such adoption or change, the Pricing Rate shall be the sum of (i) an alternate benchmark rate that has been selected by Buyer, (ii) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer and (iii) the applicable Pricing Margin, and (c) if required by such adoption or change, the Maturity Date shall be deemed to have occurred. In exercising the rights and remedies under this Section 12.02, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.”

(j) Section 12.03 of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

“Section 12.03 Breakfunding. Upon demand of Buyer, Seller shall indemnify Buyer and hold Buyer harmless from any actual loss, cost or expense (including reasonable legal fees and expenses, but excluding any anticipated profit) which Buyer may sustain or incur arising from (a) the failure by Seller to terminate any Transaction after Seller has given a notice of termination pursuant to Section 3.04, (b) any payment to Buyer on account of the outstanding Repurchase Price, including a payment made pursuant to Section 3.04 but excluding a payment made pursuant to Section 5.02, on any day other than a Remittance Date (based on the assumption that Buyer funded its commitment with respect to the Transaction in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods that Buyer deems appropriate and practical),

(c) any failure by Seller to sell Eligible Assets to Buyer after Seller has notified Buyer of a proposed Transaction and Buyer has agreed to purchase such Eligible Assets in accordance with this Agreement, or (d) any redetermination of the Pricing Rate based on a Benchmark Replacement or Rate Conversion for any reason on a day that is not the last day of the then-current Pricing Period.”

(k) Section 14.01 of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

“Section 14.01 Safe Harbor Treatment. The Parties intend (a) for this Agreement and each Transaction to qualify for the safe harbor treatment provided by the Bankruptcy Code and for Buyer to be entitled to all of the rights, benefits and protections afforded to Persons under the Bankruptcy Code with respect to a “repurchase agreement” as defined in Section 101(47) of the Bankruptcy Code (to the extent that a Transaction has a maturity date of less than one (1) year) and a “securities contract” as defined in Section 741(7) of the Bankruptcy Code and that payments and transfers under this Agreement constitute transfers made by, to or for the benefit of a financial institution, financial participant or

repo participant within the meaning of Section 546(e) or 546(f) of the Bankruptcy Code, (b) the Guarantee Agreement and the Pledge Agreement each constitute a security agreement or arrangement or other credit enhancement within the meaning of Section 101 of the Code related to a “securities contract” as defined in Section 741(7)(A)(xi) of the Bankruptcy Code and, to the extent that the Guarantee Agreement and the Pledge Agreement relate to a Transaction that has a maturity date of less than one (1) year, a “repurchase agreement” as that term is defined in Section 101(47)(A)(v) of the Bankruptcy Code, and (c) that Buyer (for so long as Buyer is a “financial institution,” “financial participant,” “repo participant,” “master netting participant” or other entity listed in Section 555, 559, 561, 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code) shall be entitled to the “safe harbor” benefits and protections afforded under the Bankruptcy Code with respect to a “repurchase agreement,” “securities contract” and a “master netting agreement,” including (x) the rights, set forth in Article 10 and in Sections 555, 559 and

561 of the Bankruptcy Code, to liquidate the Purchased Assets and terminate this Agreement, and (y) the right to offset or net out as set forth in Article 10 and Section 18.17 and in Sections 362(b)(6), 362(b)(7), 362(b)(27), 362(o) and 546 of the Bankruptcy Code. With respect to any Mezzanine Loan, it is the intent of Buyer and Seller that the grant of the security interest set forth in Section 11.01 of this Agreement, including the grant of a security interest in the Mezzanine Loans, constitutes “a security agreement or arrangement or other credit enhancement” that is related to the Agreement and the Transactions thereunder within the meaning of Sections 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code.” Exhibits A-1 and Exhibit A-2 of the Repurchase Agreement are hereby amended and restated in their entireties with Exhibit A-1 and Exhibit A-2 hereto, respectively.

SECTION 2. Conditions Precedent. This Amendment and its provisions shall become effective on the first date on which (i) this Amendment is duly executed and delivered by Seller, Guarantor, Pledgor and Buyer and (ii) Buyer receives such other documents as Buyer or counsel to Buyer may reasonably request including, without limitation, a compliance certificate, in each case in form and substance acceptable to Buyer.

SECTION 3. Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under the Repurchase Agreement has occurred and is continuing and (c) after giving effect to this Amendment, the representations and warranties contained in the Repurchase Agreement are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date).

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by Seller and Buyer and agrees that it continues to be bound by that certain Guarantee Agreement, dated as of September 29, 2021, made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Repurchase Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the date hereof (a) all references in the Repurchase Agreement to the “Repurchase Documents” shall be deemed to include, in any event, this Amendment, and (b) each reference to the “Repurchase Agreement” in any of the Repurchase Documents shall be deemed to be a reference to the Repurchase Agreement, as amended hereby.

SECTION 6. No Novation, Effect of Agreement. The parties hereto have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller, Guarantor or any of their respective affiliates (the “Repurchase Parties”) under or in connection with the Repurchase Agreement or any of the other Repurchase Documents. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Agreement are preserved and (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect.

SECTION 7. Counterparts. This Amendment may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (.PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 8. Costs and Expenses. Seller shall pay Buyer’s reasonable third-party out-of-pocket costs and expenses actually incurred in connection with the preparation, negotiation, execution and consummation of this Amendment in accordance with the Repurchase Agreement.

SECTION 9. GOVERNING LAW; SUBMISSION TO JURISDICTION. SECTIONS 18.01 AND 18.02 OF THE REPURCHASE AGREEMENT ARE HEREBY INCORPORATED HEREIN, *MUTATIS MUTANDIS*, AS IF A PART HEREOF.

SECTION 10. IMPORTANT WAIVERS. THE WAIVERS SET FORTH IN SECTION 18.03 OF THE REPURCHASE AGREEMENT ARE HEREBY INCORPORATED HEREIN, *MUTATIS MUTANDIS*, AS IF A PART HEREOF.

SECTION 11. Acknowledgement of Upsize Option. Seller has requested to increase the Maximum Amount from \$300,000,000 to \$500,000,000 in accordance with the terms and conditions of Section 3.06(b) of the Repurchase Agreement. Subject to the satisfaction of such conditions, Buyer hereby approves such increase of the Maximum Amount. By signing this Amendment below, Seller hereby represents and warrants that, as of the date of this Amendment: (i) Seller has paid to Buyer the applicable Upsize Fee due in connection with the exercise of the Upsize Option described herein, (ii) each of the representations and warranties made by Seller in the Repurchase Agreement is true and correct as if made on and as of the date of this Amendment, (iii) Seller has performed all agreements and satisfied all conditions that the Repurchase Agreement provides shall be performed or satisfied by it as of the date hereof, (iv) no

Default or Event of Default has occurred and is continuing, and (v) no unsatisfied Margin Deficit is outstanding.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BUYER:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: /s/Allen Lewis
Name: Allen Lewis
Title: Managing Director

[Additional Signature Pages Follow]

SELLER:

CMTG WF FINANCE LLC

By: /s/J. Michael McGillis

Name: J. Michael McGillis

Title: Authorized Signatory

[Additional Signature Page Follows]

ACKNOWLEDGED:

CLAROS MORTGAGE TRUST, INC.

By: /s/J. Michael McGillis

Name: J. Michael McGillis

Title: Authorized Signatory

ACKNOWLEDGED:

CMTG WF FINANCE HOLDCO LLC

By: _____/s/J. Michael McGillis

Name: J. Michael McGillis

Title: Authorized Signatory

EXHIBIT A-1

CONFIRMATION

[] [], 20[]

Wells Fargo Bank, National Association
One Wells Fargo Center
301 South College Street
MAC D1053-125, 12th Floor
Charlotte, North Carolina 28202
Attention: Karen Whittlesey
Attention: Karen Berka
Attention: Michael Genay

Re: Master Repurchase and Securities Contract, dated as of September 29, 2021
(as the same has been and may be further amended, restated, supplemented or
otherwise modified from time to time, the “Agreement”) between CMTG WF
Finance LLC (“Seller”) and Wells Fargo Bank, National Association (“Buyer”)

Ladies and Gentlemen:

This is a Confirmation executed and delivered by Seller and Buyer pursuant to the
Agreement. Terms used but not defined herein are as defined in the Agreement. Seller and Buyer
hereby confirm and agree that as of the Purchase Date and upon the other terms specified below,
Seller shall sell and assign to Buyer, and Buyer shall purchase from Seller, all of Seller’s right,
title and interest in, to and under the Purchased Asset identified in this Confirmation.

Name of Purchased Asset: []
Purchase Date: [], 20[]
Core/Flex Purchased Asset: [Core Purchased Asset][Flex Purchased Asset]
Class of Purchased Asset: [Whole Loan][Senior Interest (Note)] [Senior
Interest (Participation Interest)]
[Mezzanine Loan]
Recourse Percentage: []%
Property Type: []
Book Value: \$[]
Market Value: \$[]
Outstanding Principal Balance: \$[]
Seller’s Remaining Future Funding Obligations: [N/A][\$[]]

Purchase Price: \$[]
Applicable Percentage: []%
Maximum Applicable Percentage: []%
Pricing Margin: []%
Applicable Benchmark: [LIBOR Based Transaction][SOFR Based Transaction]
Applicable SOFR: [N/A][SOFR Average][Term SOFR]
Repurchase Date: [As defined in the Agreement][] Additional
Mandatory Repurchase Event(s): [N/A][]
Additional Terms and Conditions: [N/A][]

Seller hereby certifies as follows, on and as of the above Purchase Date with respect to each Purchased Asset described in this Confirmation:

1. All of the conditions precedent in Article 6 of the Agreement have been satisfied.
2. Except as specified in Appendix 1 hereto, Seller will make all of the representations and warranties contained in the Agreement (including, without limitation, the representations and warranties applicable to the Class of such asset set forth in Schedule 1 to the Agreement).

[SIGNATURE PAGES FOLLOW]

Seller:

CMTG WF FINANCE LLC

By:

Name:

Title:

Buyer:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By:

Name:

Title:

Appendix 1 to Confirmation

[Description of any exceptions to representations and warranties to be made by Seller in this Confirmation]

EXHIBIT A-2

AMENDED AND RESTATED CONFIRMATION

[] [], 20[] (the “Confirmation Date”)

Wells Fargo Bank, National Association
One Wells Fargo Center
301 South College Street
MAC D1053-125, 12th Floor
Charlotte, North Carolina 28202
Attention: Karen Whittlesey
Attention: Karen Berka
Attention: Michael Genay

Re: Master Repurchase and Securities Contract, dated as of September 29, 2021 (as the same has been and may be further amended, restated, supplemented or otherwise modified from time to time, the “Agreement”) between CMTG WF Finance LLC (“Seller”) and Wells Fargo Bank, National Association (“Buyer”)

Ladies and Gentlemen:

This is an Amended and Restated Confirmation executed and delivered by Seller and Buyer pursuant to the Agreement. Terms used but not defined herein are as defined in the Agreement. Seller and Buyer hereby confirm and agree that as of the Purchase Date and upon the other terms specified below, Seller has sold and assigned to Buyer, and Buyer has purchased from Seller, all of Seller’s right, title and interest in, to and under the Purchased Asset identified in this Confirmation (the “Purchased Asset”).

Effective as of the Confirmation Date set forth above, this Amended and Restated Confirmation amends, restates and replaces in its entirety that certain Confirmation dated as of [] [], 20[] relating to the Purchased Asset.

Name of Purchased Asset: []
Purchase Date: [], 20[]
Core/Flex Purchased Asset: [Core Purchased Asset][Flex Purchased Asset]
Class of Purchased Asset: [Whole Loan][Senior Interest (Note)] [Senior
Interest (Participation Interest)]
[Mezzanine Loan]
Recourse Percentage: []%
Property Type: []
Book Value: \$[]

Market Value: \$[_]
Outstanding Principal Balance: \$[_]
Seller's Remaining Future Funding Obligations: [N/A][\$[_]]

Purchase Price: \$[_]
Change in Purchase Price: \$[_]
Applicable Percentage: [_]%
Maximum Applicable Percentage: [_]%
Pricing Margin: [_]%
Applicable Benchmark: [LIBOR Based Transaction][SOFR Based Transaction]
Applicable SOFR: [N/A][SOFR Average][Term SOFR]
Repurchase Date: [As defined in the Agreement][_] Additional Mandatory
Repurchase Event(s): [N/A][_]
Additional Terms and Conditions: [N/A][_]

Seller hereby certifies as follows, on and as of the above Confirmation Date with respect to each Purchased Asset described in this Amended and Restated Confirmation:

1. All of the conditions precedent in Article 6 of the Agreement have been satisfied.
2. Except as specified in Appendix 1 hereto, Seller will make all of the representations and warranties contained in the Agreement (including, without limitation, the representations and warranties applicable to the Class of such asset set forth in Schedule 1 to the Agreement).

[SIGNATURE PAGES FOLLOW]

Seller:

CMTG WF FINANCE LLC

By:

Name:

Title:

Buyer:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By:

Name:

Title:

Appendix 1 to Amended and Restated Confirmation

[Description of any exceptions to representations and warranties to be made by Seller in this Amended and Restated Confirmation]

**AMENDMENT NO. 3 TO
MASTER REPURCHASE AND SECURITIES CONTRACT**

AMENDMENT NO. 3 TO MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of August 22, 2022 (this “Amendment”) by and between **CMTG WF FINANCE LLC**, a Delaware limited liability company (“Seller”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association (“Buyer”). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase and Securities Contract, dated as of September 29, 2021, by and between Seller and Buyer, as amended by that certain Amendment No. 1 to Master Repurchase and Securities Contract, dated as of January 24, 2022, by and between Seller and Buyer and that Amendment No. 2 to Master Repurchase and Securities Contract and Amendment No. 1 to Fee and Pricing Letter, dated as of March 7, 2022, by and between Seller and Buyer (as amended hereby, and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the “Repurchase Agreement”); and

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment; and Claros Mortgage Trust, Inc. (“Guarantor”) has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

SECTION 1. Repurchase Agreement Amendments. The Repurchase Agreement is hereby amended to delete the red, stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~) and to add the blue, underlined text (indicated textually in the same manner as the following example: underlined text) as attached hereto on Annex I.

SECTION 2. Conditions Precedent. This Amendment and its provisions shall become effective on the first date on which (i) this Amendment is duly executed and delivered by Seller, Guarantor, Pledgor and Buyer and (ii) Buyer receives such other documents as Buyer or counsel to Buyer may reasonably request including, without limitation, a duly executed and delivered copy of the Amended and Restated Fee and Pricing Letter and a compliance certificate, in each case in form and substance acceptable to Buyer.

SECTION 3. Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under the Repurchase Agreement has occurred and is continuing and (c) after giving effect to this Amendment, the representations and warranties contained in the Repurchase Agreement are true

and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date).

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by Seller and Buyer and agrees that it continues to be bound by that certain Guarantee Agreement, dated as of September 29, 2021, made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Repurchase Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the date hereof (a) all references in the Repurchase Agreement to the “Repurchase Documents” shall be deemed to include, in any event, this Amendment and (b) each reference to the “Repurchase Agreement” in any of the Repurchase Documents shall be deemed to be a reference to the Repurchase Agreement, as amended hereby.

SECTION 6. No Novation, Effect of Agreement. The parties hereto have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller, Guarantor or any of their respective affiliates (the “Repurchase Parties”) under or in connection with the Repurchase Agreement or any of the other Repurchase Documents. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Agreement are preserved and (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect.

SECTION 7. Counterparts. This Amendment may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (.PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 8. Costs and Expenses. Seller shall pay Buyer’s reasonable third-party out-of-pocket costs and expenses actually incurred in connection with the preparation, negotiation, execution and consummation of this Amendment in accordance with the Repurchase Agreement.

SECTION 9. GOVERNING LAW; SUBMISSION TO JURISDICTION. SECTIONS 18.01 AND 18.02 OF THE REPURCHASE AGREEMENT ARE HEREBY INCORPORATED HEREIN, *MUTATIS MUTANDIS*, AS IF A PART HEREOF.

SECTION 10. IMPORTANT WAIVERS. THE WAIVERS SET FORTH IN SECTION 18.03 OF THE REPURCHASE AGREEMENT ARE HEREBY INCORPORATED HEREIN, *MUTATIS MUTANDIS*, AS IF A PART HEREOF.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BUYER:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____/s/Allen Lewis

Name: Allen Lewis

Title: Managing Director

[Additional Signature Pages Follow]

SELLER:

CMTG WF FINANCE LLC

By: _____/s/J. Michael McGillis

Name: J. Michael McGillis

Title: Authorized Signatory

[Additional Signature Page Follows]

ACKNOWLEDGED:

CLAROS MORTGAGE TRUST, INC.

By: _____/s/J. Michael McGillis
Name: J. Michael McGillis
Title: President

ACKNOWLEDGED:

CMTG WF FINANCE HOLDCO LLC

By: _____/s/J. Michael McGillis
Name: J. Michael McGillis
Title: Authorized Signatory

ANNEX I

[CONFORMED COPY ATTACHED]

CONFORMED THROUGH AMENDMENT NO. ~~2~~3

MASTER REPURCHASE AND SECURITIES CONTRACT

between

CMTG WF FINANCE LLC

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Dated as of September 29, 2021

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Section 18.24 Successors and Assigns. -

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Section 18.25 Acknowledgement of Anti-Predatory Lending Policies.

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Section 18.26 Maintenance of Financial Covenants. -

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Section 18.27 Recognition of the U.S. Special Resolution Regimes.

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THIS MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of September 29, 2021 (as amended, restated, supplemented or otherwise modified and in effect from time to time, this “Agreement”), is made by and between **CMTG WF FINANCE LLC**, a Delaware limited liability company, as Seller (as more specifically defined below, “Seller”) and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as buyer (as more specifically defined below, “Buyer”). Seller and Buyer (each also a “Party” and, collectively, the “Parties”) hereby agree as follows:

ARTICLE 1

APPLICABILITY

Section 1.01 Applicability. Subject to the terms and conditions of the Repurchase Documents, from time to time during the Revolving Period and at the request of Seller, the Parties may enter into transactions in which Seller agrees to sell, transfer and assign to Buyer certain Assets and all related rights in, and interests related to, such Assets on a servicing released basis, against the transfer of funds by Buyer representing the Purchase Price for such Assets, with a simultaneous agreement by Buyer to transfer such Assets to Seller for subsequent repurchase on the related Repurchase Date, which date shall not be later than the Maturity Date, against the transfer of funds by Seller representing the Repurchase Price for such Assets.

ARTICLE 2

DEFINITIONS AND INTERPRETATION

Section 2.01 Definitions.

“30-Day SOFR Average”: Defined in the definition of “SOFR Average.”

“Accelerated Repurchase Date”: Defined in Section 10.02.

“Account Control Agreement”: A deposit account control agreement in favor of CBuyer with respect to any bank account related to a Hedge Required Asset, in form and substance acceptable to Buyer.

“Actual Knowledge”: With respect to any Person, the actual knowledge of such Person without further inquiry or investigation; provided, that for the avoidance of doubt, with respect to any Seller Party, such actual knowledge shall include, collectively, the actual knowledge of all such Persons and their respective (i) officers and directors and (ii) employees and agents with responsibility in connection with such Seller Party, the Repurchase Documents and/or the origination, acquisition, servicing and/or management of the Purchased Assets.

“Additional Advance”: Defined in Section 3.11.

“Additional Advance Notice”: Defined in Section

3.11.

“Affiliate”: With respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, such Person.

“Affiliated Hedge Counterparty”: Buyer, or an Affiliate of Buyer, in its capacity as a party to any Interest Rate Protection Agreement with Seller.

“Aggregate Amount Outstanding”: On each date of the determination thereof, the total Purchase Price owing to Buyer by Seller in connection with all Transactions under this Agreement outstanding on such date.

~~“Announcements”: Defined in Section 12.01(e).~~

“Anti-Corruption Law”: The U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act, the Canadian Corruption of Foreign Public Officials Act or any other law applicable to Seller or any of its Affiliates that prohibits the bribery of foreign officials to gain a business advantage.

“Anti-Money Laundering Laws”: The applicable laws or regulations in any jurisdiction in which any Seller Party or any Affiliate of any Seller Party are located or doing business that relate to money laundering, any predicate crime to money laundering or any financial record keeping and reporting requirements related thereto.

“Amended and Restated Confirmation”: Defined in Section 3.01(d).

“Amendment Effective Date”: January 24, 2022.

“Applicable Percentage”: For each Purchased Asset as of any date, the lower of (a) the applicable percentage determined by Buyer for such Purchased Asset on the Purchase Date therefor as specified in the relevant Confirmation, up to the Maximum Applicable Percentage, and (b) any applicable percentage requested by Seller for such Purchased Asset on the Purchase Date therefor as such applicable percentage is increased, under this clause (b), by taking into account any additional amounts of Purchase Price paid by Buyer after the applicable Purchase Date in accordance with this Agreement including, without limitation, any Future Funding Transactions and Additional Advances, up to the percentage determined under the preceding clause (a), in each case as set forth on the related Confirmation.

“Applicable SOFR”: With respect to each SOFR Based Transaction, either the SOFR Average or Term SOFR, as applicable, as designated in the related Confirmation therefor, or if such Applicable SOFR is not specified in the related Confirmation for such SOFR Based Transaction, as specified with respect to such Transaction in the related notice of Rate Conversion delivered by Buyer in accordance with Section 12.01(d).

“Appraisal”: An appraisal of the related Mortgaged Property conducted by an Independent Appraiser in accordance with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended, and, in addition, certified by such Independent Appraiser as having been prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, addressed to (either directly or

pursuant to a reliance letter in favor of Buyer or reliance language in such Appraisal running to the benefit of Buyer as a successor and/or assign) and reasonably satisfactory to Buyer.

“Approved Representation Exception”: With respect to any Purchased Asset, any Proposed Representation Exception that is set forth on the related Confirmation or otherwise approved in writing by Buyer in its discretion.

“Asset”: Any Whole Loan, Senior Interest, or Mezzanine Loan, the Mortgaged Property for which is included in the categories for Types of Mortgaged Property, but excluding any real property acquired by Seller through foreclosure or deed in lieu of foreclosure, distressed debt or any Equity Interest issued by a single purpose entity organized to issue collateralized debt or loan obligations.

“Asset Value”: With respect to a Purchased Asset, an amount equal to the product of (i) the Market Value for such Purchased Asset, multiplied by (ii) the Applicable Percentage for such Purchased Asset.

“Assignment and Acceptance”: Defined in Section 18.08(c).

“Bailee”: With respect to any Transaction involving a Wet Mortgage Asset, (i) a national title insurance company or nationally-recognized real estate counsel acceptable to Buyer or (ii) any other entity approved by Buyer in its sole discretion, which may be a title company, escrow company or attorney in accordance with local law and practice in the appropriate jurisdiction of the related Wet Mortgage Asset.

“Bankruptcy Code”: Title 11 of the United States Code, as amended.

“Basic Mortgage Asset Documents”: The following original (except as otherwise permitted in Section 2.01 of the Custodial Agreement), fully executed and complete documents (in each case together with the applicable Interim Assignment Documents and Blank Assignment Documents):

(a) in the case of a Whole Loan, the related Mortgage Note, Mortgage and assignment of leases and rents, if any;

(b) in the case of a Senior Interest consisting of a Participation Interest, the related Participation Certificate;

(c) in the case of a Senior Interest consisting of a Senior Interest Note, the related Senior Interest Note; and

(d) in the case of a Mezzanine Loan, the related Mezzanine Note and Pledge Agreement (as such term is defined in the Custodial Agreement).

“Benchmark”: (A) With respect to any LIBOR Based Transaction, subject to Section 12.01(a) hereof, USD LIBOR, (B) with respect to any SOFR Based Transaction for which the Applicable SOFR is initially the SOFR Average (including, without limitation, any such SOFR Based Transaction resulting from a Rate Conversion pursuant to Section 12.01(a) for

which the Applicable SOFR designated in the related notice of Rate Conversion is the SOFR Average), initially, 30-Day SOFR Average; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to 30-Day SOFR Average or the then-current Benchmark in accordance with Section 12.01(b) for purposes of this clause (B), then, for purposes of this clause (B), “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 12.01, and (C) with respect to any SOFR Based Transaction for which the Applicable SOFR is initially Term SOFR (including, without limitation, any such SOFR Based Transaction resulting from a Rate Conversion pursuant to Section 12.01(a) for which the Applicable SOFR designated in the related notice of Rate Conversion is Term SOFR), initially, the Term SOFR Reference Rate for a tenor of one month; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Term SOFR Reference Rate for such tenor or the then-current Benchmark in accordance with Section 12.01(b) for purposes of this clause (C), then, for purposes of this clause (C), “Benchmark” shall mean the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 12.01.

“Benchmark Replacement”: With respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by Buyer as a replacement of the applicable then-current Benchmark as of the Benchmark Replacement Date:

(1)(A) if such then-current Benchmark is the 30-Day SOFR Average, ~~the sum of:~~
~~(i) Term SOFR and (ii) the Benchmark Replacement Adjustment~~; or

(B) if such then-current Benchmark is the Term SOFR Reference Rate, ~~the sum of: (i) SOFR Average and (ii) the Benchmark Replacement Adjustment~~; or

(2) the sum of: (a) the alternate benchmark rate that has been selected by Buyer as the replacement for the then-current Benchmark and (b) the related Benchmark Replacement Adjustment;

provided that, in each case, if such Benchmark Replacement as so determined would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Repurchase Documents.

“Benchmark Replacement Adjustment”: With respect to any replacement of the then-current Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable) with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Buyer.

~~“Benchmark Replacement Conforming Changes”: With respect to any Benchmark Replacement or Rate Conversion, any technical, administrative or operational changes (including changes to the definition of “Business Day”, “Pricing Rate,” the definition of “Pricing Period,” timing and frequency of determining rates and making payments of Price~~

Differential, prepayment provisions, early repurchases, and other technical, administrative or operational matters) that Buyer decides may be appropriate to reflect the adoption and implementation of ~~such Benchmark Replacement or Rate Conversion, and to permit the~~ administration thereof by Buyer in a manner substantially consistent with market practice (or, if Buyer decides that adoption of any portion of such market practice is not administratively ~~feasible or if Buyer determines that no market practice for the administration of the Benchmark Replacement or Rate Conversion exists, in such other manner of administration as Buyer decides~~ is reasonably necessary in connection with the administration of this Agreement and the other ~~Repurchase Documents~~).

“Benchmark Replacement Date”: With respect to any Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), the earliest to occur of the following events with respect to such Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide such Benchmark; or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark has been determined and announced by the regulatory supervisor for the administrator of such Benchmark to be ~~no longer representative~~ non-representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) even if such Benchmark continues to be provided on such date.

“Benchmark Transition Event”: With respect to any Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), the occurrence of one or more of the following events with respect to such Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark announcing that such administrator has ceased or will cease to provide such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is

not, or as of a specified future date will not be, representative.

“Beneficial Ownership Certification”: A certification regarding beneficial ownership as required by the Beneficial Ownership Regulation in a form as agreed to by Buyer.

“Beneficial Ownership Regulation”: 31 C.F.R. § 1010.230.

“BHC Act Affiliate”: The meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Blank Assignment Documents”: The following fully executed and complete documents, each in form and substance satisfactory to Buyer, undated and executed in blank by Seller:

(a) in the case of a Whole Loan, (i) an allonge to the related Mortgage Note, (ii) an assignment of the related Mortgage, (iii) an assignment of the related assignment of leases and rents, if any, (iv) an omnibus or general assignment of all of Seller’s interest in such Whole Loan including, without limitation, the related Mortgage Loan Documents and (v) UCC-3 financing statement(s) assigning each UCC-1 financing statement filed or recorded in connection with such Whole Loan;

(b) in the case of a Senior Interest consisting of a Participation Interest, (i) an assignment of, or endorsement to, the related Participation Certificate and (ii) an assignment and assumption agreement that assigns all of Seller’s interest in such Senior Interest including, without limitation, the related Senior Interest Documents;

(c) in the case of a Senior Interest consisting of a Senior Interest Note, (i) an allonge to such Senior Interest Note and (ii) an assignment and assumption agreement that assigns all of Seller’s interest in such Senior Interest including, without limitation, the related Senior Interest Documents; and

(d) in the case of a Mezzanine Loan, (i) an allonge to the related Mezzanine Note, (ii) an omnibus or general assignment of all of Seller’s interest in such Mezzanine Loan including, without limitation, the related Mezzanine Loan Documents, (iii) an assignment of the related stock power covering each certificate representing the related Equity Interests and (iv) UCC-3 financing statement(s) assigning each UCC-1 filed or recorded in connection with such Mezzanine Loan.

“Book Value”: For each Purchased Asset, as of any date, an amount, as certified by Seller in the related Confirmation, equal to the lesser of (a) the outstanding principal amount or par value thereof as of such date, and (b) the price that Seller initially paid or advanced in respect thereof, *plus* any additional amounts advanced by Seller that were funded in connection with Seller’s future funding obligations under the related Purchased Asset Documents, *minus* Principal Payments received by Seller and as further reduced by losses realized and write-downs taken by Seller, together with all other reductions in the unpaid balance due in connection with

the related Whole Loan (including, with respect to any Senior Interest that is a participation, any reduction in the principal balance of the related Whole Loan).

“Business Day”: Any day other than (a) a Saturday or a Sunday, (b) a day on which banks in the States of New York, Minnesota or North Carolina are authorized or obligated by law or executive order to be closed, (c) any day on which the New York Stock Exchange, the Federal Reserve Bank of New York or Custodian is authorized or obligated by law or executive order to be closed, or (d) if the term “Business Day” is used in connection with the determination of LIBOR, a day on which dealings in Dollar deposits are not carried on in the London interbank market.

“Buyer”: Wells Fargo Bank, National Association, in its capacity as Buyer under this Agreement and the other Repurchase Documents, together with its successors and permitted assigns.

“Capital Lease Obligations”: With respect to any Person, the amount (determined on a consolidated basis) of all obligations of such Person to pay rent or other amounts under a lease of property to the extent and in the amount that such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person.

“Capital Stock”: Any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent equity ownership interests in a Person which is not a corporation, including, without limitation, any and all member or other equivalent interests (certificated or uncertificated) in any limited liability company, and any and all partnership or other equivalent interests in any partnership or limited partnership, and any and all warrants or options to purchase any of the foregoing.

“Cause”: With respect to an Independent Director or Independent Manager, (i) acts or omissions by such Independent Director or Independent Manager that constitute willful disregard of, or bad faith or gross negligence with respect to, such Independent Director or Independent Manager’s duties under the applicable by-laws, limited partnership agreement or limited liability company agreement, (ii) that such Independent Director or Independent Manager has engaged in or has been charged with, or has been convicted of, fraud or other acts constituting a crime under any law applicable to such Independent Director or Independent Manager, (iii) that such Independent Director or Independent Manager is unable to perform his or her duties as Independent Director or Independent Manager due to death, disability or incapacity, or (iv) that such Independent Director or Independent Manager no longer meets the definition of “Independent Director” or “Independent Manager”.

“CFTC”: The U.S. Commodity Futures Trading Commission.

“CFTC Regulations”: The rules, regulations, orders and interpretations published or issued by the CFTC, as amended.

“Change of Control”: The occurrence of any of the following events: (a) any “person” or “group” (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules

13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the total voting power of all classes of Capital Stock of Guarantor entitled to vote generally in the election of directors, members or partners, other than Affiliates of Guarantor or Persons who are under common control with Manager, (b) Guarantor shall cease to own and Control, of record and beneficially, directly one hundred percent (100%) of each class of the outstanding Capital Stock of Pledgor, (c) Pledgor shall cease to own and Control, of record and beneficially, directly one hundred percent (100%) of each class of the outstanding Capital Stock of Seller, (d) the sale, merger, consolidation or reorganization of Manager with or into any entity that is not an Affiliate of the Manager as of the Closing Date, (e) either (x) both Richard Mack and Michael McGillis or (y) three or more of Richard Mack, Kevin Cullinan, Michael McGillis and Priyanka Garg shall, in either case, no longer remain actively involved in the day-to-day management of Guarantor in respective capacities of the same or comparable authority and responsibility as their respective positions on the Closing Date or (f) Manager ceases for any reason to act as manager of Guarantor; provided that if Guarantor's management is "internalized", whether by acquisition of, or merger or other combination with Manager, or otherwise, such internalization shall not be deemed to be a "Change of Control" pursuant to this clause (f).

"Class": With respect to an Asset or Purchased Asset, such Asset's or Purchased Asset's classification as one of the following: Whole Loan, Senior Interest or Mezzanine Loan.

"Cleared Swap": Any Interest Rate Protection Agreement that is cleared by a DCO.

"Closing Certificate": A true and correct certificate substantially in the form of Exhibit D-1, executed by a Responsible Officer of Seller.

"Closing Date": September 29, 2021.

"Code": The Internal Revenue Code of 1986.

"Collection Account": Any account established by a Servicer in connection with the servicing of any Asset or Purchased Asset.

"Commodity Exchange Act": The Commodity Exchange Act, as amended.

"Compliance Certificate": A true and correct certificate in the form of Exhibit D-2, executed by a Responsible Officer of Guarantor.

"Conforming Changes": With respect to either the use or administration of an initial Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement or Rate Conversion, any technical, administrative or operational changes (including changes to the definition of "Business Day", the definition of "Pricing Rate," the definition of "Pricing Period," the definition of "U.S. Government Securities Business Day," timing and frequency of determining rates and making payments of Price Differential, prepayment provisions, early repurchases, the applicability and length of lookback periods, the applicability of Section 12.04 and other technical, administrative or operational matters) that Buyer decides may be appropriate to reflect the adoption and implementation of any such rate or Rate Conversion or to permit the use and administration thereof by Buyer in a manner substantially

consistent with market practice (or, if Buyer decides that adoption of any portion of such market practice is not administratively feasible or if Buyer determines that no market practice for the administration of any such rate or Rate Conversion exists, in such other manner of administration as Buyer decides is reasonably necessary in connection with the administration of this Agreement and the other Repurchase Documents).

~~“Compounded SOFR”: The compounded average of daily SOFRs for the Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in advance or compounding in arrears with a lookback and/or suspension period as a mechanism to determine the Price Differential amount payable prior to the end of each Pricing Period) being established by Buyer in accordance with:~~

~~(a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR (either in advance or arrears, as applicable); provided that:~~

~~(b) if, and to the extent that, Buyer determines that Compounded SOFR cannot be determined in accordance with clause (a) above, then the rate, or methodology for this rate, and conventions for this rate that Buyer determines are substantially consistent with at least five (5) currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time (as a result of amendment or as originally executed) that are publicly available for review;~~

~~provided, further, that if Buyer decides that any such rate, methodology or convention determined in accordance with clause (a) or clause (b) is not administratively feasible for Buyer, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement.”~~

“Confirmation”: A purchase confirmation in the form of Exhibit A-1, or an Amended and Restated Confirmation in the form of Exhibit A-2, as applicable, in each case duly completed, executed and delivered by Seller and Buyer in accordance with this Agreement.

“Connection Income Taxes”: Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Contingent Liabilities”: With respect to any Person as of any date of determination, all of the following as of such date (determined on a consolidated basis):

(a) liabilities and obligations (including any Guarantee Obligations) of such Person in respect of “off-balance sheet arrangements” (as defined in the Off-Balance Sheet Rules defined below in this definition), (b) obligations of such Person, including Guarantee Obligations, whether or not required to be disclosed in the footnotes to such Person’s financial statements, guaranteeing in whole or in part any Non-Recourse Indebtedness, lease, dividend or other obligation, excluding, however (i) contractual indemnities (including any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets) and (ii) guarantees of non-monetary obligations that have not yet been called on or quantified, of such Person or any other Person, and (c) forward commitments or obligations to fund or provide proceeds with respect to any loan

or other financing that is obligatory and non-discretionary on the part of the lender. The amount of any Contingent Liabilities described in the preceding clause (b) shall be deemed to be (i) with respect to a guarantee of interest or interest and principal, or operating income guarantee, the sum of all payments required to be made thereunder (which, in the case of an operating income guarantee, shall be deemed to be equal to the debt service for the note secured thereby), through (x) in the case of an interest or interest and principal guarantee, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (y) in the case of an operating income guarantee, the date through which such guarantee will remain in effect, and (ii) with respect to all guarantees not covered by the preceding clause (i), an amount equal to the stated or determinable amount of the primary obligation in respect of which such guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and in the footnotes to the most recent financial statements of such Person. “Off-Balance Sheet Rules” means the Disclosure in Management’s Discussion and Analysis About Off-Balance Sheet Arrangements and Aggregate Contractual Obligations, Securities Act Release Nos. 33-8182; 34-47264; FR-67 International Series Release No. 1266 File No. S7-42-02, 68 Fed. Reg. 5982 (Feb. 5, 2003) (codified at 17 CFR Parts 228, 229 and 249).

“Contractual Obligation”: With respect to any Person, any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, deed to secure debt, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property or assets are bound or are subject.

“Control”: With respect to any Person, the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling,” “Controlled” and “under common Control” have correlative meanings.

“Controlled Account Agreement”: A control agreement with respect to (a) the Waterfall Account, dated as of the date of this Agreement, among Seller, Buyer and Deposit Account Bank, and (b) each Collection Account among the related Servicer, Buyer and the Deposit Account Bank.

“Core Purchased Asset”: Defined in the Fee Letter, which definition is incorporated herein by reference.

~~“Corresponding Tenor”: With respect to a Benchmark Replacement, an approximately one-month tenor (including overnight) (disregarding Business Day adjustment).~~

“Credit Event”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Current Mark-to-Market Value”: For any Purchased Asset as of any date of determination, the market value for such Purchased Asset as of such date as determined by Buyer in its sole discretion, which shall be determined taking into account such criteria as and to the extent that Buyer deems appropriate in its sole discretion, including, without limitation, as appropriate, Buyer’s assessment of the market value of the related Mortgaged Property, market

conditions, credit quality, liquidity of position, subordination and delinquency status and aging, as such market value may be (i) adjusted by Buyer from time to time in Buyer's sole discretion if such Purchased Asset accrues interest at a fixed rate, (ii) adjusted by Buyer from time to time upon the occurrence of a Credit Event if such Purchased Asset accrues interest at a floating rate (provided that Buyer shall not adjust the market value of such Purchased Asset solely due to interest rate changes or credit spread movements) and/or (iii) reduced to zero dollars (\$0) by Buyer in its sole discretion upon the occurrence of any of the following events, in each case as determined by Buyer in its sole discretion:

(a) such Purchased Asset fails to satisfy any of the requirements set forth in the definition of "Eligible Asset";

(b) a Representation Breach exists with respect to such Purchased Asset;

(c) any statement, affirmation, certification, document, report or notice made or prepared and delivered by Seller to Buyer with respect to such Purchased Asset is untrue in any material respect (but excluding any information, document, agreement, report or notice prepared by an Underlying Obligor) and such materially untrue item adversely affects the market value thereof or Buyer's ability to determine the market value therefor and continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such item by Seller;

(d) Seller fails to repurchase such Purchased Asset on the Repurchase Date therefor;

(e) an Insolvency Event has occurred with respect to any Underlying Obligor;

(f) [Intentionally Omitted];

(g) all Purchased Asset Documents with respect to such Purchased Asset have not been delivered to Custodian within the time periods required by this Agreement and the Custodial Agreement;

(h) any material Purchased Asset Document has been released from the possession of Custodian under the Custodial Agreement to Seller or any other Person for more than ten (10) days;

(i) such Purchased Asset contributes to a violation of any applicable Sub-Limit;

(j) Seller fails to observe or perform in any material respect any other obligation of Seller under the Purchased Asset Documents to which Seller is a party, as evidenced by written notice (which may be by email) from an Underlying Obligor alleging such material failure, and such failure continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller; or

(k) Seller fails to deliver any reports required hereunder with respect to such Purchased Asset and such failure adversely affects the market value thereof or Buyer's ability to determine the market value therefor; provided, however, that if such failure is

due to Seller's inability to obtain any such report from the related Underlying Obligor, then (i) Seller shall make commercially reasonable efforts to obtain such report from the related Underlying Obligor as soon as practicable, (ii) during the thirty (30) day period following Seller's initial failure to deliver any such report, unless and until Seller delivers the applicable report, Buyer may re-determine the Current Mark-to-Market Value of the applicable Purchased Asset for purposes of a Margin Call and, in connection with such re-determination, Buyer may draw any adverse inference from any missing information that Buyer deems to be reasonable under the circumstances, and (iii) the Current Mark-to-Market Value of such Purchased Asset may be determined to be zero for so long as Seller's failure to obtain such report continues beyond the thirtieth (30th) day following Seller's initial failure to deliver such report.

“Custodial Agreement”: The Custodial Agreement, dated as of the date hereof, among Buyer, Seller and Custodian, as the same may be amended, modified, waived, supplemented, extended, replaced or restated from time to time.

“Custodian”: Wells Fargo Bank, National Association, or any successor custodian appointed by Buyer, and reasonably acceptable to Seller, or appointed by Buyer, in its sole discretion during the continuance of an Event of Default.

“DCO”: A “derivatives clearing organization,” as such term is defined in Section 1a(15) of the Commodity Exchange Act and the CFTC Regulations.

“Debt Yield”:

(a) With respect to any Purchased Asset that is a Whole Loan, for any relevant time period, the percentage equivalent of the quotient obtained by dividing (i) the underwritten Net Cash Flow or net operating income for such period with respect to the Mortgaged Property securing such Purchased Asset, as determined by Buyer in its sole discretion, by (ii) the approved maximum Purchase Price of such Purchased Asset as of the applicable date of determination; and

(b) with respect to any Purchased Asset that is a Senior Interest, for any relevant time period, the percentage equivalent of the quotient obtained by dividing (i) the product of (x) the Fractional Interest Percentage with respect to such Purchased Asset and (y) the underwritten Net Cash Flow or net operating income for such period with respect to the Mortgaged Property securing the related Whole Loan, as determined by Buyer in its sole discretion, by (ii) the approved maximum Purchase Price of such Purchased Asset as of the applicable date of determination.

“Default”: Any event that, with the giving of notice or the lapse of time, or both, would become an Event of Default.

“Default Rate”: As of any date, the Pricing Rate in effect on such date *plus* 500 basis points (5.00%).

“Default Right”: The meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulted Asset”: Any Asset or Purchased Asset and, in the case of any Senior Interest or Mezzanine Loan, any related Whole Loan, as applicable, (a) that is thirty (30) or more days (or, in the case of payments due at maturity, one (1) day) delinquent in the payment of principal, interest, fees, distributions or any other amounts payable under the related Purchased Asset Documents, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents, other than those that were disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset, unless consented to by Buyer in accordance with the terms of this Agreement, (b) for which there is a Representation Breach with respect to such Asset or Purchased Asset, other than an Approved Representation Exception, (c) for which there is a material non-monetary default under the related Purchased Asset Documents beyond any applicable notice or cure period, (d) an Insolvency Event has occurred with respect to the Underlying Obligor or, in the case of any Senior Interest, any co-participant or any Person having an interest in any Purchased Asset or any related Mortgaged Property that is junior to, *pari passu* with or senior to, in right of payment or priority, the rights of Buyer with respect thereto, (e) with respect to which there has been a Material Modification that was not consented to in writing by Buyer pursuant to this Agreement, or (f) for which Seller or a Servicer has received notice of the foreclosure or proposed foreclosure of any Lien on the related Mortgaged Property; provided that with respect to any Senior Interest or Mezzanine Loan, in addition to the foregoing such Senior Interest or Mezzanine Loan will also be considered a Defaulted Asset to the extent that the related Whole Loan would be considered a Defaulted Asset as described in this definition provided, further, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents, other than waivers, modifications or amendments which (i) were Material Modifications expressly consented to in writing by Buyer or (ii) did not constitute Material Modifications hereunder.

“Delaware LLC Act”: Chapter 18 of the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101 et seq., as amended.

“Deposit Account Bank”: Wells Fargo Bank, National Association, or any successor depository bank appointed by Buyer, and reasonably acceptable to Seller, or appointed by Buyer, in its sole discretion during the continuance of an Event of Default.

“Derivatives Contract”: Any rate swap transaction, basis swap, credit derivative transaction, forward rate transaction, commodity swap, commodity option, forward commodity contract, equity or equity index swap or option, bond or bond price or bond index swap or option or forward bond or forward bond price or forward bond index transaction, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, spot contract, or any other similar transaction or any combination of any of the foregoing (including any

options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, including any obligations or liabilities thereunder.

“Derivatives Termination Value”: With respect to any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Derivatives Contracts, (a) for any date on or after the date such Derivatives Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in the preceding clause (a), the amount(s) determined as the mark-to-market value(s) for such Derivatives Contracts, as determined based on one or more mid-market or other readily available quotations provided by any recognized dealer in such Derivatives Contracts (which may include a Hedge Counterparty).

“Dividing LLC”: A Delaware limited liability company that is effecting a Division pursuant to and in accordance with Section 18-217 of the Delaware LLC Act.

“Division”: The division of a Dividing LLC into two or more domestic limited liability companies pursuant to and in accordance with Section 18-217 of the Delaware LLC Act.

“Division LLC”: A surviving company, if any, and each resulting company, in each case that is the result of a Division.

“Dollars” and “\$”: Lawful money of the United States of America.

“Early Opt-in Effective Date”: With respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Seller.

“Early Opt-in Election”: The election by Buyer to trigger a fallback from the then-current Benchmark and the provision by Buyer of written notice of such election to Seller.

“Early Repurchase Date”: The date on which a Purchased Asset is repurchased pursuant to Section 3.04.

“Eligible Asset”: An Asset that satisfies the criteria of a Core Purchased Asset or Flex Purchased Asset, as applicable, and each of the following additional criteria:

(a) such Asset has been approved as a Purchased Asset by Buyer as of the related Purchase Date;

(b) no Representation Breach exists with respect to such Asset;

(c) such Asset is not a Defaulted Asset;

(d) such Asset accrues interest (i) at a fixed rate or (ii) at a floating rate based on a defined spread plus the 1-month LIBOR or applicable Benchmark Replacement rate;

(e) with respect to such Asset, there are no future funding obligations on the part of Seller other than any future funding obligations expressly approved by Buyer pursuant to Section 3.10, which future funding obligations are and shall remain at all times,

solely the obligations of Seller (other than funding obligations or other obligations that, in each case, first arise from and after the time Buyer forecloses on and takes title to, or ownership of (free and clear of any repurchase or redemption rights of Seller or obligations of Buyer with respect to such rights of Seller under the Repurchase Documents), such Asset in connection with Buyer's exercise of remedies following the occurrence of an Event of Default);

(f) such Asset satisfies the applicable Minimum Purchased Asset Debt Yield Requirement and the applicable Maximum Purchased Asset PPV Requirement, in each case, as of the related Purchase Date;

(g) giving effect to the Transaction with respect to such Asset will not result in a failure to satisfy the Facility Debt Yield Test;

(h) if the Type of the related Mortgaged Property is a hotel, such Asset satisfies the requirements specified in the definition of "Core Purchased Asset" and

(i) such hotel is a national flag hotel, (ii) Buyer has received a copy of the franchise agreement and related documents for operation of the hotel under the national flag, all reports issued by the franchisor and a comfort letter (or a subordination and non-disturbance agreement or similar agreement) from the franchisor running to the benefit of successors and assigns of the lender, (iii) the hotel management is acceptable to Buyer as of the related Purchase Date, and (iv) the hotel manager has entered into a subordination of management agreement, all of which are acceptable to Buyer as of the related Purchase Date;

(i)with respect to such Asset, the underlying Mortgaged Property is located in the United States, the Underlying Obligors are domiciled in the United States, and all obligations under the Asset and the Purchased Asset Documents are denominated and payable in Dollars;

(j)with respect to such Asset, the Mortgaged Property is not under construction, conversion of use or gutting or heavy rehabilitation;

(k)with respect to such Asset, none of the Underlying Obligors (and any of their respective Affiliates) related to such Asset or Purchased Asset are Sanctioned Targets;

(l)such Asset does not involve an Equity Interest of any Seller Party or any Affiliate of any Seller Party that would result in (i) an actual or potential conflict of interest or (ii) an affiliation with an Underlying Obligor which results or could result in the loss or impairment of any material rights of the holder of the related Purchased Asset; provided, Seller shall disclose to Buyer before the Purchase Date each Equity Interest held or to be held by any Seller Party or any Affiliate of any Seller Party with respect to

such related Purchased Asset whether or not it satisfies either of the preceding clauses (i) or (ii);

(m) such Asset is secured by, or with respect to a Senior Interest, the related Whole Loan is secured by, a perfected, first-priority security interest on either a “fully stabilized” or a “light transitional” commercial or multi-family property (or, in the case of a Mezzanine Loan, secured by first priority pledges of all of the Equity Interests of Persons that directly or indirectly own such a property), in each case as determined by Buyer as of the related Purchase Date;

(n) all Purchased Asset Documents for such Asset have been delivered to Custodian or a Bailee in accordance with the terms hereof and the Custodial Agreement;

(o) giving effect to the Transaction with respect to such Asset will not result in a violation of any Sub-Limit;

(p) with respect to such Asset, Seller has delivered an Irrevocable Redirection Notice;

(q) all escrows, reserves and other collateral accounts with respect to such Asset are subject to a perfected security interest in favor of Seller, and each such security interest has been assigned to Buyer;

(r) with respect to such Asset, Seller or any Underlying Obligor or paying agent has not failed to remit to Servicer for deposit into the Servicer Account all related Income and other amounts as required by this Agreement when due;

(s) if the Class of such Asset is a Mezzanine Loan, the related Whole Loan is subject to a Transaction at all times that such Asset is subject to a Transaction; and

(t) if any portion of the Mortgaged Property related to such Asset is subject to a partial release, Buyer shall have received, on or before the effective date of such partial release, an Appraisal specifying the value of the Mortgaged Property that remains as security for the related Asset following the date of consummation for such partial release (which, for the avoidance of doubt, may be satisfied by an Appraisal previously delivered by Seller if such Appraisal specifies the value of such remaining Mortgaged Property).

provided, that, notwithstanding the failure of an Asset or Purchased Asset to conform to the requirements of this definition, Buyer may, subject to such terms, conditions and requirements and Applicable Percentage adjustments as Buyer may require, designate in writing any such non-conforming Asset or Purchased Asset as an Eligible Asset, which designation (1) may include a temporary or permanent asset-specific waiver of one or more Eligible Asset requirements, and (2) shall not be deemed a waiver of the requirement that all other Assets and Purchased Assets must be Eligible Assets (including any Assets that are similar or identical to the Asset or Purchased Asset subject to the waiver).

“Eligible Assignee”: Any Person designated by Buyer that is: (a) (i) a bank (including, without limitation, any entity that is regulated by the Federal Reserve, the Federal

Deposit Insurance Corporation, or the Office of the Comptroller of the Currency), (ii) a credit union, (iii) a financial institution, (iv) a pension fund, (v) an insurance company or similar Person, (vi) an Affiliate of any of the foregoing, (vii) an Affiliate of Buyer or (viii) any fund sponsored by, or established by or on behalf of, or at the request of, any Governmental Authority, regulator or similar entity (regardless of whether such fund is managed by a Prohibited Transferee or an affiliate of a Prohibited Transferee); or (b) any other Person to which Seller has consented, provided that (i) such consent of Seller shall not be withheld, delayed or conditioned unless such Person is a Prohibited Transferee and (ii) such consent of Seller shall not be required at any time when a Default or Event of Default exists.

“Environmental Laws”: Any federal, state, foreign or local statute, law, rule, regulation, ordinance, code, guideline, written policy and rule of common law now or hereafter in effect, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, employee health and safety or hazardous materials, including CERCLA, RCRA, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Oil Pollution Act of 1990, the Emergency Planning and the Community Right-to-Know Act of 1986, the Hazardous Material Transportation Act, the Occupational Safety and Health Act, and any state and local or foreign counterparts or equivalents.

“Equity Interests”: With respect to any Person, (a) any share, interest, participation and other equivalent (however denominated) of Capital Stock of (or other ownership, equity or profit interests in) such Person, (b) any warrant, option or other right for the purchase or other acquisition from such Person of any of the foregoing, (c) any security convertible into or exchangeable for any of the foregoing, and (d) any other ownership or profit interest in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized but unissued on any date.

“ERISA”: The Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and, as of the relevant date, any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

“ERISA Affiliate”: Any trade or business (whether or not incorporated) that is a member of any Seller Party’s controlled group or under common control with any Seller Party, within the meaning of Section 414 of the Code.

“Event of Default”: Defined in Section 10.01.

“Exchange Act”: The Securities Exchange Act of 1934, as amended.

“Excluded Taxes”: Any of the following Taxes imposed on or with respect to Buyer or required to be withheld or deducted from a payment to Buyer: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Buyer being organized under the laws of, or having its principal office or the office from which it books the Transactions located in, the jurisdiction

imposing such Taxes (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Buyer with respect to an interest in the Repurchase Obligations pursuant to a law in effect on the date on which such Buyer (i) acquires such interest in the Repurchase Obligations or (ii) changes the office from which it books the Transactions, except in each case to the extent that, pursuant to Section 12.06~~12.06~~12.07, amounts with respect to such Taxes were payable either to such Buyer's assignor immediately before such Buyer became a Party hereto or to such Buyer immediately before it changed the office from which it books the Transactions, (c) Taxes attributable to Buyer's failure to comply with Section 12.06~~12.06~~12.07(e) and (d) any withholding Taxes imposed under FATCA.

"Exit Fee": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Extension Conditions": Defined in Section 3.06(a).

"Extension Fee": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Extension Period": Defined in Section 3.06(a).

"Facility Debt Yield Test": Defined in the Fee Letter, which definition is incorporated herein by reference.

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

"FCM": A futures commission merchant subject to regulation under the Commodity Exchange Act.

"FDIA": Defined in Section 14.03.

"FDICIA": Defined in Section 14.04.

"Fee Letter": The fee and pricing letter, dated as of the date hereof, between Buyer and Seller, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

"Fitch": Fitch, Inc. or, if Fitch, Inc. is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

"Flex Purchased Asset": Defined in the Fee Letter, which definition is incorporated herein by reference.

“Floor”: Zero percent (0%).

“Foreign Buyer”: A Buyer that is not a U.S. Person.

“Fractional Interest Percentage”: As of any date of determination, the ratio (expressed as a percentage) of (i) the then outstanding principal balance of the Senior Interest to (ii) the then outstanding principal balance of the related Whole Loan.

“Future Funding Amount”: With respect to any Purchased Asset for which a Future Funding Transaction has been requested by Seller and approved by Buyer pursuant to Section 3.10, the amount funded by Buyer in connection with such Future Funding Transaction; provided that in no event shall a Future Funding Amount exceed the product of (a) the amount that Seller is funding as a post-closing advance on the related Future Funding Date as required by the related Purchased Asset Documents relating to such Purchased Asset, and (b) the Applicable Percentage for such Purchased Asset.

“Future Funding Date”: With respect to any Purchased Asset for which a Future Funding Transaction has been requested by Seller and approved by Buyer, the date on which Seller is required to fund a Future Funding Amount pursuant to the Purchased Asset Documents relating to such Purchased Asset.

“Future Funding Request Package”: With respect to one or more Future Funding Transactions, the following, to the extent applicable and available, unless any such items were previously delivered to Buyer and have not been modified since the date of each such delivery: (a) the related request for advance, executed by the related Underlying Obligor (which shall include either therein or separately evidence of Seller’s approval of the related Future Funding Transaction), and any other documents that require Seller to fund; (b) the related affidavit executed by the related Underlying Obligor which covers such issues as Buyer shall request (to the extent permitted under the Purchased Asset Documents), and any other related documents delivered in connection therewith; (c) the executed fund control agreement (or the executed escrow agreement, if funding through escrow); (d) certified copies of all relevant trade contracts; (e) the title policy endorsement for the advance; (f) certified copies of any tenant leases; (g) certified copies of any service contracts; (h) updated financial statements, operating statements and rent rolls; (i) evidence of required insurance; (j) engineering reports and updates to the engineering reports; (k) an updated Underwriting Package for the related Purchased Asset; and (l) copies of any additional documentation as required in connection therewith under the terms of the related Purchased Asset Documents, or as otherwise reasonably requested by Buyer (to the extent permitted under the Purchased Asset Documents).

“Future Funding Transaction”: Any Transaction approved by Buyer pursuant to Section 3.10.

“GAAP”: Generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

“Governing Documents”: With respect to any Person, its articles or certificate of incorporation or formation, by-laws, partnership, limited liability company, memorandum and

articles of association, operating or trust agreement and/or other organizational, charter or governing documents.

“Governmental Authority”: Any (a) national or federal government, (b) state, regional or local or other political subdivision thereof, (c) central bank or similar monetary or regulatory authority, (d) Person, agency, authority, instrumentality, court, regulatory body, central bank or other body or entity exercising executive, legislative, judicial, taxing, quasi-judicial, quasi-legislative, regulatory or administrative functions or powers of or pertaining to government, (e) court or arbitrator having jurisdiction over such Person, its Affiliates or its assets or properties, (f) stock exchange on which shares of stock of such Person are listed or admitted for trading, (g) accounting board or authority that is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic, and (h) supra-national body such as the European Union or the European Central Bank.

“Ground Lease”: A ground lease containing the following terms and conditions: (a) a remaining term (exclusive of any unexercised extension options) of thirty (30) years or more from the Purchase Date of the related Asset, (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor or with such consent given, (c) the obligation of the lessor to give the holder of any mortgage lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosures, and fails to do so, (d) reasonable transferability of the lessee’s interest under such lease, including ability to sublease, and (e) such other rights customarily required by mortgagees making a loan secured by the interest of the holder of the leasehold estate demised pursuant to a ground lease.

“Ground Lease Asset”: An Asset with respect to which the Mortgaged Property is secured or supported in whole or in part by a Ground Lease.

“Guarantee Agreement”: The Guarantee Agreement dated as of the date hereof, made by Guarantor in favor of Buyer.

“Guarantee Obligation”: With respect to any Person (the “guaranteeing person”), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of the obligations for which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends, Contractual Obligation, Derivatives Contract or other obligations or Indebtedness (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation, or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or

hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term “Guarantee Obligation” shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the maximum stated amount of the primary obligation relating to such Guarantee Obligation (or, if less, the maximum stated liability set forth in the instrument embodying such Guarantee Obligation). In the absence of any stated amount or stated liability of a guaranteeing person, the amount of such Guarantee Obligation shall be such guaranteeing person’s maximum anticipated liability in respect thereof as reasonably determined by Buyer.

“Guarantor”: The party named as such in the Guarantee Agreement.

“Hedge Account”: The deposit account to be established at Deposit Account Bank, by not later than the Purchase Date with respect to the initial fixed rate Purchased Asset, in the name of Seller, pledged to Buyer and subject to an Account Control Agreement.

“Hedge Counterparty”: Either (a) an Affiliated Hedge Counterparty, or (b) any other counterparty, approved by Buyer (which approval shall not be unreasonably withheld or delayed), to any Interest Rate Protection Agreement with Seller; provided that in the case of a Cleared Swap, each reference in this Agreement to the Hedge Counterparty shall instead be a reference to the related DCO and any such DCO shall not require the approval of Buyer.

“Hedge Required Asset”: A Purchased Asset that has a fixed rate of interest or return.

~~“IBA”: Defined in Section 12.01(e).~~

“Income”: With respect to any Purchased Asset, all of the following (in each case with respect to the entire par amount of the Asset represented by such Purchased Asset and not just with respect to the portion of the par amount represented by the Purchase Price advanced against such Asset) without duplication: (a) all Principal Payments, (b) all Interest Payments, and (c) all other income, distributions, receipts, payments, collections, prepayments, recoveries, proceeds (including insurance and condemnation proceeds) and other payments or amounts of any kind paid, received, collected, recovered or distributed on, in connection with or in respect of such Purchased Asset, including Principal Payments, Interest Payments, principal and interest payments, prepayment fees, extension fees, exit fees, defeasance fees, transfer fees, make whole fees, late charges, late fees and all other fees or charges of any kind or nature, premiums, yield maintenance charges, penalties, default interest, dividends, gains, receipts, allocations, rents, interests, profits, payments in kind, returns or repayment of contributions, net sale, foreclosure, liquidation, securitization or other disposition proceeds, insurance payments, settlements and proceeds; provided, that any amounts that under the applicable Purchased Asset Documents are required to be deposited into and held in escrow or reserve to be used for a specific purpose, such as taxes and insurance, shall not be included in the term “Income” unless and until (i) an event of default exists under such Purchased Asset Documents, (ii) the holder of the related Purchased Asset has exercised or is entitled to exercise rights and remedies with respect to such amounts, (iii) such amounts are no longer required to be held for such purpose under such Purchased Asset

Documents, or (iv) such amounts may be applied to all or a portion of the outstanding indebtedness under such Purchased Asset Documents.

“Indebtedness”: With respect to any Person and any date, all of the following with respect to such Person as of such date, without duplication: (a) obligations in respect of money borrowed (including principal, interest, assumption fees, prepayment fees, yield maintenance charges, penalties, exit fees, contingent interest and other monetary obligations whether choate or inchoate and whether by loan, the issuance and sale of debt securities or the sale of property or assets to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets, or otherwise), (b) obligations, whether or not for money borrowed: (i) represented by notes payable, letters of credit or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered, or (iv) in connection with the issuance of preferred equity or trust preferred securities, (c) Capital Lease Obligations, (d) reimbursement obligations under any letters of credit or acceptances (whether or not the same have been presented for payment), (e) Off-Balance Sheet Obligations, (f) obligations to purchase, redeem, retire, defease or otherwise make any payment in respect of any mandatory redeemable stock issued by such Person or any other Person (inclusive of forward equity contracts), valued at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends, (g) as applicable, all obligations of such Person (but not the obligations of others) in respect of any keep well arrangements, credit enhancements, contingent or future funding obligations under any Purchased Asset or any obligation senior to any Purchased Asset, unfunded interest reserve amount under any Purchased Asset or any other obligation of such Person with respect to such Purchased Asset that is senior to such Purchased Asset, purchase obligation, repurchase obligation, sale/buy-back agreement, takeout commitment or forward equity commitment, in each case evidenced by a binding agreement (excluding any such obligation to the extent the obligation can be satisfied by the issuance of Equity Interests (other than mandatory redeemable stock)), (h) net obligations under any Derivatives Contract not entered into as a hedge against existing indebtedness, in an amount equal to the Derivatives Termination Value thereof, (i) all Non-Recourse Indebtedness, recourse indebtedness and all indebtedness of other Persons that such Person has guaranteed or is otherwise recourse to such Person, (j) all indebtedness of another Person secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness or other payment obligation; provided, that if such Person has not assumed or become liable for the payment of such indebtedness, then for the purposes of this definition the amount of such indebtedness shall not exceed the market value of the property subject to such Lien, (k) all Contingent Liabilities, (l) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person or obligations of such Person to pay the deferred purchase or acquisition price of property or assets, including contracts for the deferred purchase price of property or assets that include the procurement of services, (m) indebtedness of general partnerships of which such Person is liable as a general partner (whether secondarily or

contingently liable or otherwise), and (n) obligations to fund capital commitments under any Governing Document, subscription agreement or otherwise.

“Indemnified Amounts”: Defined in Section 13.01(a).

“Indemnified Persons”: Defined in Section 13.01(a).

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

“Independent Appraiser”: A professional real estate appraiser that (i) is approved by Buyer in its sole discretion; (ii) was not selected or identified by the Underlying Obligor and is not affiliated with the lender under the mortgage or the Underlying Obligor; (iii) if engaged by Seller or any of its Affiliates, Seller or such Affiliate, as applicable, is a “financial services institution” within the meaning of the Interagency Guidelines on Evaluations and Appraisals, (iv) is a member in good standing of the American Appraisal Institute; and (v) is certified or licensed in the state where the subject Mortgaged Property is located, which appraiser, subject to the satisfaction of clauses (i) through (v) above, may be the same appraiser as the appraiser engaged in connection with the origination of the subject Purchased Asset.

“Independent Director” or “Independent Manager”: An individual who has prior experience as an independent director, independent manager or independent member with at least three (3) years of employment experience and who is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, or Lord Securities Corporation or, if none of those companies is then providing professional Independent Directors or Independent Managers, another nationally recognized company approved by Buyer, in each case that is not an Affiliate of Seller and that provides professional independent directors, independent managers and/or other corporate services in the ordinary course of its business, and which individual is duly appointed as Independent Director or Independent Manager and is not, has never been, and will not while serving as Independent Director or Independent Manager be, any of the following:

(a) a member, partner, equity holder, manager, director, officer or employee of Seller, Pledgor, or any of their respective equity holders or Affiliates (other than as an Independent Director or Independent Manager of Seller or Pledgor or an Affiliate of Seller or Pledgor that does not own a direct or indirect ownership interest in Seller or Pledgor and that is required by a creditor to be a single purpose bankruptcy remote entity, provided, however, that such Independent Director or Independent Manager is employed by a company that routinely provides professional Independent Directors or Independent Managers);

(b) a creditor, supplier or service provider (including provider of professional services) to Seller, Pledgor or any of their respective equity holders or Affiliates (other than through a nationally-recognized company that routinely provides professional Independent Directors, Independent Managers and/or other corporate services to Seller,

Pledgor, or any of their respective equity holders or Affiliates in the ordinary course of business);

(c) a family member of any such member, partner, equity holder, manager, director, officer, employee, creditor, supplier or service provider; or

(d) a Person who controls (whether directly, indirectly or otherwise) any of the individuals described in the preceding clauses (a), (b) or (c).

An individual who otherwise satisfies the preceding definition and satisfies subparagraph (a) by reason of being the Independent Director or Independent Manager of a Single Purpose Entity affiliated with Seller or Pledgor that does not own a direct or indirect ownership interest in Seller or Pledgor shall be qualified to serve as an Independent Director or Independent Manager of Seller or Pledgor if the fees that such individual earns from serving as Independent Director or Independent Manager of Affiliates of Seller or Pledgor in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

"Insolvency Action": With respect to any Person, the taking by such Person of any action resulting in an Insolvency Event, other than solely under clause (g) of the definition thereof.

"Insolvency Event": With respect to any Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises with respect to such Person or any substantial part of its assets or property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of thirty (30) days, (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect,

(c) the consent by such Person to the entry of an order for relief in an involuntary case under any Insolvency Law, (d) the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property, (e) the making by such Person of any general assignment for the benefit of creditors, (f) the admission in a legal proceeding of the inability of such Person to pay its debts generally as they become due, (g) the failure by such Person generally to pay its debts as they become due, or (h) the taking of action by such Person in furtherance of any of the foregoing.

"Insolvency Laws": The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments and similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Insolvency Proceeding": Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

"Interest Expense": With respect to any Person and for any relevant time period, the amount of total interest expense incurred by such Person, and its consolidated Subsidiaries,

including capitalized or accruing interest (but excluding interest funded under a construction loan), *plus* such Person's proportionate share of interest expense from the joint venture investments and unconsolidated Affiliates of such Person, all with respect to such period.

"Interest Payments": With respect to any Purchased Asset, all payments of interest, income, receipts, dividends, and any other collections and distributions received from time to time in connection with any such Purchased Asset.

"Interest Rate Protection Agreement": With respect to any or all Purchased Assets, any futures contract, options related contract, short sale of United States Treasury securities or any interest rate swap, cap, floor or collar agreement, total return swap or any other similar arrangement providing for protection against fluctuations in interest rates or the exchange of nominal interest obligations either generally or under specific contingencies, in each case with a Hedge Counterparty.

"Interim Assignment Documents": The following fully executed and complete documents, each in form and substance satisfactory to Buyer, evidencing a valid assignment of the related Purchased Asset from the Originator to Seller:

(a) in the case of a Whole Loan, (i) an allonge to the related Mortgage Note, (ii) an assignment of the related Mortgage, (iii) an assignment of the related assignment of leases and rents, if any, (iv) an omnibus or general assignment of all of the Originator's interest in such Whole Loan including, without limitation, the related Mortgage Loan Documents and (v) UCC-3 financing statement(s) assigning each UCC-1 financing statement filed or recorded in connection with such Whole Loan;

(b) in the case of a Senior Interest consisting of a Participation Interest, (i) an assignment of, or endorsement to, the related Participation Certificate and (ii) an assignment and assumption agreement that assigns all of the Originator's interest in such Senior Interest including, without limitation, the related Senior Interest Documents;

(c) in the case of a Senior Interest consisting of a Senior Interest Note, (i) an allonge to such Senior Interest Note and (ii) an assignment and assumption agreement that assigns all of the Originator's interest in such Senior Interest including, without limitation, the related Senior Interest Documents; and

(d) in the case of a Mezzanine Loan, (i) an allonge to the related Mezzanine Note, (ii) an omnibus or general assignment of all of the Originator's interest in such Mezzanine Loan including, without limitation, the related Mezzanine Loan Documents, (iii) an assignment of the related stock power covering each certificate representing the related Equity Interests and (iv) UCC-3 financing statement(s) assigning each UCC-1 filed or recorded in connection with such Mezzanine Loan.

"Internal Control Event": Fraud that involves management or other employees who have a significant role in the internal controls of any Seller Party or any Affiliate of any Seller Party over financial reporting, in each case that is alleged by a Governmental Authority or any current or former director, officer, attorney or accountant of any Seller Party or any Affiliate

of any Seller Party which results in an investigation or other legal proceeding or process by a Governmental Authority.

“Investment”: With respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, whether by means of (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, guaranty or credit enhancement of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person. Any binding commitment or option exercisable without the consent of such Person which would obligate such Person to make an Investment in any other Person shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in this Agreement, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Investment Company Act”: The Investment Company Act of 1940, as amended, restated or modified from time to time, including all rules and regulations promulgated thereunder.

“Irrevocable Redirection Notice”: With respect to each Purchased Asset, a notice in the form attached hereto as Exhibit G, to be signed by Seller or by Servicer on Seller’s behalf, which notice may be delivered to the applicable Underlying Obligor after the occurrence and during the continuance of an Event of Default in accordance with this Agreement.

“IRS”: The United States Internal Revenue Service.

“ISDA Definitions”: The 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

“Knowledge”: With respect to any Person, means collectively (i) the Actual Knowledge of such Person, (ii) notice of any fact, event, condition or circumstance that would cause a reasonably prudent Person to conduct an inquiry that would give such Person Actual Knowledge, whether or not such Person actually undertook such an inquiry, and (iii) all knowledge that is imputed to a Person under any statute, rule, regulation, ordinance, or official decree or order.

“LIBOR”: The rate of interest per annum determined by Buyer on the basis of the rate for deposits in Dollars for delivery on the first (1st) day of each Pricing Period, for a one-month period commencing on (and including) the first day of such Pricing Period and ending on (but excluding) the same corresponding date in the following month, as reported on Reuters Screen Libor01 Page (or any successor page) at approximately 11:00 a.m., London time, on the Pricing Rate Determination Date (or if not so reported, then as determined by Buyer from another recognized source or interbank quotation); provided, that in no event shall LIBOR be

less than the Floor. Each calculation by Buyer of LIBOR shall be conclusive and binding for all purposes, absent manifest error.

“LIBOR Based Pricing Rate Determination Date”: (a) In the case of the first Pricing Period for any Purchased Asset, the related Purchase Date for such Purchased Asset, and (b) in the case of each subsequent Pricing Period, the date that is two (2) Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and communicated to Seller. The failure to communicate shall not impair Buyer’s decision to reset the Pricing Rate on any date.

“LIBOR Based Transaction”: Subject to Section 12.01(a), any Transaction (A) for which the related Purchase Date occurred prior to the Amendment Effective Date (and with respect to which Buyer and Seller have not entered into a Confirmation or an amended and restated Confirmation ~~following the Amendment Effective Date~~ expressly ~~re-designating~~designating such Transaction as a “SOFR Based Transaction”) or (B) that is expressly designated as a “LIBOR Based Transaction” in the related Confirmation therefor; provided that, for the avoidance of doubt, from and after the Rate Conversion Effective Date, all Transactions under this Agreement shall be SOFR Based Transactions for all purposes of this Agreement and the Repurchase Documents, and no Transactions hereunder shall be LIBOR Based Transactions.

~~“LIBOR Reference Time”: Means, with respect to any Pricing Period, 11:00 a.m. (London time) on the LIBOR Based Pricing Rate Determination Date applicable thereto.~~

“Lien”: Any mortgage, statutory or other lien, pledge, charge, right, claim, adverse claim, attachment, levy, hypothecation, assignment, deposit arrangement, security interest, UCC financing statement or encumbrance of any kind on or otherwise relating to any Person’s assets or properties in favor of any other Person or any preference, priority or other security agreement or preferential arrangement of any kind.

“Manager”: Claros REIT Management LP, a Delaware limited partnership, together with its successors and assigns.

“Mandatory Early Repurchase Event”: With respect to any Purchased Asset, the determination by Buyer that any of the following events or any similar occurrence or condition has occurred:

(a) such Purchased Asset fails to satisfy any of the requirements set forth in the definition of “Eligible Asset”;

(b) all documents required to be delivered to Custodian under the Custodial Agreement with respect to such Purchased Asset have not been so delivered on a timely basis;

(c) such Purchased Asset is a Mezzanine Loan and the related Whole Loan is not a Purchased Asset;

(d) a partial or complete repurchase of such Purchased Asset is required to cure a Default, Event of Default or breach of a Sub-Limit, as determined by Buyer in its sole discretion; or

(e)any “Mandatory Early Repurchase Event” identified in the Confirmation for such Purchased Asset.

“Margin Call”: Defined in Section 4.01(a).

“Margin Deficit”: Defined in Section 4.01(a).

“Margin Excess”: For any Purchased Asset, as of any date of determination, the amount by which (a) the Asset Value exceeds (b) the outstanding Purchase Price of such Purchased Asset.

“Market Disruption Event”: Any event or events that, as determined by Buyer, results in (a) the effective absence of a “repo market” or related “lending market” for purchasing (subject to repurchase) or financing debt obligations secured by commercial mortgage loans or securities, (b) Buyer’s not being able to finance Purchased Assets through the “repo market” or “lending market” with traditional counterparties at rates that would have been reasonable prior to the occurrence of such event or events, (c) the effective absence of a “securities market” for securities backed by Purchased Assets, or (d) Buyer’s not being able to sell securities backed by Purchased Assets at prices that would have been reasonable prior to the occurrence of such event or events.

“Market Value”: For any Purchased Asset as of any date, the lower of the Current Mark-to-Market Value and the Book Value for such Purchased Asset as determined by Buyer; provided that, notwithstanding any other provision of this Agreement, the Market Value of a Purchased Asset shall not exceed the Market Value assigned to such Purchased Asset as of the Purchase Date.

“Material Adverse Effect”: Any event, development or circumstance that has a material adverse effect on or material adverse change in or to (a) the property, assets, business, liabilities (actual or contingent), operations, financial condition, credit quality or prospects of any Seller Party, (b) the ability of Seller to pay and perform any of its duties, obligations or agreements under the Repurchase Obligations, (c) the validity, legality, binding effect or enforceability of any Repurchase Document, Purchased Asset Document with respect to any Purchased Asset, Purchased Asset or security interest granted hereunder or thereunder, (d) the rights and remedies of Buyer or any Indemnified Person under any Repurchase Document, Purchased Asset Document or Purchased Asset, (e) the Market Value, rating (if applicable) or liquidity of the Purchased Assets, as determined by Buyer, or (f) the perfection or priority of any Lien granted under any Repurchase Document or Purchased Asset Document with respect to any Purchased Asset.

“Material Impairment Threshold”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Material Modification”: (i) Any extension (except to the extent granted to the Mortgagor under the Purchased Asset Documents as a matter of right for which there is no lender discretion other than the determination whether the conditions precedent to the exercise of such right by the related Underlying Obligor have been satisfied), amendment, waiver, termination, rescission, cancellation, release, subordination, or other material modification to the terms of, or any collateral, guaranty or indemnity for, any Purchased Asset or Purchased Asset Document (including, without limitation, any provision related to the amount or timing of any scheduled payment of interest or principal, the validity, perfection or priority of any security interest, or the release of any collateral or obligor), (ii) any sale, transfer, disposition, or any similar action with respect to any collateral for any Purchased Asset (except to the extent required under the Purchased Asset Documents for which there is no lender discretion other than the determination whether the conditions precedent to the exercise of such right by the related Underlying Obligor have been satisfied), or (iii) the foreclosure, acceptance of a deed in lieu, or exercise of any material right or remedy by the holder of any Purchased Asset or Purchased Asset Document; provided, that, in each case, with respect to any Senior Interest, in addition to the foregoing, any Material Modification with respect to an underlying Whole Loan related to such Senior Interest shall be deemed to be a Material Modification with respect to such Senior Interest for all purposes of this Agreement.

“Materials of Environmental Concern”: Any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated under any Environmental Law.

“Maturity Date”: The earliest to occur of (a) September 29, 2023, as such date may be extended pursuant to Section 3.06(a), (b) any Accelerated Repurchase Date, (c) any date on which the Maturity Date shall otherwise occur in accordance with the provisions hereof or Requirements of Law and (d) the date that is six (6) months prior to the date on which the Guarantor’s existence is scheduled to expire in accordance with its Governing Documents.

“Maximum Amount”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Maximum Applicable Percentage”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Maximum Purchased Asset PPV Requirement”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Minimum Purchased Asset Debt Yield Requirement”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Mezzanine Loan”: A performing mezzanine loan secured by pledges of 100% of the Equity Interests of the Mortgagor or an Affiliate of the Mortgagor under the related Whole Loan.

“Mezzanine Loan Documents”: With respect to any Purchased Asset that is a Mezzanine Loan, the Mezzanine Note, those documents executed in connection with, evidencing

or governing such Mezzanine Loan and the Mortgage Loan Documents for the related Whole Loan including, without limitation, those documents which are required to be delivered to Custodian under the Custodial Agreement (which documents so required to be delivered to Custodian shall only be required to include, for the avoidance of doubt, copies of the Mortgage Loan Documents for the related Whole Loan).

“Mezzanine Note”: The original executed promissory note or other tangible evidence of Mezzanine Loan indebtedness.

“Mezzanine Related Mortgage Asset”: An Eligible Asset or a Purchased Asset for which one or more related Mezzanine Loans exist and with respect to which the principal balance of such Mezzanine Loan(s) remains outstanding.

“Moody’s”: Moody’s Investors Service, Inc. or, if Moody’s Investors Service, Inc. is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

“Mortgage”: Any mortgage, deed of trust, assignment of rents, security agreement and fixture filing, or other instruments creating and evidencing a lien on real property and other property and rights incidental thereto.

“Mortgage Asset File”: The meaning specified in the Custodial Agreement.

“Mortgage Loan Documents”: With respect to any Whole Loan, those documents executed in connection with and/or evidencing or governing such Whole Loan, including, without limitation those that are required to be delivered to Custodian under the Custodial Agreement.

“Mortgage Note”: The original executed promissory note or other evidence of the indebtedness of a Mortgagor with respect to a commercial mortgage loan.

“Mortgaged Property”: (I) In the case of a Whole Loan or a Senior Interest, the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral directly or indirectly securing repayment of the debt evidenced by (a) a Mortgage Note (in the case of a Whole Loan) or (b) the Mortgage Note evidencing an interest in the Whole Loan to which such Senior Interest relates (in the case of a Senior Interest), in each case securing such Whole Loan and (II) in the case of a Mezzanine Loan, the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral owned by the Person whose Equity Interest is pledged as collateral security for such Mezzanine Loan.

“Mortgagee”: The record holder of a Mortgage Note secured by a Mortgage.

“Mortgagor”: The obligor on a Mortgage Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder.

ERISA.

“Multiemployer Plan”: A multiemployer plan as defined in Section 4001(a)(3) of

“Net Cash Flow”: With respect to any Purchased Asset and for any period, the

net cash flow of such Purchased Asset for such period as underwritten by Buyer.

“Non-Recourse Indebtedness”: With respect to any Person and any date, indebtedness of such Person as of such date for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, Insolvency Events, non-approved transfers or other events) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

“Off-Balance Sheet Obligations”: With respect to any Person and any date, to the extent not included as a liability on the balance sheet of such Person, all of the following with respect to such Person (determined on a consolidated basis) as of such date: (a) monetary obligations under any financing lease or so-called “synthetic,” tax retention or off-balance sheet lease transaction that, upon the application of any Insolvency Laws, would be characterized as indebtedness, (b) monetary obligations under any sale and leaseback transaction that does not create a liability on the balance sheet of such Person, or (c) any other monetary obligation arising with respect to any other transaction that (i) is characterized as indebtedness for tax purposes but not for accounting purposes, or (ii) is the functional equivalent of or takes the place of borrowing but that does not constitute a liability on the balance sheet of such Person (for purposes of this clause (c), any transaction structured to provide Tax deductibility as Interest Expense of any dividend, coupon or other periodic payment will be deemed to be the functional equivalent of a borrowing).

“Originator”: With respect to each Purchased Asset, the Person who originated or issued, as applicable, such Purchased Asset.

“Other Connection Taxes”: With respect to Buyer, Taxes imposed as a result of a present or former connection between Buyer and the jurisdiction imposing such Taxes (other than a connection arising from Buyer having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Repurchase Document, or sold or assigned an interest in any Transaction or Repurchase Document).

“Other Permitted Withdrawals”: Any withdrawal by Seller of amounts on deposit in the Hedge Account to the extent such amounts are related to an Interest Rate Protection Agreement that was either (x) entered into with respect to an Asset that is (i) no longer a Hedge Required Asset, or (ii) has been priced for securitization or (y) terminated, either voluntarily or as a result of an event of default or termination event with respect to the Hedge Counterparty; provided, however, any amounts withdrawn in connection with (y) hereof shall be limited to only such amounts as are required to be paid by Seller in order to acquire a replacement Interest Rate Protection Agreement for any such terminated agreement.

“Other Taxes”: Any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under any

Repurchase Document or from the execution, delivery, performance, or enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Repurchase Document, except, in each case, any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“Participant”: Defined in Section 18.08(b).

“Participant Register”: Defined in Section 18.08(g).

“Participation Certificate”: With respect to any Participation Interest, the definitive certificate evidencing the interest of the holder of such certificate in the related Whole Loan.

“Participation Interest”: A participation interest in a performing Whole Loan that meets each of the following criteria at all times: (i) represents the controlling interest in such Whole Loan and vests the holder thereof with the ability to control and make all material decisions with respect to such Whole Loan, (ii) is senior or *pari passu* in priority to other economic interests in such Whole Loan, (iii) is evidenced by a Participation Certificate, (iv) represents an undivided participation interest in part of the underlying Whole Loan and its proceeds, (v) represents a pass-through of a portion of the payments made on the underlying Whole Loan which lasts for the same length of time as such Whole Loan and (vi) as to which there is no guaranty of payments to the holder of the related Participation Certificate or other form of credit support for such payments.

“PATRIOT Act”: The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, modified or replaced from time to time.

“Permitted Withdrawals”: Any withdrawal by Seller of amounts on deposit in the Hedge Account, but only to the extent that (i) no Default or Event of Default has occurred and is continuing, (ii) such amounts relate to an Interest Rate Protection Agreement entered into with respect to an Asset that is a Purchased Asset and (iii) such amounts (a) relate to regularly scheduled payments due to a Hedge Counterparty pursuant to Seller’s obligations under an Interest Rate Protection Agreement, or (b) are required to be delivered to a Hedge Counterparty in satisfaction of Seller’s collateral or margin posting requirements under an Interest Rate Protection Agreement.

“Person”: An individual, corporation, limited liability company, business trust, partnership, trust, unincorporated organization, joint stock company, sole proprietorship, joint venture, Governmental Authority or any other form of entity.

“Plan”: An employee benefit or other plan established or maintained by any Seller Party or any ERISA Affiliate or to which any Seller Party or any ERISA Affiliate makes, is obligated to make or has been required to make contributions and that is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code, other than a Multiemployer Plan.

“Plan Asset Regulations”: The regulation of the United States Department of Labor at 29 C.F.R. § 2510.3-101 (as modified by Section 3(42) of ERISA).

“Plan Assets”: Defined in Section 7.08(b).

“Pledge Agreement”: The Pledge Agreement, dated as of the date hereof, between Buyer and Pledgor, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

“Pledged Collateral”: Defined in the Pledge Agreement.

“Pledgor”: CMTG WF Finance Holdco LLC, a Delaware limited liability company, together with its successors and permitted assigns.

“Power of Attorney”: Defined in Section 18.19.

“PPV”:

(a) With respect to any Purchased Asset that is a Whole Loan, as of any date of determination, the ratio (expressed as a percentage) of (x) the approved maximum Purchase Price of such Purchased Asset to (y) the value of the Mortgaged Property securing such Whole Loan, as determined by Buyer in its sole discretion; and

(b) with respect to any Purchased Asset that is a Senior Interest, as of any date of determination, the ratio (expressed as a percentage) of (x) the approved maximum Purchase Price of such Purchased Asset to (y) the product of (i) the Fractional Interest Percentage with respect to such Purchased Asset and (ii) the value of the Mortgaged Property securing the related Whole Loan, as determined by Buyer in its sole discretion.

“Price Differential”: For any Pricing Period or portion thereof and (a) for any Transaction outstanding, the sum of the products, for each day during such Pricing Period or portion thereof, of (i) 1/360th of the Pricing Rate in effect for each Purchased Asset subject to such Transaction during such Pricing Period, times (ii) the outstanding Purchase Price for such Purchased Asset on each such day, or (b) for all Transactions outstanding, the sum of the amounts calculated in accordance with the preceding clause (a) for all Transactions.

“Pricing Margin”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Pricing Period”: For any Purchased Asset, (a) in the case of the first Remittance Date for such Purchased Asset, the period from the Purchase Date for such Purchased Asset to but excluding such Remittance Date, and (b) in the case of any subsequent Remittance Date, the one-month period commencing on and including the prior Remittance Date and ending on but excluding such Remittance Date; provided, that no Pricing Period for a Purchased Asset shall end after the Repurchase Date for such Purchased Asset to the extent such Purchased Asset is actually repurchased on such Repurchase Date.

“Pricing Rate”: For any Pricing Period and any Transaction, ~~the applicable Benchmark~~ (a) in the case of any LIBOR Based Transaction, LIBOR and (b) in the case of any SOFR Based Transaction, the Applicable SOFR for such Transaction, in each case, for such

Pricing Period plus the applicable Pricing Margin for such date; provided, that, in each case, while an Event of Default is continuing, the Pricing Rate shall be the Default Rate.

“Pricing Rate Determination Date”: (A) With respect to any LIBOR Based Transaction, subject to Section 12.01(a), the LIBOR Based Pricing Rate Determination Date and
(B) with respect to any SOFR Based Transaction, the SOFR Based Pricing Rate Determination Date.

“Principal Payments”: For any Purchased Asset, all payments and prepayments of principal received for such Purchased Asset, including insurance and condemnation proceeds which are permitted by the terms of the Purchased Asset Documents to be applied to principal and are, in fact, so applied and recoveries of principal from liquidation or foreclosure which are permitted by the terms of the Purchased Asset Documents to be applied to principal and are, in fact, so applied.

“Prohibited Transferee”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Proposed Representation Exception”: With respect to each Purchased Asset, any representation or warranty (or portion thereof) set forth in this Agreement (including in Schedule 1) that is not satisfied with respect to such Purchased Asset, as set forth in the written list prepared by Seller and delivered to Buyer in connection with the related Transaction.

“Purchase Agreement”: Any purchase agreement between Seller and any Transferor pursuant to which Seller purchased or acquired an Asset which is subsequently sold to Buyer hereunder.

“Purchase Date”: For any Purchased Asset, the date on which such Purchased Asset is purchased by Buyer from Seller in connection with a Transaction as set forth in the related Confirmation.

“Purchase Price”: For any Purchased Asset, (a) as of the Purchase Date and, as initially set forth in the related Confirmation for such Purchased Asset, as such Confirmation may be updated by Buyer and Seller from time to time, an amount equal to the Asset Value of such Purchased Asset, and (b) as of any other date, the amount described in the preceding clause (a), (i) increased by any Future Funding Amounts disbursed by Buyer to Seller or the related borrower with respect to such Purchased Asset, (ii) reduced by any amount of Margin Deficit transferred by Seller to Buyer pursuant to Section 4.01 and applied to the Purchase Price of such Purchased Asset, (iii) reduced by any Principal Payments remitted to the Waterfall Account and which were applied to the Purchase Price of such Purchased Asset by Buyer pursuant to clause *fifth* of Section 5.02, (iv) reduced by any payments made by Seller in reduction of the outstanding Purchase Price and (v) increased by any Additional Advances transferred to Seller by Buyer pursuant to Section 3.11, in each case on such date of determination with respect to such Purchased Asset.

“Purchased Asset Documents”: Individually or collectively, as the context may require, the related Mortgage Loan Documents, Mezzanine Loan Documents and/or the related Senior Interest Documents.

“Purchased Assets”: (a) For any Transaction, each Asset sold by Seller to Buyer in such Transaction, and (b) for the Transactions in general, all Assets sold by Seller to Buyer, in each case including, to the extent relating to such Asset or Assets, all of Seller’s right, title and interest in and to (i) Purchased Asset Documents, (ii) Servicing Rights, (iii) Servicing Files, (iv) mortgage guaranties and insurance (issued by Governmental Authorities or otherwise) and claims, payments and proceeds thereunder, (v) insurance policies, certificates of insurance and claims, payments and proceeds thereunder, (vi) the principal balance of such Assets, not just the amount advanced, (vii) amounts and property from time to time on deposit in the Waterfall Account or the Servicer Account, together with the both Waterfall Account and the Servicer Account themselves, (viii) collection, escrow, reserve, collateral or lock-box accounts and all amounts and property from time to time on deposit therein, to the extent of Seller’s or the holder’s interest therein, (ix) Income, (x) security interests of Seller in Derivatives Contracts entered into by Underlying Obligors, (xi) rights of Seller under any letter of credit, guarantee, warranty, indemnity or other credit support or enhancement, (xii) [reserved], (xiii) all of the Pledged Collateral, (xiv) all supporting obligations of any kind, and (xv) all proceeds related to the sale, securitization or other disposition thereof; provided, that (A) Purchased Assets shall not include any obligations of Seller or any Retained Interests, and (B) for purposes of the grant of security interest by Seller to Buyer set forth in Section 11.01, together with the other provisions of Article 11, Purchased Assets shall include all of the following: general intangibles, accounts, chattel paper, deposit accounts, securities accounts, instruments, securities, financial assets, uncertificated securities, security entitlements and investment property (as such terms are defined in the UCC) and replacements, substitutions, conversions, distributions or proceeds relating to or constituting any of the items described in the preceding clauses (i) through (xv).

“Rate Conversion”: Defined in Section 12.01(a).

“Rate Conversion Effective Date”: Defined in Section 12.01(a).

“Rating Agency” or **“Rating Agencies”:** Each of Fitch, Moody’s and S&P.

“Reference Time”: ~~With respect to any setting of the then-current Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), (a) if such Benchmark is the SOFR Average or Term SOFR, with respect to any setting thereof, then two (2) U.S. Government Securities Business Days prior to such date and (b) if such Benchmark is not the SOFR Average or Term SOFR, then the time determined by Buyer in accordance with the Benchmark Replacement Conforming Changes.~~

“Register”: Defined in Section 18.08(f).

“REIT”: A Person satisfying the conditions and limitations set forth in Section 856(b), Section 856(c), and Section 857(a) of the Code and qualifying as a real estate investment trust, as defined in Section 856(a) of the Code.

“Release”: Any generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of any property

or Mortgaged Property in violation of, or that would incur liability pursuant to, Environmental Law.

“Release Amount”: With respect to any Purchased Asset, an amount equal to the lesser of (i) the Release Percentage *multiplied by* the outstanding Purchase Price of the related Purchased Asset and (ii) the Aggregate Amount Outstanding.

“Release Percentage”: Defined in the Fee Letter, which definition is incorporated herein by reference.

“Relevant Governmental Body”: The Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the Federal Reserve Bank of New York, or any successor thereto.

“Remedial Work”: Any investigation, inspection, site monitoring, containment, clean-up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release or threatened Release in, about or to the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of any property or Mortgaged Property of any Materials of Environmental Concern, including any action to comply with any applicable Environmental Laws or directives of any Governmental Authority with regard to any Environmental Laws.

“REMIC”: A REMIC, as that term is used in the REMIC Provisions.

“REMIC Provisions”: Sections 860A through 860G of the Code.

“Remittance Date”: The fifteenth (15th) day of each month (or if such day is not a Business Day, the next following Business Day), or such other day as is mutually agreed to by Seller and Buyer.

“REOC”: A Real Estate Operating Company within the meaning of Regulation Section 2510.3-101(e) of the Plan Asset Regulations.

“Representation Breach”: Any representation, warranty, certification, statement or affirmation made or deemed made by any Seller Party in any Repurchase Document (including in Schedule 1) or in any certificate, notice, report or other document delivered pursuant to any Repurchase Document, that proves to be incorrect, false or misleading in any material respect when made or deemed made, in each case, as determined without regard to any Knowledge or lack of Knowledge thereof by such Person; provided that no representation or warranty with respect to which a related Approved Representation Exception exists shall constitute a Representation Breach.

“Repurchase Date”: For any Purchased Asset, the earliest to occur of (a) the Maturity Date, without giving effect to any unexercised extensions thereof, (b) any Early Repurchase Date therefor, (c) the Business Day on which Seller is to repurchase such Purchased Asset as specified by Seller and agreed to by Buyer in the related Confirmation, and (d) the date

that is two (2) Business Days prior to the maturity date (under the related Purchased Asset Documents with respect to such Purchased Asset including, with respect to each Senior Interest that is a participation, the related Whole Loan) for such Purchased Asset, without giving effect to any extension of such maturity date, whether by modification, waiver, forbearance or otherwise (other than extensions at the Underlying Obligor's option and which do not require consent of the lender(s) thereunder pursuant to the terms of the Purchased Asset Documents with respect to such Purchased Asset) other than extensions that have been approved by Buyer in writing in its sole discretion without giving effect to any amendments other than those which have been similarly approved by Buyer in writing in its sole discretion; provided that, solely with respect to this clause (d), the settlement date with respect to such Repurchase Date and Purchased Asset may occur two (2) Business Days thereafter as provided in Section 3.05).

"Repurchase Documents": Collectively, this Agreement, the Custodial Agreement, the Fee Letter, the Controlled Account Agreement, the Servicing Agreement and any related sub-servicing agreements, the Pledge Agreement, each Residual Pledge Agreement, the Guarantee Agreement, all Account Control Agreements, the Power of Attorney, all Confirmations, all UCC financing statements, amendments and continuation statements filed pursuant to any other Repurchase Document, and all additional documents, certificates, agreements or instruments, the execution of which is required, necessary or incidental to or desirable for performing or carrying out any other Repurchase Document.

"Repurchase Obligations": All obligations of Seller to pay the Repurchase Price on the Repurchase Date and all other obligations and liabilities of Seller to Buyer arising under or in connection with the Repurchase Documents, whether now existing or hereafter arising, and, without duplication, all interest and fees that accrue after the commencement by or against any Seller Party of any Insolvency Proceeding naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding (in each case, whether due or accrued).

"Repurchase Price": For any Purchased Asset as of any date, an amount equal to the sum of (a) the outstanding Purchase Price as of such date, (b) the accrued and unpaid Price Differential for such Purchased Asset as of such date, (c) any accrued and unpaid fees and expenses and accrued and unpaid indemnity amounts, default interest and breakage costs owed by Seller to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise, (d) unless, simultaneously with such repurchase, all other amounts otherwise due and payable under this Agreement are being repaid in full in connection with the termination of this Agreement, any Release Amounts payable in connection with such Purchased Asset, (e) any applicable Exit Fee, then-currently due in connection with the related Purchased Asset, and (f) all other amounts due and payable as of such date by Seller to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise.

"Requirements of Law": With respect to any Person or property or assets of such Person and as of any date, all of the following applicable thereto as of such date: all Governing Documents and all laws as in effect on such date (whether or not in effect on the Closing Date), statutes, rules, regulations, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including Environmental Laws, ERISA, Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions, regulations of the Board of

Governors of the Federal Reserve System, and laws, rules and regulations relating to usury, licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other Governmental Authority.

“Residual Pledge Agreement”: Defined in Section 7.11.

“Responsible Officer”: With respect to any Person, the chief executive officer, the chief financial officer, the chief accounting officer, the treasurer or the chief operating officer of such Person or such other officer designated as an authorized signatory pursuant to such Person’s Governing Documents.

“Retained Interest”: (a) With respect to any Purchased Asset, (i) all duties, obligations and liabilities of Seller thereunder, including payment and indemnity obligations, (ii) all obligations of agents, trustees, servicers, administrators or other Persons under the documentation evidencing such Purchased Asset, and (iii) if any portion of the Indebtedness related to such Purchased Asset is owned by another lender or is being retained by Seller, the interests, rights and obligations under such documentation to the extent they relate to such portion, and (b) with respect to any Purchased Asset with an unfunded commitment on the part of Seller, all obligations to provide additional funding, contributions, payments or credits.

“Revolving Period”: The period from the Closing Date to but excluding the Revolving Period Expiration Date.

“Revolving Period Expiration Date”: The earlier of (I) the Maturity Date and (II) (x) if the Revolving Period Extension has not been granted by Buyer, the second anniversary of the Closing Date or (y) if the Revolving Period Extension has been granted by Buyer, the third anniversary of the Closing Date.

“Revolving Period Extension”: The meaning specified in Section 3.06(c).

“S&P”: Standard and Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. or, if Standard & Poor’s Ratings Services is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

“Sanction” or “Sanctions”: Individually and collectively, any and all economic or financial sanctions, trade embargoes and anti-terrorism laws imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Treasury Department’s Office of Foreign Assets Control (OFAC), the U.S. State Department, the U.S. Department of Commerce, or through any existing or future Executive Order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, or (e) any other Governmental Authorities with jurisdiction over any Seller Party or any of their Affiliates.

“Sanctioned Target”: Any Person, group, sector, territory, or country that is the target of any Sanctions, including without limitation any legal entity that is deemed to be the target of any Sanctions based upon the direct or indirect ownership or control of such entity by any other Sanctioned Target(s).

~~“Second Amendment Effective Date”: March 7, 2022.~~

“Seller”: The Seller named in the preamble of this Agreement, together with its successors and assigns as permitted in accordance with the terms of this Agreement.

“Seller Party”: Each of Seller, Pledgor and Guarantor.

“Senior Interest”: Either a (a) Participation Interest or (b) senior or *pari passu* “A” note in an “A/B”, “A-1/A-2” or similar structure in a performing Whole Loan.

“Senior Interest Documents”: For any Senior Interest, (i) the Senior Interest Note or Participation Certificate, as applicable, (ii) any co-lender agreements, participation agreements and/or other intercreditor agreements or other documents governing or otherwise relating to such Senior Interest including, without limitation, those documents which are required to be delivered to Custodian under the Custodial Agreement and (iii) the original related Mortgage Loan Documents (or copies of such related Mortgage Loan Documents in the event the holder of such Senior Interest is not identified as the “agent” or otherwise entitled to possession of the original related Mortgage Loan Documents pursuant to the related co-lender agreement, participation agreement and/or other intercreditor agreement).

“Senior Interest Note”: The original executed promissory note evidencing the related Senior Interest.

“Servicer”: For each Purchased Asset, as determined in accordance with Article 17, either (a) Wells Fargo Bank, National Association, or its designee or, (b) Trimont Real Estate Advisors, LLC, (c) KeyBank National Association or (d) a servicer acceptable to Buyer, servicing such Purchased Asset under a Servicing Agreement.

“Servicer Account”: The segregated, non-interest bearing account, created and maintained at Deposit Account Bank pursuant to the Servicing Agreement, which shall be in Servicer’s name on behalf of Buyer pursuant to the Servicing Agreement and/or the related Servicer Notice.

“Servicer Event of Default”: With respect to a Servicer, (a) any default or event of default (however defined) under the Servicing Agreement, or (b) any failure of such Servicer to be rated by a Rating Agency as an approved servicer of commercial mortgage loans.

“Servicer Notice”: With respect to any Servicer other than Buyer or an Affiliate of Buyer, a notice in form and substance acceptable to Buyer that has been duly executed by Buyer, Seller and such Servicer.

“Servicing Agreement”: (i) That certain Amended and Restated Servicing Agreement dated as of January 25, 2017 by and among Wells Fargo Bank, National Association, in its capacity as servicer, and the “Owners” from time to time party thereto, as joined by Seller, (ii) that certain Interim Servicing Agreement dated as of June 7, 2018 by and among KeyBank National Association and the “Owners” from time to time party thereto, as joined by Seller, (iii) that certain Servicing and Asset Management Agreement dated as of May 23, 2017 by and

among Trimont Real Estate Advisors, LLC and the “Clients” from time to time party thereto, as joined by Seller, and (iv) any other agreement acceptable to Buyer that is entered into by Buyer (if applicable), Seller and a Servicer for the servicing of Purchased Assets, as each of the same may have been and may be further amended, restated, supplemented, joined or otherwise modified from time to time.

“Servicing File”: With respect to any Purchased Asset, the file retained and maintained by Seller or the related Servicer, including the originals or copies of all Purchased Asset Documents and other documents and agreements (i) relating to such Purchased Asset and/or the related Whole Loan, (ii) relating to the origination and/or servicing and administration of such Purchased Asset and/or the related Whole Loan, or (iii) that are otherwise reasonably necessary for the ongoing administration and/or servicing of such Purchased Asset and/or the related Whole Loan or for evidencing or enforcing any of the rights of the holder of such Purchased Asset or holders of interests therein, including, to the extent applicable, all servicing agreements, files, documents, records, databases, computer tapes, insurance policies and certificates, appraisals, other closing documentation, payment history and other records relating to or evidencing the servicing of such Purchased Asset, which file shall be held by Seller and/or Servicer for and on behalf of Buyer.

“Servicing Rights”: With respect to any Purchased Asset, all right, title and interest of any Seller Party or any Affiliate of any Seller Party, or any other Person, in and to any and all of the following: (a) rights to service and/or sub-service, and collect and make all decisions with respect to, the Purchased Assets and/or any related Whole Loans, (b) amounts received by such Seller Party or such Affiliate, or any other Person, for servicing and/or sub-servicing the Purchased Assets and/or any related Whole Loans, (c) late fees, penalties or similar payments as compensation with respect to the Purchased Assets and/or any related Whole Loans, (d) agreements and documents creating or evidencing any such rights to service and/or sub-service the Purchased Assets (including, without limitation, all Servicing Agreements), together with all documents, files and records relating to the servicing and/or sub-servicing of the Purchased Assets and/or any related Whole Loans, and rights of such Seller Party or such Affiliate, or any other Person thereunder, (e) escrow, reserve and similar amounts with respect to the Purchased Assets and/or any related Whole Loans, (f) rights to appoint, designate and retain any other servicers, sub-servicers, special servicers, agents, custodians, trustees and liquidators with respect to the Purchased Assets and/or any related Whole Loans, and (g) accounts and other rights to payment related to the Purchased Assets and/or any related Whole Loans.

“Single Purpose Entity”: A corporation, limited partnership or limited liability company that, since the date of its formation (unless otherwise indicated in this Agreement) and at all times on and after the date hereof, has complied with and shall at all times comply with the provisions of Article 9.

“SOFR”: A rate ~~per annum~~ equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Adjustment”: 0.11448% per annum.

“SOFR Administrator”: The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website”: The website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Average”: For any Pricing Period, the rate per annum determined by Buyer as the compounded average of SOFR over a rolling calendar day period of thirty (30) days (“30-Day SOFR Average”); for the ~~SOFR Based~~applicable Pricing Rate Determination Date as such rate is published ~~by the SOFR Administrator~~ on the SOFR Administrator’s Website; provided, however, that (i) if as of 5:00 p.m. (New York City time) on any ~~SOFR Based~~ Pricing Rate Determination Date, such 30-Day SOFR Average has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to SOFR Average has not occurred, then SOFR Average will be the 30-Day SOFR Average as published on the SOFR Administrator’s Website for the first preceding U.S. Government Securities Business Day for which such 30-Day SOFR Average was published on the SOFR Administrator’s Website so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ~~SOFR Based~~ Pricing Rate Determination Date and (ii) if the calculation of SOFR Average as determined as provided above (including pursuant to clause (i) of this proviso) results in a SOFR Average rate of less than the Floor, SOFR Average shall be deemed to be the Floor for all purposes of this Agreement and the other Repurchase Documents. Each calculation by Buyer of SOFR Average shall be conclusive and binding for all purposes, absent manifest error.

“SOFR Based Pricing Rate Determination Date”: (a) In the case of the first Pricing Period for any Purchased Asset, ~~two (2) U.S. Government Securities Business Days prior to~~ the related Purchase Date for such Purchased Asset, and (b) in the case of each subsequent Pricing Period, the date that is two (2) U.S. Government Securities Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and communicated to Seller. The failure to communicate shall not impair Buyer’s decision to reset the Pricing Rate on any date.

“SOFR Based Transaction”: Any Transaction that is not a LIBOR Based Transaction.

“Solvent”: With respect to any Person at any time, having a state of affairs such that all of the following conditions are met at such time: (a) the fair value of the assets and property of such Person is greater than the amount of such Person’s liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code, (b) the present fair salable value of the assets and property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its assets and property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business, (d) such Person does not intend to,

and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's assets and property would constitute unreasonably small capital.

"Sub-Limit": Defined in the Fee Letter, which definition is incorporated herein by reference.

"Subsidiary": With respect to any Person, any corporation, partnership, limited liability company or other entity (heretofore, now or hereafter established) of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or Controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

"Supplemental Escrow Letter": With respect to a Wet Mortgage Asset, an instruction letter delivered to the applicable title insurance company or other approved settlement agent which is in form and substance acceptable to Buyer in its sole discretion.

"Taxes": All present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Sheet": The letter and/or summary of terms and conditions dated June 4, 2021.

"Term SOFR": For any calculation with respect to a SOFR Based Transaction for which Term SOFR is the Applicable SOFR, the Term SOFR Reference Rate for a tenor ~~comparable to the related Pricing Period on the day (such day, for purposes of this definition, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Pricing Period~~ of one month on the applicable Pricing Rate Determination Date, as such rate is published by the Term SOFR Administrator; provided, however, that (i) if as of 5:00 p.m. (New York City time) on any ~~Periodic Term SOFR Pricing Rate Determination Day~~ the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ~~Periodic Pricing Rate Determination Date and (ii) if the calculation of~~ Term SOFR Determination Day; provided, further, that if Term SOFRs determined as provided above ~~shall ever be (including pursuant to clause (i) of this proviso)~~ results in a Term

SOFR rate of less than the Floor, ~~then~~ Term SOFR shall be deemed to be the Floor for all purposes of this Agreement and the other Repurchase Documents.

“Term SOFR Administrator”: CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Buyer in its reasonable discretion).

“Term SOFR Reference Rate”: The forward-looking term rate based on SOFR.

“Transaction”: With respect to any Asset, the sale and transfer of such Asset from Seller to Buyer pursuant to the Repurchase Documents against the transfer of funds from Buyer to Seller representing the Purchase Price or any additional Purchase Price for such Asset.

“Transferor”: The seller of an Asset under a Purchase Agreement.

“Type”: With respect to a Mortgaged Property underlying any Purchased Asset, such Mortgaged Property’s classification as one of the following, as designated by Buyer in its sole discretion on the related Confirmation: multifamily, retail, office, industrial, hospitality, student housing, medical office product, self-storage or nursing home.

“UCC”: The Uniform Commercial Code as in effect in the State of New York; provided, that, if, by reason of Requirements of Law, the perfection, effect on perfection or non-perfection or priority of the security interest in any Purchased Asset is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, then “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority.

“Unadjusted Benchmark Replacement”: The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Underlying Obligor”: Individually and collectively, as the context may require, (a) in the case of a Purchased Asset that is a Whole Loan, the Mortgagor and each obligor and guarantor under such Purchased Asset, including (i) any Person who has not signed the related Mortgage Note but owns an interest in the related Mortgaged Property, which interest has been encumbered to secure such Purchased Asset, and (ii) any other Person who has assumed or guaranteed the obligations of such Mortgagor under the Purchased Asset Documents relating to such Purchased Asset, (b) in the case of a Purchased Asset that is a Senior Interest, the Mortgagor and each obligor and any other Person who has assumed or guaranteed the related Whole Loan, and (c) in the case of any Purchased Asset that is a Mezzanine Loan, (i) all underlying obligors with respect to the related Whole Loan and the owner of the related Mortgaged Property, (ii) the borrower under the related Mezzanine Loan, and (iii) any other Person who has assumed or guaranteed the obligation of such Mezzanine Loan borrower.

“Underwriting Package”: With respect to one or more Assets, the internal document or credit committee memorandum setting forth all material information relating to an Asset which is known by Seller or prepared by Seller for its evaluation of such Asset and includes all the information required to be set forth in the relevant Confirmation. In addition, the Underwriting Package shall include all of the following, to the extent applicable and available:

(a)all Purchased Asset Documents required to be delivered to Custodian under Section 2.01 of the Custodial Agreement;

(b)an Appraisal, together with a property condition report, a Phase I environmental report and, if appropriate, a seismic report;

(c) the current occupancy report, tenant stack and rent roll;

(d) at least two (2) years of property-level financial statements;

(e) the current financial statement of the Underlying Obligor;

(f) the Mortgage Asset File;

(g)third-party reports and agreed-upon procedures, letters and reports (whether drafts or final forms), site inspection reports, market studies and other due diligence materials prepared by or on behalf of or delivered to Seller;

(h) aging of accounts receivable and accounts payable;

(i)copies of all Purchased Asset Documents not otherwise required to be delivered pursuant to clause (a) above;

(j) such further documents or information as Buyer may request;

(k)any and all agreements, documents, reports, or other information concerning the Purchased Assets (including, without limitation, all of the related Purchased Asset Documents) received or obtained in connection with the origination of the Purchased Assets;

(l)any other material documents or reports concerning the Purchased Assets prepared or executed by any Seller Party; and

(m)if the related Asset was acquired by Seller from a third party, all documents, instruments and agreements received in respect of the closing of the acquisition transaction under the related Purchase Agreement.

~~“Upsize Fee”: Defined in the Fee Letter, which definition is incorporated herein~~

~~by reference.~~

one month.

~~“Upsize Option”: Defined in Section 3.06(b).~~

“USD LIBOR”: The London interbank offered rate for U.S. dollars with a tenor of

“USD LIBOR Transition Date”: Means the earlier of (a) the date that USD

LIBOR has either (i) permanently or indefinitely ceased to be provided by the administrator of USD LIBOR; provided that, at the time of such statement or publication, there is no successor

administrator that will continue to provide an USD LIBOR or (ii) been announced by the regulatory supervisor of the administrator of USD LIBOR pursuant to public statement or publication of information to be no longer representative, (b) the Early Opt-in Effective Date and
(c) such other date as Buyer and Seller may mutually agree.

“U.S. Government Securities Business Day”: Any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association, or any successor thereto, recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Person”: Any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regime”: Each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“U.S. Tax Compliance Certificate”: Defined in Section ~~12.06~~12.07(e).

“VCOC”: A “venture capital operating company” within the meaning of Section 2510.3-101(d) of the Plan Asset Regulations.

“Waterfall Account”: A segregated non-interest bearing account established at Deposit Account Bank, in the name of Seller, pledged to Buyer and subject to a Controlled Account Agreement.

“Wet Mortgage Asset”: An Eligible Asset for which (i) the scheduled origination date of the related Whole Loan is the same as the proposed Purchase Date and (ii) a complete Mortgage Asset File has not been delivered to Custodian prior to the related Purchase Date.

“Whole Loan”: A performing commercial real estate whole loan made to the related Underlying Obligor and secured primarily by a perfected, first priority Lien in the related underlying Mortgaged Property, including, without limitation (A) with respect to any Senior Interest, the whole loan in which Seller owns a Senior Interest, and (B) with respect to any Mezzanine Loan, the whole loan made to the Mortgagor or Affiliate of such Mortgagor whose Equity Interests, directly or indirectly, secure such Mezzanine Loan.

“Withholding Agent”: Seller and Buyer.

Section 2.02 Rules of Interpretation. Headings are for convenience only and do not affect interpretation. The following rules of this Section 2.02 apply unless the context requires otherwise. The singular includes the plural and conversely. A gender includes all genders. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning. A reference to an Article, Section, Subsection, Paragraph, Subparagraph, Clause, Annex, Schedule, Appendix, Attachment, Rider or Exhibit is, unless otherwise specified, a reference to an Article, Section, Subsection, Paragraph, Subparagraph or Clause of, or Annex, Schedule, Appendix, Attachment, Rider or Exhibit to, this Agreement, all of which are hereby incorporated herein by this reference and made a part hereof. A reference to a party to this

Agreement or another agreement or document includes the party's successors, substitutes or assigns in each case, permitted by the Repurchase Documents. A reference to an agreement or document is to the agreement or document as amended, restated, modified, novated, supplemented or replaced, except to the extent prohibited by any Repurchase Document. A reference to legislation or to a provision of legislation includes a modification, codification, replacement, amendment or reenactment of it, a legislative provision substituted for it and a rule, regulation or statutory instrument issued under it. A reference to writing includes a facsimile or electronic transmission and any means of reproducing words in a tangible and permanently visible form. A reference to conduct includes an omission, statement or undertaking, whether or not in writing. A Default or Event of Default exists until it has been cured or waived in writing by Buyer. The words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, unless the context clearly requires or the language provides otherwise. The word "including" is not limiting and means "including without limitation." The word "any" is not limiting and means "any and all" unless the context clearly requires or the language provides otherwise. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including." The words "will" and "shall" have the same meaning and effect. A reference to day or days without further qualification means calendar days. A reference to any time means New York time. This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their respective terms. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed in accordance with GAAP, and all accounting determinations, financial computations and financial statements required hereunder shall be made in accordance with GAAP, without duplication of amounts, and on a consolidated basis with all Subsidiaries. All terms used in Articles 8 and 9 of the UCC, and used but not specifically defined herein, are used herein as defined in such Articles 8 and 9. A reference to "fiscal year" and "fiscal quarter" means the fiscal periods of the applicable Person referenced therein. A reference to an agreement includes a security interest, guarantee, agreement or legally enforceable arrangement whether or not in writing. A reference to a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in electronic format. Whenever a Person is required to provide any document to Buyer under the Repurchase Documents, the relevant document shall be provided in writing (including, except for Mortgage Notes, Senior Interest Notes, and any other document required to be in an original form in order to preserve, record, grant or perfect Buyer's interest therein, in the form of a PDF document attached to an email message) or printed form unless Buyer requests otherwise. At the request of Buyer, the document shall be provided in electronic format or both printed and in electronic format. The Repurchase Documents are the result of negotiations between the Parties, have been reviewed by counsel to Buyer and counsel to Seller, and are the product of both Parties. No rule of construction shall apply to disadvantage one Party on the ground that such Party proposed or was involved in the preparation of any particular provision of the Repurchase Documents or the Repurchase Documents themselves. Except where otherwise expressly stated, Buyer may give or withhold, or give conditionally, approvals and consents, and may form opinions and make determinations, in its sole and absolute discretion. Reference herein or in any other Repurchase Document to Buyer's discretion, shall mean, unless otherwise expressly stated herein or therein,

Buyer's sole and absolute discretion, and the exercise of such discretion shall be final and conclusive. In addition, whenever Buyer has a decision or right of determination, opinion or request, exercises any right given to it to agree, disagree, accept, consent, grant waivers, take action or no action or to approve or disapprove (or any similar language or terms), or any arrangement or term is to be satisfactory or acceptable to or approved by Buyer (or any similar language or terms), the decision of Buyer with respect thereto shall be in the sole and absolute discretion of Buyer, and such decision shall be final and conclusive, except as may be otherwise specifically provided herein.

Section 2.03 Rates. Price Differential on Transactions denominated in Dollars or any other currency permitted hereunder (if any) may be determined by reference to a benchmark rate that is, or may in the future become, the subject of regulatory reform or cessation. Regulators have signaled the need to use alternative reference rates for some of these benchmark rates and, as a result, such benchmark rates may cease to comply with applicable laws and regulations, may be permanently discontinued or the basis on which they are calculated may change. Buyer does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the continuation of, administration of, submission of, calculation of or any other matter related to the London interbank offered rate, any other any offered rate, the rates in any Benchmark, any component definition thereof or rates ~~referenced~~referred to in the definition thereof or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 12.01, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (ii) the effect, implementation or composition of any ~~Benchmark Replacement~~ Conforming Changes. Buyer and its ~~Affiliates~~affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto ~~and such transactions, in each case, in a manner that~~ may be adverse to Seller. Buyer may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates ~~referenced~~referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to Seller or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 3

THE TRANSACTIONS

Section 3.01 Procedures.

(a) From time to time during the Revolving Period, Seller may request that Buyer enter into a proposed Transaction by sending notice to Buyer that: (i) describes the Transaction and each proposed Asset and any related underlying Mortgaged Property and other

security therefor in reasonable detail, (ii) transmits a complete Underwriting Package for each proposed Asset, (iii) sets forth the Proposed Representation Exceptions, if any, with respect to each proposed Asset, and (iv) indicates the amount of all then-currently unfunded future funding obligations, and the portion thereof expected to be funded by Buyer under Section 3.10. Seller shall promptly deliver to Buyer any supplemental materials requested at any time by Buyer. Buyer shall conduct such review of the Underwriting Package and each such Asset as Buyer determines appropriate. Buyer shall determine whether or not it is willing to purchase any or all of the proposed Assets, and if so, on what terms and conditions. In connection with such review and determination, Buyer may also consider the *pro forma* effect that acquiring the proposed Purchased Asset would have on the concentrations of specific asset categories. It is expressly agreed and acknowledged that Buyer is entering into the Transactions on the basis of all such representations and warranties and on the completeness and accuracy of the information contained in the applicable Underwriting Package, and any incompleteness or inaccuracies in the related Underwriting Package will only be acceptable to Buyer if disclosed in writing to Buyer by Seller in advance of the related Purchase Date, and then only if Buyer opts to purchase the related Purchased Asset from Seller notwithstanding such incompleteness and inaccuracies. In the event of a Representation Breach with respect to a particular Purchased Asset, Seller shall repurchase such Purchased Asset in accordance with Sections 3.04(b) and 3.05.

(b) Buyer shall give Seller notice of the date when Buyer has received the complete Underwriting Package, supplemental materials and any other documentation required pursuant to Section 3.01(a) or otherwise required under any Repurchase Documents. Buyer shall endeavor to communicate to Seller a preliminary non-binding determination of whether or not it is willing to purchase any or all of such Assets, and if so, on what terms and conditions, within ten (10) Business Days after such date, and if its preliminary determination is favorable, by what date Buyer expects to communicate to Seller a final non-binding indication of its determination. If Buyer has not communicated its final non-binding indication to Seller by such date, Buyer shall automatically and without further action be deemed to have determined not to purchase any such Asset.

(c) If Buyer communicates to Seller a final non-binding determination that it is willing to purchase any or all of such Assets, Seller shall deliver to Buyer a draft Confirmation for such Transaction, describing each such Asset and its proposed Purchase Date, Market Value, Applicable Percentage, Purchase Price, Applicable SOFR and such other terms and conditions as Buyer may require prior to the Purchase Date. If Buyer requires changes to the draft Confirmation, Seller shall make such changes. If Buyer determines to enter into the Transaction on the terms described in the draft Confirmation, the Parties shall execute such Confirmation, which shall become effective as the Confirmation of the Transaction upon Buyer's execution thereof. Buyer's approval of the purchase of an Asset on such terms and conditions as Buyer may require shall be evidenced only by its execution and delivery of the related Confirmation. For the avoidance of doubt, Buyer shall not (i) be bound by any preliminary or final non-binding determination referred to above, (ii) be deemed to have approved the purchase of an Asset by virtue of the approval or entering into by Buyer of a rate lock agreement, Interest Rate Protection Agreement, total return swap or any other agreement with respect to such Asset, or (iii) be obligated to purchase an Asset notwithstanding a Confirmation executed by the Parties unless and until all applicable conditions precedent in Article 6 have been satisfied or waived by Buyer.

(d) Each Confirmation, together with this Agreement, shall be conclusive

evidence of the terms of the Transaction covered thereby, and shall be construed to be cumulative to the extent possible, but in no way shall be construed as evidence of Buyer's agreement subsequently to purchase additional amounts of, or other, Assets. If terms in a Confirmation are inconsistent with terms in this Agreement with respect to a particular Transaction, the Confirmation shall prevail. Whenever the Applicable Percentage or any other term of a Transaction (other than the Pricing Rate, Market Value and outstanding Purchase Price) with respect to an Asset is revised or adjusted in accordance with this Agreement, an amended and restated Confirmation in the form attached hereto as Exhibit A-2 (an "Amended and Restated Confirmation") reflecting such revision or adjustment and that is otherwise acceptable to the Parties shall be prepared by Seller and executed by the Parties.

(e) The fact that Buyer has conducted or has failed to conduct any partial or complete examination or any other due diligence review of any Asset or Purchased Asset shall in no way affect any rights Buyer may have under the Repurchase Documents or otherwise with respect to any representations or warranties or other rights or remedies thereunder or otherwise, including the right to determine at any time that such Asset or Purchased Asset is not an Eligible Asset.

(f) No Transaction shall be entered into if (i) any Margin Deficit resulting in a Margin Call, Default, Event of Default, Market Disruption Event or Material Adverse Effect has occurred and is continuing or would exist as a result of such Transaction, (ii) the Repurchase Date for the Purchased Assets subject to such Transaction would be later than the Maturity Date,

(iii) the proposed Purchased Asset does not qualify as an Eligible Asset, (iv) after giving effect to such Transaction, (A) the Aggregate Amount Outstanding would exceed the Maximum Amount, or (B) any Sub-Limit would be exceeded, (v) the Revolving Period Expiration Date has occurred,

(vi) if Buyer determines not to enter into any such Transaction for any reason or for no reason,

(vii) all Purchased Asset Documents have not been delivered to Custodian or a Bailee in accordance with the applicable provisions of this Agreement and the Custodial Agreement,

(viii) the Facility Debt Yield Test is then-currently being breached, or (ix) the proposed Purchased Asset does not comply with either the Minimum Purchased Asset Debt Yield Requirement or the Maximum Purchased Asset PPV Requirement.

(g) Reserved.

(h) Notwithstanding any of the foregoing provisions of this Section 3.01 or any contrary provisions set forth in the Custodial Agreement, solely with respect to any Wet Mortgage Asset:

(i) by 10:00 a.m. (New York City time) on the Purchase Date, Seller or Bailee shall deliver signed .pdf copies of the Purchased Asset Documents to Custodian via email, and Seller shall deliver the appropriate written third-party wire transfer instructions to Buyer;

(ii) not later than 10:00 a.m. (New York City time) on the related Purchase Date, (A) Bailee shall deliver an executed .pdf copy of the Bailee Agreement (as such

term is defined in the Custodial Agreement) to Seller, Buyer and Custodian by email, (B) Seller shall have delivered to Buyer a fully executed .pdf copy of the Supplemental Escrow Letter, if applicable, including the appropriate wire transfer instructions for the Purchase Price, and (C) if Buyer has previously received the trust receipt in accordance with Section 3.01(b) of the Custodial Agreement, determined that all other applicable conditions in this Agreement, including without limitation those set forth in Section 6.02 hereof, have been satisfied, and otherwise has agreed to purchase the related Wet Mortgage Asset, Buyer shall (I) execute and deliver a .pdf copy of the related Confirmation to Seller and Bailee via email and (II) wire funds in the amount of the related Purchase Price for the related Wet Mortgage Asset in accordance with the wire transfer instructions that were previously delivered to Buyer by Seller or are in the Supplemental Escrow Letter, as applicable; and

(iii) within three (3) Business Days after the applicable Purchase Date with respect to any Wet Mortgage Asset, Seller shall deliver, or cause to be delivered (A) to Custodian, the complete original Mortgage Asset File with respect to such Wet Mortgage Asset, pursuant to and in accordance with the terms of the Custodial Agreement, and (B) to Buyer, the complete original Underwriting Package with respect to the related Wet Mortgage Assets purchased by Buyer. For the avoidance of doubt (A) Seller shall, in all cases, deliver each Basic Mortgage Asset Document within three (3) Business Days of the applicable Purchase Date and (B) Buyer may, but shall not be obligated to, consent to such later date for delivery of any part of the Mortgage Asset File as Buyer sees fit, in Buyer's sole discretion.

(i) In the event that, due to a delay caused solely by the public recording office where such document or instrument has been delivered for recordation, Seller cannot deliver or cause to be delivered on the applicable Purchase Date any Purchased Asset Document or Interim Assignment Document that is required by its terms to be recorded, then Seller shall deliver to Custodian (x) on the applicable Purchase Date, a copy thereof (certified by Seller to be a true and complete copy of the original thereof submitted for recording) and (y) within thirty (30) days of the applicable Purchase Date, either the original of such document, or a photocopy thereof, with official evidence of submission for recording (including stamp filed copies, if applicable) thereon.

(j) In addition to the foregoing provisions of this Section 3.01, solely with respect to any Mezzanine Related Mortgage Asset owned by Seller that is being purchased by Buyer hereunder, Seller shall (i) as part of the Underwriting Package, provide Buyer with such information regarding the related Mezzanine Loans as Buyer may request including, without limitation, any related intercreditor, co-lender or similar agreements, and (ii) in connection with the purchase thereof by Buyer, convey, transfer and assign to Buyer, for no additional consideration from Buyer, each Mezzanine Loan relating to such Mezzanine Related Mortgage Asset owned by Seller, Guarantor or any of their respective Affiliates to Buyer, in form and substance satisfactory to Buyer, together with all other documents necessary or desirable to effect such collateral assignment, in each case as determined by Buyer and its counsel in their discretion.

(k) Notwithstanding anything to the contrary herein, in no event shall any LIBOR Based Transaction be entered into on or after January 1, 2022, unless otherwise agreed by Buyer in its sole discretion.

Section 3.02 Transfer of Purchased Assets; Servicing Rights. On the Purchase Date for each Purchased Asset, and subject to the satisfaction of all applicable conditions precedent in Article 6, (a) ownership of and title to such Purchased Asset shall be transferred to and vest in Buyer or its designee against the simultaneous transfer of the Purchase Price to the account of Seller specified in Annex 1 (or if not specified therein, in the related Confirmation or as directed by Seller), and (b) Seller hereby sells, transfers, conveys and assigns to Buyer on a servicing-released basis all of Seller's right, title and interest (except with respect to any Retained Interests) in and to such Purchased Asset, together with all related Servicing Rights. Subject to this Agreement, during the Revolving Period, Seller may sell to Buyer, repurchase from Buyer and re-sell Eligible Assets to Buyer, but Seller may not substitute other Eligible Assets for Purchased Assets. Buyer has the right to designate each Servicer of the Purchased Assets. The Servicing Rights and other servicing provisions under this Agreement are not severable from or to be separated from the Purchased Assets under this Agreement, and such Servicing Rights and other servicing provisions of this Agreement constitute (a) "related terms" under this Agreement within the meaning of Section 101(47)(A)(i) of the Bankruptcy Code and/or (b) a security agreement or other arrangement or other credit enhancement related to the Repurchase Documents. To the extent any additional limited liability company is formed by a Division of Seller (and without prejudice to Sections 8.01, 8.03 and 9.01 hereof), Seller shall cause each such Division LLC to sell, transfer, convey and assign to Buyer on a servicing released basis and for no additional consideration all of each such Division LLC's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights in the same manner and to the same extent as the sale, transfer, conveyance and assignment by Seller on each related Purchase Date of all of Seller's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights.

Section 3.03 Maximum Amount. The Aggregate Amount Outstanding as of any date of determination shall not exceed the Maximum Amount. If the Aggregate Amount Outstanding as of any date of determination exceeds the Maximum Amount, Seller shall immediately pay to Buyer an amount necessary to reduce the Aggregate Amount Outstanding to an amount equal to or less than the Maximum Amount.

Section 3.04 Early Repurchase.

(a) Voluntary Early Repurchase.

(i) Seller may terminate any Transaction with respect to any or all Purchased Assets and repurchase such Purchased Assets on any date prior to the then-applicable Repurchase Date; provided, that (a) Seller irrevocably notifies Buyer and any related Affiliated Hedge Counterparty at least three (3) Business Days before the proposed Early Repurchase Date identifying the Purchased Asset(s) to be repurchased and the Repurchase Price thereof, (b) no Margin Deficit resulting in a Margin Call, Default or Event of Default has occurred and is continuing or would exist as a result of such

repurchase, there are no other Liens on the remaining Purchased Assets or Pledged Collateral other than Liens granted pursuant to the Repurchase Documents, (c) if the Early Repurchase Date is not a Remittance Date, Seller pays to Buyer any amount due under Section ~~12.03~~ 12.04 and pays all amounts due to any related Affiliated Hedge Counterparty under the related Interest Rate Protection Agreement, and (d) Seller pays to Buyer any Exit Fee due in accordance with Section 2 of the Fee Letter, and Seller thereafter complies with Section 3.05. Notwithstanding the foregoing, should any Margin Deficit resulting in a Margin Call exist after giving effect to any repurchase under this Section 3.04, Seller shall also pay the amount of each related Margin Deficit to Buyer at the same time that Seller pays the related Repurchase Price to Buyer hereunder.

(ii) Notwithstanding any provision to the contrary contained elsewhere in any Repurchase Document, at any time during the existence of an uncured Default or Event of Default that would not otherwise be fully cured immediately after giving effect to the related repurchase, Seller shall not be permitted to effect the repurchase and release of a Purchased Asset in connection with a sale of such Purchased Asset to an unaffiliated third party purchaser purchasing on an arm's length basis unless Seller pays directly to Buyer an amount equal to 100% of the net proceeds received by Seller from such unaffiliated third-party purchaser in connection with the sale of such Purchased Asset. The portion of all such net proceeds in excess of the then-current Repurchase Price of the related Purchased Asset shall be applied by Buyer to reduce any other amounts due and payable to Buyer, as determined in its discretion, under this Agreement.

(b) Mandatory Early Repurchase. In addition to other rights and remedies of Buyer under the Repurchase Documents, Seller shall, in accordance with the procedures set forth in this Section 3.04 and Section 3.05 repurchase any Purchased Asset with respect to which a Mandatory Early Repurchase Event has occurred within three (3) Business Days of the date on which Buyer notifies Seller of such Mandatory Early Repurchase Event.

Section 3.05 Repurchase. On the Repurchase Date for each Purchased Asset, Seller shall transfer to Buyer the Repurchase Price for such Purchased Asset as of the Repurchase Date, and pay all amounts due to any Affiliated Hedge Counterparty under the related Interest Rate Protection Agreement, if any, and, so long as no Default or Event of Default has occurred and is continuing and no unsatisfied Margin Deficit resulting in a Margin Call exists, Buyer shall transfer to Seller such Purchased Asset, whereupon such Transaction with respect to such Purchased Asset shall terminate; provided, however, that, with respect to any Repurchase Date that occurs on the second Business Day prior to the maturity date (as defined under the related Purchased Asset Documents with respect to such Purchased Asset) for such Purchased Asset by reason of clause (d) of the definition of "Repurchase Date", settlement of the payment of the Repurchase Price and such amounts may occur up to the second Business Day after such Repurchase Date; provided, further, that Buyer shall have no obligation to transfer to Seller, or release any interest in, such Purchased Asset until Buyer's receipt of payment in full of the Repurchase Price therefor. So long as no Default or Event of Default has occurred and is continuing, upon receipt by Buyer of the Repurchase Price and all other amounts due and owing to Buyer and its Affiliates under this Agreement and each other Repurchase Document as of such Repurchase Date, Buyer shall be deemed to have simultaneously released its security interest in such Purchased Asset, shall authorize Custodian (in accordance with the terms of the Custodial

Agreement) to release to Seller the Purchased Asset Documents for such Purchased Asset and, to the extent any UCC financing statement filed against Seller specifically identifies such Purchased Asset, Buyer shall deliver an amendment thereto or termination thereof evidencing the release of such Purchased Asset from Buyer's security interest therein. Any such transfer or release shall be without recourse to Buyer and without representation or warranty by Buyer. Any Income with respect to such Purchased Asset received by Servicer, Buyer or Deposit Account Bank after payment of the Repurchase Price therefor shall be remitted to Seller. Notwithstanding the foregoing, Seller shall repurchase all Purchased Assets no later than the Maturity Date by paying to Buyer the outstanding Repurchase Price therefor and all other outstanding Repurchase Obligations.

Section 3.06 Maturity Date Extension Option, ~~Upsize Option~~ and Revolving Period Extension

(a) Maturity Date Extension Options. Seller shall have three (3) separate, consecutive options to extend the then-current Maturity Date, each such option for a period of one (1) year (each, an "Extension Period"), which may be exercised by Seller by written notice delivered to Buyer no earlier than ninety (90) days and no later than thirty (30) days before the then-current Maturity Date. Any such extension shall be subject to the satisfaction of the following conditions, as determined by Buyer in its sole discretion (each, an "Extension Condition"): (i) no Default or Event of Default shall have occurred and be continuing, (ii) no Margin Deficit resulting in a Margin Call shall be outstanding, (iii) Seller shall have made a timely written request to extend the then-current Maturity Date as provided in this Section 3.06(a), (iv) Seller shall be in compliance with the Facility Debt Yield Test, (v) all Purchased Assets shall qualify as Eligible Assets, and (vi) if requested by Buyer, Seller shall have delivered to Buyer a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller to the extent that Seller qualifies as a "legal entity customer" under the Beneficial Ownership Regulation. If the Extension Conditions are not fully satisfied as of the then-current Maturity Date, then Seller shall have no right to extend the then-current Maturity Date and any pending request to extend the then-current Maturity Date shall be deemed to be denied. Notwithstanding anything to the contrary in this Section 3.06, in no event shall the Maturity Date be extended for more than three (3) Extension Periods. For the avoidance of doubt, an extension of the Maturity Date pursuant to this Section 3.06(a) (i) shall become effective on the then-current Maturity Date, and (ii) shall not extend the Repurchase Date of any Transaction (other than with respect to clause (a) of the definition of "Repurchase Date"). No extension of the then-current Maturity Date shall be effective unless and until Seller has paid the Extension Fee to Buyer.

~~(b) Maximum Amount Upsize Option. Seller may from time to time request an increase of the Maximum Amount (each, an "Upsize Option") in increments of \$100,000,000 by written notice delivered to Buyer not less than five (5) Business Days prior to the proposed effective date of such Upsize Option. Seller's request to exercise the Upsize Option may be approved or denied by Buyer in its sole discretion, and any such request will be deemed to be denied unless each of the following conditions is satisfied as of the proposed effective date of such Upsize Option, as determined by Buyer in its sole discretion: (i) the Maximum Amount after giving effect to such Upsize Option shall not exceed \$750,000,000, (ii) no Default or Event of Default shall have occurred and be continuing, (iii) no Margin Deficit resulting in a Margin~~

Call shall be outstanding, (iv) Seller shall be in compliance with the Facility Debt Yield Test, (v) no Credit Event shall have occurred and remain uncured with respect to any Purchased Asset, and (vi) if requested by Buyer, Seller shall have delivered to Buyer a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller to the extent that Seller qualifies as a “legal entity customer” under the Beneficial Ownership Regulation. No Upsize Option shall be ~~effective unless and until Seller has paid the Upsize Fee to Buyer.~~

(b) Reserved.

(c) Revolving Period Extension. Seller may request to extend the scheduled expiration of the Revolving Period from the second anniversary of the Closing Date to the third anniversary of the Closing Date (the “Revolving Period Extension”) by written notice delivered to Buyer no earlier than no earlier than ninety (90) days and no later than thirty (30) days before the second anniversary of the Closing Date. The request of Seller to exercise the Revolving Period Extension may be approved or denied by Buyer, in its sole and absolute discretion, and any such request will be deemed to be denied if any of the following conditions are not satisfied as of the second anniversary of the Closing Date, as determined by Buyer in its sole discretion:

(i) no Default or Event of Default shall have occurred and be continuing, (ii) no Margin Deficit resulting in a Margin Call shall be outstanding, (iii) Seller shall have made a timely written request to extend the scheduled expiration of the Revolving Period as provided in this Section 3.06(c), (iv) Seller shall be in compliance with the Facility Debt Yield Test, (v) all Purchased Assets shall qualify as Eligible Assets, (vi) if requested by Buyer, Seller shall have delivered to Buyer a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller to the extent that Seller qualifies as a “legal entity customer” under the Beneficial Ownership Regulation and (vii) Seller shall have made a timely written request to extend the Maturity Date and satisfied each of the Extension Conditions as provided in Section 3.06(a). No Revolving Period Extension shall be effective unless and until Seller has paid the Extension Fee to Buyer.

Section 3.07 Payment of Price Differential and Fees.

(a) Notwithstanding that Buyer and Seller intend that each Transaction hereunder constitute a sale to Buyer of the Purchased Assets subject thereto, Seller shall pay to Buyer the accrued value of the Price Differential for each Purchased Asset on each Remittance Date. Buyer shall give Seller notice of the Price Differential and any fees and other amounts due under the Repurchase Documents on or prior to the second (2nd) Business Day preceding each Remittance Date; provided, that Buyer’s failure to deliver such notice shall not affect (i) the accrual of such obligations in accordance with this Agreement or (ii) Seller’s obligation to pay such amounts. If the Price Differential includes any estimated Price Differential, Buyer shall recalculate such Price Differential after the Remittance Date and, if necessary, make adjustments to the Price Differential amount due on the following Remittance Date.

(b) The terms and conditions related to the payment by Seller and Guarantor to Buyer of certain fees and expenses are set forth in Section 2 of the Fee Letter.

Section 3.08 Payment, Transfer and Custody.

(a) Unless otherwise expressly provided herein, all amounts required to be paid or deposited by any Seller Party or any other Person under the Repurchase Documents shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. on the Business Day when due, in immediately available Dollars and without deduction, set-off or counterclaim, and if not received before such time shall be deemed to be received on the next Business Day. Whenever any payment under the Repurchase Documents shall be stated to be due on a day other than a Business Day, such payment shall be made on the next following Business Day, and such extension of time shall in such case be included in the computation of such payment. Each Seller Party shall, to the extent permitted by Requirements of Law, pay to Buyer interest in connection with any Price Differential not paid when due under the Repurchase Documents, which interest shall be calculated at a rate equal to the Default Rate, until all such amounts are received in full by Buyer. Amounts payable to Buyer and not otherwise required to be deposited into the Servicer Account shall be deposited into an account of Buyer. Seller shall have no rights in, rights of withdrawal from, or rights to give notices or instructions regarding Buyer's account or the Waterfall Account or the Servicer Account.

(b) Any Purchased Asset Documents not delivered to Buyer or Custodian on the relevant Purchase Date and subsequently received or held by or on behalf of Seller are and shall be held in trust by Seller or its agent for the benefit of Buyer as the owner thereof until so delivered to Buyer or Custodian. Seller or its agent shall maintain a copy of such Purchased Asset Documents and the originals of the Purchased Asset Documents not delivered to Buyer or Custodian. The possession of Purchased Asset Documents by Seller or its agent is in a custodial capacity only at the will of Buyer for the sole purpose of assisting the related Servicer with its duties under the Servicing Agreement. Each Purchased Asset Document retained or held by or on behalf of Seller or its agent shall be segregated on Seller's books and records from the other assets of Seller or its agent, and the books and records of Seller or its agent shall be marked to reflect clearly the sale of the related Purchased Asset to Buyer on a servicing-released basis. Seller or its agent shall release its custody of the Purchased Asset Documents only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Assets by Servicer or is in connection with a repurchase of any Purchased Asset by Seller, in each case in accordance with the Custodial Agreement.

Section 3.09 Repurchase Obligations Absolute. All amounts payable by Seller under the Repurchase Documents shall be paid without notice, demand, counterclaim, set-off, deduction or defense (as to any Person and for any reason whatsoever) and without abatement, suspension, deferment, diminution or reduction (as to any Person and for any reason whatsoever), and the Repurchase Obligations shall not be released, discharged or otherwise affected, except as expressly provided herein, by reason of: (a) any damage to, destruction of, taking of, restriction or prevention of the use of, interference with the use of, title defect in, encumbrance on or eviction from, any Purchased Asset, the Pledged Collateral or related Mortgaged Property, (b) any Insolvency Proceeding relating to Seller, any Underlying Obligor or any other loan participant under a Senior Interest, or any action taken with respect to any Repurchase Document, Purchased Asset Document by any trustee or receiver of Seller, any Underlying Obligor or any other loan participant under a Senior Interest, or by any court in any

such proceeding, (c) any claim that Seller has or might have against Buyer under any Repurchase Document or otherwise, (d) any default or failure on the part of Buyer to perform or comply with any Repurchase Document or other agreement with Seller, (e) the invalidity or unenforceability of any Purchased Asset, Repurchase Document or Purchased Asset Document, or (f) any other occurrence whatsoever, whether or not similar to any of the foregoing, and whether or not Seller has notice or Knowledge of any of the foregoing. The Repurchase Obligations shall be full recourse to Seller and Pledgor and limited recourse to Guarantor to the extent of, and subject to the specified full-recourse provisions set forth in, the Guarantee Agreement. This Section 3.09 shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations.

Section 3.10 Future Funding Transactions. Buyer's agreement to enter into any Future Funding Transaction is subject to the satisfaction of the following conditions precedent, both immediately prior to entering into such Future Funding Transaction and also after giving effect to the consummation thereof:

(i) Seller shall give Buyer written notice of each Future Funding Transaction, together with a draft of the Amended and Restated Confirmation signed by a Responsible Officer of Seller. Each Amended and Restated Confirmation shall identify the related Purchased Asset, shall identify Buyer and Seller, shall set forth the requested Future Funding Amount, and shall be executed by both Buyer and Seller; provided, however, that Buyer shall not be liable to Seller if it inadvertently acts on an Amended and Restated Confirmation that has not been signed by a Responsible Officer of Seller. Each Amended and Restated Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Future Funding Transaction covered thereby, and shall be construed to be cumulative to the extent possible. If terms in an Amended and Restated Confirmation are inconsistent with terms in this Agreement with respect to a particular Future Funding Transaction such Amended and Restated Confirmation shall prevail.

(ii) For each proposed Future Funding Transaction, no less than seven (7) Business Days prior to the proposed Future Funding Date, Seller shall deliver to Buyer a Future Funding Request Package. Buyer shall have the right to conduct an additional due diligence investigation of the Future Funding Request Package and/or the related Purchased Asset as Buyer determines. Buyer shall be entitled to make a determination, in the exercise of its sole and absolute discretion whether, in the case of a Future Funding Transaction, it shall or shall not advance the requested Future Funding Amount. If Buyer determines not to advance a requested Future Funding Amount with respect to any Purchased Asset, Seller shall promptly satisfy all future funding obligations with respect to each Purchased Asset as and when required pursuant to the related Purchased Asset Documents, together with the terms of this Agreement. Prior to the approval of each proposed Future Funding Transaction by Buyer, Buyer shall have determined, in its sole and absolute discretion, that (A) all of the applicable conditions precedent for a Transaction, as described in Section 6.02, have been met by Seller, (B) the Facility Debt Yield Test is in compliance both before and after giving effect to the proposed Transaction, (C) the related Purchased Asset is not a Defaulted Asset, (D) the related Purchased Asset satisfies the Maximum Purchased Asset PPV Requirement and the Minimum Purchased Asset Debt Yield Requirement both before and after giving effect to

the proposed Transaction and (E) all related conditions precedent set forth in the related Purchased Asset Documents have been satisfied. Notwithstanding any other provision herein or otherwise, Buyer shall have no obligation to enter into any Future Funding Transaction (even with respect to any Purchased Asset identified on the applicable Purchase Date as having future funding obligations). Any determination to enter into a Future Funding Transaction shall be made in Buyer's sole and absolute discretion.

(iii) Upon the approval by Buyer of a particular Future Funding Transaction, Buyer shall deliver to Seller a signed copy of the related Amended and Restated Confirmation described in clause (i) above, on or before the related Future Funding Date. On the related Future Funding Date, which shall occur no later than three (3) Business Days after the final approval of the Future Funding Transaction by Buyer (a) if an escrow agreement has been established in connection with such Future Funding Transaction, Buyer shall remit the related Future Funding Amount to the related escrow account, (b) if the terms of the Purchased Asset Documents provide for a reserve account in connection with future advances, Buyer shall remit the related Future Funding Amount to the applicable reserve account and (c) otherwise, Buyer shall remit the related Future Funding Amount directly to the related Underlying Obligor.

(iv) Notwithstanding anything to the contrary herein, in no event shall any Future Funding Transaction with respect to any LIBOR Based Transaction be entered into on or after January 1, 2022, unless otherwise agreed by Buyer in its sole discretion.

Section 3.11 Additional Advances. At any time prior to the Revolving Period Expiration Date, if Margin Excess exists (as determined by Buyer in its sole discretion) with respect to a Purchased Asset, Seller may, upon the delivery of prior written notice to Buyer (which may be via email or in physical format), to be received by no later than five (5) Business Days immediately preceding the date of the requested Additional Advance, submit to Buyer a request (an "Additional Advance Notice") for Buyer to transfer additional funds to Seller to increase the Purchase Price for such Purchased Asset (an "Additional Advance") up to the amount of such Margin Excess for such Purchased Asset. Buyer shall fund such Additional Advance on the date set forth on such Additional Advance Notice so long as, immediately prior to and immediately after giving effect to the funding of such Additional Advance, (i) each of the conditions precedent set forth in Section 6.02 have been satisfied, (ii) the Aggregate Amount Outstanding does not exceed the Maximum Amount, (iii) the requested Additional Advance would not violate a Sub-Limit, (iv) the amount of such Additional Advance would not cause the Repurchase Price of such Purchased Asset (without giving effect to any Price Differential that has accrued but is not yet due and payable hereunder) to exceed the maximum approved Purchase Price for such Purchased Asset, and (v) the amount of the requested Additional Advance is equal to or greater than \$1,000,000. In connection with any such Additional Advance, Buyer and Seller shall execute an Amended and Restated Confirmation setting forth the new outstanding Purchase Price and Applicable Percentage with respect to such Transaction. Notwithstanding anything to the contrary herein, in no event shall Buyer make any Additional Advance with respect to any LIBOR Based Transaction on or after January 1, 2022, unless otherwise agreed by Buyer in its sole discretion.

ARTICLE 4

MARGIN MAINTENANCE

Section 4.01 Margin Deficit.

(a) With respect to any Purchased Asset or all Purchased Assets, as applicable, if on any date either of the following has occurred: (I) for any individual Purchased Asset, the Asset Value is less than the outstanding Purchase Price for such Purchased Asset as of such date, or (II) for all Purchased Assets, the Facility Debt Yield Test is not satisfied (the amount of any shortfall under clause (I) or the amount necessary to satisfy clause (II), a “Margin Deficit”), then Buyer shall have the right from time to time as determined in its sole discretion to make a margin call on Seller (a “Margin Call”) in an amount equal to the amount of the related Margin Deficit; provided that, prior to the occurrence and continuance of a Default or an Event of Default, Buyer shall only make a Margin Call if the related Margin Deficit exceeds, or if the aggregate of all Margin Deficits collectively exceeds, the applicable Material Impairment Threshold.

(b) Upon Buyer making a Margin Call for any reason in accordance with this Agreement, Seller shall, within two (2) Business Days after notice of such Margin Call from Buyer, (i) transfer cash to Buyer, (ii) repurchase the Purchased Asset(s) that caused the related Margin Deficit at the related Repurchase Price(s) thereof, or (iii) choose any combination of the foregoing, so that, after giving effect to such repurchases and payments, the Margin Deficit is cured.

(c) Buyer’s election not to deliver, or to forbear from delivering a margin deficit notice at any time there is a Margin Deficit shall not waive or be deemed to waive the Margin Deficit or in any way limit, stop or impair Buyer’s right to deliver a margin deficit notice at any time when the same or any other Margin Deficit exists. Buyer’s rights relating to Margin Deficits under this Section 4.01 are cumulative and in addition to and not in lieu of any other rights of Buyer under the Repurchase Documents or Requirements of Law.

(d) All cash transferred to Buyer pursuant to this Section 4.01 shall be deposited into the Waterfall Account, except as directed by Buyer, and notwithstanding any provision in Section 5.02 to the contrary, shall be applied to reduce the related Margin Deficit until the Margin Call has been satisfied in full. Immediately after the satisfaction by Seller of each Margin Call hereunder, Seller and Buyer shall execute and deliver an Amended and Restated Confirmation.

ARTICLE 5

APPLICATION OF INCOME

Section 5.01 Waterfall Account; Servicer Account. The Waterfall Account and the Servicer Account shall be established at Deposit Account Bank. Buyer shall have sole dominion and control (including, without limitation, “control” within the meaning of

Section 9-104(a)(2) of the UCC) over the Waterfall Account, and Buyer shall have “control” within the meaning of Section 9-104(a)(2) of the UCC over the Servicer Account, in each case pursuant to the terms of separate Controlled Account Agreements. Neither Seller nor any Person claiming through or under Seller shall have any claim to or interest in either the Waterfall Account or the Servicer Account. All Income received by Seller, Buyer, any Servicer or Deposit Account Bank in respect of the Purchased Assets, shall be transferred, subject to the applicable provisions of the Servicing Agreement, by Servicer from the Servicer Account into the Waterfall Account within two (2) Business Days prior to the next Remittance Date (unless Servicer is an entity other than Buyer or an Affiliate of Buyer, in which case all such transfers shall be made within one (1) Business Day of receipt thereof). All such Income, once deposited in the Waterfall Account, shall be applied to and remitted by Deposit Account Bank in accordance with this Article 5.

Section 5.02 Before an Event of Default. If no Event of Default has occurred and is continuing, all Income described in Section 5.01 and deposited into the Waterfall Account during each Pricing Period shall be applied by Deposit Account Bank on the next following Remittance Date in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such Remittance Date;

second, to pay to Buyer an amount equal to all fees, expenses and Indemnified Amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents;

third, to pay to Buyer an amount sufficient to eliminate any outstanding Margin Deficit which has resulted in a Margin Call (without limiting Seller’s obligation to satisfy a Margin Deficit in a timely manner as required by Section 4.01);

fourth, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

fifth, to pay to Buyer, the Applicable Percentage of any Principal Payments (to the extent actually deposited into the Waterfall Account) to be applied to reduce the outstanding Purchase Price of the related Purchased Assets;

sixth, to pay to Buyer all Release Amounts, if any, to be applied by Buyer to reduce the then-current unpaid Repurchase Prices of one or more of the remaining Purchased Assets, as Buyer shall determine in its discretion;

seventh, to pay to Buyer any other amounts due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents; and

eighth, to pay to Seller any remainder for its own account, subject, however, to the covenants and other requirements of the Repurchase Documents; provided that, if any Default has occurred and is continuing on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be retained in the Waterfall Account until the earlier of

(x) the day on which Buyer provides written notice to the Deposit Account Bank that

such Default has been cured to the satisfaction of Buyer in its sole discretion and no other Default or Event of Default has occurred and is continuing, at which time the Deposit Account Bank shall apply all such amounts pursuant to this priority *eighth*; and (y) the day that the related Default becomes an Event of Default, at which time the Deposit Account Bank shall apply all such amounts pursuant to Section 5.03.

Section 5.03 After an Event of Default. If an Event of Default has occurred and is continuing, all Income deposited into the Waterfall Account in respect of the Purchased Assets shall be applied by Deposit Account Bank, on the Business Day next following the Business Day on which each amount of Income is so deposited, in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such date;

second, to pay to Buyer an amount equal to all default interest, fees, expenses and Indemnified Amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents;

third, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

fourth, (i) to pay to Buyer an amount equal to the aggregate Repurchase Price of all Purchased Assets (to be applied in such order and in such amounts as determined by Buyer, until the Aggregate Amount Outstanding has been reduced to zero); and (ii) to pay to any Affiliated Hedge Counterparty an amount equal to all termination payments payable with respect to each related Interest Rate Protection Agreement; and

fifth, to pay to Buyer all other Repurchase Obligations due to Buyer.

Section 5.04 Seller to Remain Liable. If the amounts remitted to Buyer as provided in Sections 5.02 and 5.03 are insufficient to pay all amounts due and payable to Buyer or any of its Affiliates under this Agreement or any Repurchase Document on a Remittance Date, a Repurchase Date or Maturity Date, whether due to the occurrence of an Event of Default or otherwise, Seller shall remain liable to Buyer for payment of all such amounts when due.

ARTICLE 6

CONDITIONS PRECEDENT

Section 6.01 Conditions Precedent to Initial Transaction. Buyer shall not be obligated to enter into any Transaction or purchase any Asset until the following conditions have been satisfied or waived by Buyer, on and as of the Closing Date and which shall remain in compliance as of the first Purchase Date:

(a) Buyer has received the following documents, each dated the Closing Date or as of the first Purchase Date unless otherwise specified: (i) each Repurchase Document duly executed and delivered by the parties thereto, (ii) an official good standing certificate or its

documentary equivalent dated a recent date with respect to each Seller Party, (iii) certificates of a Responsible Officer of each Seller Party with respect to attached copies of the Governing Documents and applicable resolutions of each such Seller Party, and the incumbencies and signatures of officers of each such Seller Party executing the Repurchase Documents to which each is a party, evidencing the authority of each Seller Party with respect to the execution, delivery and performance thereof, (iv) a Closing Certificate, (v) an executed Power of Attorney, (vi) such opinions from counsel to each Seller Party as Buyer may require, including with respect to corporate matters, due formation, existence and good standing of each such Seller Party, the due authorization, execution, delivery and enforceability of each Repurchase Document, non-contravention, no consents or approvals required other than those that have been obtained, validly granted and perfected security interests in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Documents, Investment Company Act matters and the applicability of Bankruptcy Code safe harbors (including Buyer's related liquidation, termination and offset rights), (vii) a duly completed Compliance Certificate (or an email stating that information contained in the most recent Compliance Certificate delivered pursuant to Section 8.08 remains true and correct in all respects), and (viii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

(b)(i) UCC financing statements have been filed against Seller and Pledgor in all filing offices required by Buyer, (ii) Buyer has received such searches of UCC filings, tax liens, judgments, pending litigation and other matters relating to Seller and the Purchased Assets as Buyer may require, and (iii) the results of such searches are satisfactory to Buyer;

(c) Buyer has received payment from Seller of all fees and expenses then payable under Section 3.07(b), the related provisions of the Fee Letter and all expenses payable as contemplated by Section 13.02, together with any other fees and expenses otherwise due and payable pursuant to any of the other Repurchase Documents;

(d) Buyer has completed to its satisfaction such due diligence (including, Buyer's "know your customer", Anti-Corruption Laws, Sanctions and Anti-Money Laundering Laws diligence, and any information required to be obtained by Buyer pursuant to the Beneficial Ownership Regulation) and modeling as it may require, and all information provided to Buyer by any Seller Party must be true, accurate, complete and not misleading in any material respect, all as determined by Buyer;

(e) Buyer shall have received, sufficiently in advance of (but in any event not less than three (3) Business Days prior to) the Closing Date a Beneficial Ownership Certification in relation to Seller to the extent that Seller qualifies as a "legal entity customer" under the Beneficial Ownership Regulation; and

(f) Buyer has received approval from its internal credit committee and all other necessary approvals required for Buyer, to enter into this Agreement and consummate Transactions hereunder, no material adverse change has occurred from the approval date until the Closing Date, including, without limitation, any changes in requirements of Laws, or relevant financial, banking, real estate or capital market conditions, and Guarantor will be in compliance with all financial covenants set forth in the Guarantee Agreement.

Section 6.02 Conditions Precedent to All Transactions. Buyer shall not be obligated to enter into any Transaction, purchase any Asset, or be obligated to take, fulfill or perform any other action hereunder, until the following additional conditions have been satisfied or waived by Buyer, with respect to each Asset on and as of the Purchase Date (including the first Purchase Date) therefor:

(a) Buyer has received the following documents for each prospective Purchased Asset: (i) timely notice of the proposed Transaction delivered in accordance with Section 3.01(a), (ii) an Underwriting Package, (iii) a Confirmation, (iv) if the prospective Purchased Asset is not serviced by Buyer or an Affiliate of Buyer, copies of the related Servicing Agreement, (v) an Irrevocable Redirection Notice that is executed by Seller and delivered to Custodian on behalf of Buyer, (vi) if the Underlying Obligor is required to remit Income to the Servicer, evidence satisfactory to Buyer that the Underlying Obligor has been so directed to remit Income to Servicer in accordance with the Purchased Asset Documents, (vii) a trust receipt and other items required to be delivered under the Custodial Agreement, (viii) with respect to any Wet Mortgage Asset, a Bailee Agreement (as such term is defined in the Custodial Agreement), (ix) the related Servicing Agreement, if a copy was not previously delivered to Buyer, (x) a Servicer Notice, if applicable and not previously delivered to Servicer, (xi) a duly completed Compliance Certificate (or an email stating that information contained in the most recent Compliance Certificate delivered pursuant to Section 8.08 remains true and correct in all respects) and (xii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

(b) immediately before such Transaction and immediately after giving effect thereto and to the intended use thereof, no change in any Requirements of Law or market conditions which make it unfavorable for Buyer to enter into the proposed Transaction has occurred, no Representation Breach (including with respect to any Purchased Asset), Default, Event of Default, Margin Deficit resulting in a Margin Call, Market Disruption Event or Material Adverse Effect shall have occurred, and the Facility Debt Yield Test, each Sub-Limit and the Maximum Purchased Asset PPV Requirement with respect to the prospective Purchased Asset are all in compliance or will be in compliance after giving effect to such Transaction, and no default or event of default exists under any other financing, hedging, security or other agreement (other than this Agreement) between any Seller Party and/or any Subsidiary of Guarantor, and Buyer or any Affiliate thereof;

(c) Buyer has completed its due diligence review of the Underwriting Package, Purchased Asset Documents and such other documents, records and information as Buyer deems appropriate, and the results of such reviews are satisfactory to Buyer;

(d) Buyer has (i) determined that such Asset is an Eligible Asset and complies, on the related Purchase Date, with both the Minimum Purchased Asset Debt Yield Requirement and the Maximum Purchased Asset PPV Requirement, (ii) approved the purchase of such Asset, (iii) obtained all necessary internal credit and other approvals for such Transaction, and (iv) executed the Confirmation;

(e) immediately after giving effect to such Transaction, the Aggregate Amount Outstanding does not exceed the Maximum Amount;

- (f) the Repurchase Date specified in the Confirmation is not later than the
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Maturity Date;

(g) Seller has satisfied all requirements and conditions and has performed all covenants, duties, obligations and agreements contained in the other Repurchase Documents to be performed by such Person on or before the Purchase Date;

(h) to the extent the related Purchased Asset Documents contain notice, cure and other provisions in favor of a pledgee under a repurchase or warehouse facility, and without prejudice to the sale treatment of such Asset to Buyer, Buyer has received satisfactory evidence that Seller has given notice to the applicable Persons of Buyer's interest in such Asset and otherwise satisfied any other applicable requirements under such pledgee provisions so that Buyer is entitled to the rights and benefits of a pledgee under such pledgee provisions;

(i) solely with respect to any Hedge Required Asset (i) Buyer has received a copy of any Interest Rate Protection Agreement and related documents entered into with respect to such Asset, (ii) Seller has pledged to Buyer all of Seller's rights (but none of its obligations) under such Interest Rate Protection Agreement in accordance with Section 8.10;

(j) Seller has provided Buyer with copies of any license, registration or other similar certification or official document available to Seller from the jurisdiction where the related underlying Mortgaged Property is located, to the extent necessary for Seller to enforce its rights and remedies under the related Purchased Asset Documents;

(k) if requested by Buyer, such opinions from counsel to each Seller Party as Buyer may require, including, without limitation, with respect to the perfected security interest in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Document;

(l) Custodian (or a Bailee) shall have received the Blank Assignment Documents;
and

(m) Seller shall have provided evidence, satisfactory to Buyer in its reasonable discretion, that the applicable Interim Assignment Documents have been submitted for recordation in the public recording office of the applicable jurisdiction.

Each Confirmation delivered by Seller shall constitute a certification by Seller that all of the conditions precedent in this Article 6 have been satisfied.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF

SELLER

Seller represents and warrants, on and as of the date of this Agreement, each Purchase Date, and at all times when any Repurchase Document or Transaction is in full force and effect as follows:

Section 7.01 Seller. Seller has been duly organized and validly exists in good standing as a corporation, limited liability company or limited partnership, as applicable, under the laws of the jurisdiction of its incorporation, organization or formation. Seller (a) has all requisite power, authority, legal right, licenses and franchises, (b) is duly qualified to do business in all jurisdictions necessary, and (c) has been duly authorized by all necessary action, to

(w) own, lease and operate its properties and assets, (x) conduct its business as presently conducted, (y) execute, deliver and perform its obligations under the Repurchase Documents to which it is a party, and (z) originate, service, acquire, own, sell, assign, pledge and repurchase the Purchased Assets. Seller's exact legal name is set forth in the preamble and signature pages of this Agreement. Seller's location (within the meaning of Article 9 of the UCC), chief executive office and the office where Seller keeps all records (within the meaning of Article 9 of the UCC) relating to the Purchased Assets is at the address of Seller referred to in Annex 1. Seller has not changed its name or location within the past twelve (12) months. Seller's (a) organizational identification number is 25981576, (b) tax identification number is 47-4074900 and (c) jurisdiction of organization is Delaware. Pledgor's jurisdiction of organization is Delaware and Guarantor's jurisdiction of organization is Maryland. No Seller Party has a trade name. During the preceding five (5) years, no Seller Party has been known by or done business under any other name, corporate or fictitious, and no Seller Party has filed or had filed against it any bankruptcy receivership or similar petitions or made any assignments for the benefit of creditors. Seller is a one hundred percent (100%) direct and wholly-owned Subsidiary of Pledgor. The fiscal year of Seller is the calendar year. Seller has no Indebtedness, Contractual Obligations or Investments other than (a) ordinary trade payables, (b) in connection with Assets acquired or originated for the Transactions, and (c) under the Repurchase Documents. Seller has no Guarantee Obligations. Seller has no Subsidiaries.

Section 7.02 Repurchase Documents. Each Repurchase Document to which Seller is a party has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by Insolvency Laws and general principles of equity. The execution, delivery and performance by Seller of each Repurchase Document to which it is a party do not and will not (a) conflict with, result in a breach of, or constitute (with or without notice or lapse of time or both) a default under, any (i) Governing Document, Indebtedness, Guarantee Obligation or Contractual Obligation applicable to Seller or any of its properties or assets, (ii) Requirements of Law in any material respect, or (iii) approval, consent, judgment, decree, order or demand of any Governmental Authority in any material respect, or (b) result in the creation of any Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on any of the properties or assets of Seller. All approvals, authorizations, consents,

orders, filings, notices or other actions of any Person or

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Governmental Authority required for the execution, delivery and performance by Seller of the Repurchase Documents to which it is a party and the sale of and grant of a security interest in each Purchased Asset to Buyer, have been obtained, effected, waived or given and are in full force and effect. The execution, delivery and performance of the Repurchase Documents do not require compliance by Seller with any “bulk sales” or similar law. There is no material litigation, proceeding or investigation pending or, to the Knowledge of Seller threatened, against any Seller Party or any Subsidiary of Guarantor before any Governmental Authority (a) asserting the invalidity of any Repurchase Document, (b) seeking to prevent the consummation of any Transaction, or (c) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

Section 7.03 Solvency. No Seller Party is or has ever been the subject of an Insolvency Proceeding. Each Seller Party is Solvent and the Transactions do not and will not render any Seller Party not Solvent. Seller is not entering into the Repurchase Documents or any Transaction with the intent to hinder, delay or defraud any creditor of any Seller Party. Seller has received or will receive reasonably equivalent value for the Repurchase Documents and each Transaction. Seller has adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations. Seller is generally able to pay, and as of the date hereof is paying, its debts as they come due. During the preceding five (5) years, no Seller Party has filed or had filed against it any bankruptcy receivership or similar petitions nor has it made any assignments for the benefit of creditors.

Section 7.04 Taxes. Guarantor qualifies and is reported as a REIT for U.S. federal income tax purposes. Seller is classified and reported as a disregarded entity of a U.S. Person for U.S. federal income tax purposes. Each Seller Party has timely filed all required federal tax returns and all other material tax returns, domestic and foreign, required to be filed by them and have (for all prior taxable years and for the current taxable year to date) timely paid all federal and other material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges (whether imposed with respect to their income or any of their properties or assets) which have become due and payable, except (i) any such taxes, assessments, fees, or other governmental charges that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves have been established in accordance with GAAP or (ii) if the failure to do so could not reasonably be expected to materially and adversely affect such Seller Party.

Section 7.05 Financial Condition. The audited balance sheet of Guarantor as at the fiscal year most recently ended for which such audited balance sheet is available, and the related audited statements of income, stockholders equity, retained earnings and of cash flows for the fiscal year then ended, setting forth in each case in comparative form the figures for the previous year, reported on without a “going concern” or like qualification arising out of the audit conducted by Guarantor’s independent certified public accountants, copies of which have been delivered to Buyer, are complete and correct and present fairly the financial condition of Guarantor as of such date and the results of its operations and cash flows for the fiscal year then ended. All such financial statements, including related schedules and notes, were prepared in accordance with GAAP except as disclosed therein. Guarantor has no material contingent liability or liability for taxes or any long term lease or unusual forward or long term commitment, including any Derivatives Contract, which is not accounted for in the foregoing statements or

notes unless the foregoing is not required in accordance with GAAP. Since the date of the financial statements and other information delivered to Buyer prior to the Closing Date, neither Seller nor Guarantor has sold, transferred or otherwise disposed of any material part of its property or assets (except pursuant to the Repurchase Documents) or acquired any property or assets (including Equity Interests of any other Person) that are material in relation to the financial condition of Seller.

Section 7.06 True and Complete Disclosure. The information, reports, certificates, documents, financial statements, operating statements, forecasts, books, records, files, exhibits and schedules furnished by or on behalf of Seller to Buyer in connection with the Repurchase Documents and the Transactions, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of Seller to Buyer in connection with the Repurchase Documents and the Transactions will be true, correct and complete in all material respects, or in the case of projections will be based on reasonable estimates prepared and presented in good faith, in each case, on the date as of which such information is stated or certified.

Section 7.07 Compliance with Laws. Each Seller Party has complied in all respects with all Requirements of Law. None of any Seller Party nor any Subsidiary of Guarantor, nor to the Knowledge of Seller, any Affiliate of any Seller Party (i) is in violation of any Sanctions or (ii) is a Sanctioned Target. The proceeds of any Transaction have not been and will not be used, directly or indirectly, to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Target or otherwise in violation of Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws. Neither Seller nor any Affiliate of Seller (a) is a “broker” or “dealer” as defined in, or could be subject to a liquidation proceeding under, the Securities Investor Protection Act of 1970, or (b) is subject to regulation by any Governmental Authority limiting its ability to incur the Repurchase Obligations. No properties presently or previously owned or leased by any Seller Party, to the Knowledge of Seller, contain or previously contained any Materials of Environmental Concern that constitute or constituted a violation of Environmental Laws or reasonably could be expected to give rise to liability of any Seller Party thereunder. Each Seller Party has no Knowledge of any violation, alleged violation, non-compliance, liability or potential liability of any Seller Party under any Environmental Law. Materials of Environmental Concern have not been Released, on properties presently owned or leased by any Seller Party, in violation of Environmental Laws or in a manner that reasonably could be expected to give rise to liability of any Seller Party thereunder. Seller and, to the Knowledge of Seller, all Affiliates of Seller are in compliance with all Anti-Corruption Laws. Neither Seller nor, to the Knowledge of Seller, any Affiliate of Seller has made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Seller, any Affiliate of Seller or any other Person, in violation of any Anti-Corruption Law.

Section 7.08 Compliance with ERISA.

(a) No Seller Party has any employees as of the date of this Agreement. No Seller Party or, except as could not reasonably be expected to materially and adversely affect such Person, any ERISA Affiliate maintains, sponsors, participates in or contributes to (or has an obligation to contribute to), or has ever maintained, established, sponsored, participated in or contributed to (or had any obligation to contribute to), or has any liability in respect of, a Plan or a Multiemployer Plan.

(b) Each Seller Party either (i) qualifies as a VCOC or a REOC, (ii) complies with an exception set forth in the Plan Asset Regulations such that the assets of such Person would not be subject to Title I of ERISA and/or Section 4975 of the Code, or (iii) does not hold any “plan assets” within the meaning of the Plan Asset Regulations (“Plan Assets”).

(c) None of the transactions contemplated by the Repurchase Documents will constitute a nonexempt prohibited transaction (as such term is defined in Section 4975 of the Code or Section 406 of ERISA) that could subject Buyer to any tax or penalty or prohibited transactions imposed under Section 4975 of the Code or Section 502(i) of ERISA.

Section 7.09 No Default or Material Adverse Effect.

(a) No Default or Event of Default exists. No default or event of default (however defined) exists under any Indebtedness, Guarantee Obligations or Contractual Obligations of Seller. Seller believes that it is and will be able to pay and perform each agreement, duty, obligation and covenant contained in the Repurchase Documents and Purchased Asset Documents to which it is a party, and to the Knowledge of Seller, it is not subject to any agreement, obligation, restriction or Requirements of Law that would unduly burden its ability to do so or could reasonably be expected to have a material and adverse effect on Seller. Seller has no Knowledge of any actual or prospective development, event or other fact that could reasonably be expected to have a material and adverse effect on Seller. No Internal Control Event has occurred. Seller has delivered to Buyer all underlying servicing agreements (or provided Buyer with access to a service, internet website or other system where Buyer can successfully access such agreements) with respect to the Purchased Assets, and to Seller’s Knowledge no material default or event of default (however defined) exists thereunder.

(b) No event of default (however defined), and to Seller’s Knowledge, no default on the part of any other Seller Party exists under any credit facility, repurchase facility or substantially similar facility that is presently in effect, to which such Seller Party is a party, other than any such event of default or default with respect to which Seller has delivered written notice thereof to Buyer.

Section 7.10 Purchased Assets. Each Purchased Asset is an Eligible Asset. Each representation and warranty of Seller set forth in the Repurchase Documents (including in Schedule 1 applicable to the Class of such Purchased Asset) with respect to each Purchased Asset is true and correct, except as set forth in an Approved Representation Exception. The review and inquiries made on behalf of Seller in connection with the next preceding sentence have been made by Persons having the requisite expertise, knowledge and background to verify such representations and warranties. Seller has complied with all requirements of the Custodial

Agreement with respect to each Purchased Asset, including delivery to Custodian of all required Purchased Asset Documents. Seller has no Knowledge of any fact that could reasonably lead it to expect that any Purchased Asset will not be paid in full. To Seller's Knowledge, no procedures believed by Seller to be adverse to Buyer were utilized by Seller in identifying or selecting the proposed Purchased Assets for sale to Buyer. None of the Purchased Asset Documents has any marks or notations indicating that it has been sold, assigned, pledged, encumbered or otherwise conveyed to any Person other than Buyer. If any Purchased Asset Document requires the holder or transferee of the related Purchased Asset to be a qualified transferee, qualified institutional lender or qualified lender (however defined), Seller meets such requirement. Assuming that Buyer also meets such requirement, the assignment and pledge of such Purchased Asset to Buyer pursuant to the Repurchase Documents do not violate such Purchased Asset Document. Seller and all Affiliates of Seller have sold and transferred all Servicing Rights with respect to the Purchased Assets to Buyer.

Section 7.11 Purchased Assets Acquired from Transferors. With respect to each Purchased Asset purchased by Seller or an Affiliate of Seller from a Transferor, (a) such Purchased Asset was acquired and transferred pursuant to a Purchase Agreement, (b) such Transferor received reasonably equivalent value in consideration for the transfer of such Purchased Asset, (c) no such transfer was made for or on account of an antecedent debt owed by such Transferor to Seller or an Affiliate of Seller, (d) no such transfer is or may be voidable or subject to avoidance under the Bankruptcy Code, and (e) if such Transferor is an Affiliate of Seller, (I) a pledge of residual interests in the form of Exhibit I (each, a "Residual Pledge Agreement") was made by each such Transferor in favor of Buyer and (II) the representations and warranties made by each such Transferor to Seller or such Affiliate in such Purchase Agreement are hereby incorporated herein *mutatis mutandis* and are hereby remade by Seller to Buyer on each date as of which they speak in such Purchase Agreement. If such Purchased Asset was acquired by Seller or such Affiliate of Seller via a Purchase Agreement and the related Transferor has therein granted a security interest in each such Purchased Asset to either Seller or such Affiliate, then Seller or such Affiliate has filed one or more UCC financing statements against the Transferor to perfect such security interest, assigned such financing statements in blank and delivered such blank assignments to Buyer or Custodian.

Section 7.12 Transfer and Security Interest. The Repurchase Documents constitute a valid and effective transfer to Buyer of all right, title and interest of Seller in, to and under all Purchased Assets (together with all related Servicing Rights), free and clear of any Liens. With respect to the protective security interest granted by Seller in Section 11.01, upon the delivery of the Confirmations and the Purchased Asset Documents to Custodian, the execution and delivery of the Controlled Account Agreement and the filing of the UCC financing statements as provided herein, such security interest shall be a valid first priority perfected security interest to the extent such security interest can be perfected by possession, filing or control under the UCC. Upon receipt by Custodian of each Purchased Asset Document required to be endorsed in blank by Seller and payment by Buyer of the Purchase Price for the related Purchased Asset, Buyer shall either own such Purchased Asset and the related Purchased Asset Documents or have a valid first priority perfected security interest in such Purchased Asset Document. The Purchased Assets constitute the following, as defined in the UCC: a general intangible, instrument, investment property, security, deposit account, financial asset, uncertificated security, securities account, or security entitlement. Seller has not sold, assigned,

pledged, granted a security interest in, encumbered or otherwise conveyed any of the Purchased Assets to any Person other than pursuant to the Repurchase Documents. Seller has not authorized the filing of and has no Knowledge of any UCC financing statements filed against Seller as debtor that include the Purchased Assets, other than any financing statement that has been terminated or filed pursuant to this Agreement.

Section 7.13 No Broker. No broker, investment banker, agent or other Person, except for Buyer or an Affiliate of Buyer, is entitled to any commission or compensation in connection with any Transaction.

Section 7.14 Interest Rate Protection Agreements. (a) Seller has entered into all Interest Rate Protection Agreements required under Section 8.10, (b) each such Interest Rate Protection Agreement is in full force and effect, (c) no termination event, default or event of default (however defined) exists thereunder, and (d) Seller has effectively pledged to Buyer all Seller's rights (but none of its obligations) under such Interest Rate Protection Agreements in accordance with Section 8.10.

Section 7.15 Separateness. Seller is in compliance with the requirements of Article 9.

Section 7.16 Investment Company Act. No Seller Party is required to be registered as, or is controlled by, an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act, or otherwise required to register thereunder. Seller is exempt from the registration requirements of the Investment Company Act pursuant to an exemption other than the exemptions set forth in Section 3(c)(1) and 3(c)(7) of the Investment Company Act.

Section 7.17 Reserved.

Section 7.18 Location of Books and Records. The location where Seller keeps its books and records, including all computer tapes and records relating to the Purchased Assets is its chief executive office.

Section 7.19 Anti-Money Laundering Laws and Anti-Corruption Laws. The operations of each Seller Party are, and have been, conducted at all times in compliance with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws. No litigation, regulatory or administrative proceedings of or before any court, tribunal or agency with respect to any Anti-Money Laundering Laws or Anti-Corruption Laws have been started against any Seller Party or, to the Knowledge of Seller, have been threatened against any Affiliate of any Seller Party.

Section 7.20 Sanctions. No Seller Party and, to the Knowledge of Seller, no Affiliate of any Seller Party (a) is a Sanctioned Target, (b) is controlled by or is acting on behalf of a Sanctioned Target, or (c) to the Knowledge of Seller after due inquiry, is under investigation for an alleged breach of Sanctions by a Governmental Authority that enforces Sanctions.

Section 7.21 Beneficial Ownership Certification. The information included in each Beneficial Ownership Certification is true and correct in all respects.

ARTICLE 8

COVENANTS OF SELLER

From the date hereof until the Repurchase Obligations are indefeasibly paid in full and the Repurchase Documents are terminated, Seller shall perform and observe the following covenants, which shall be given independent effect (so that if a particular action or condition is prohibited by any covenant, the fact that it would be permitted by an exception to or be otherwise within the limitations of another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists):

Section 8.01 Existence; Governing Documents; Conduct of Business. Seller shall (a) preserve and maintain its legal existence, (b) qualify and remain qualified in good standing in each jurisdiction where the failure to be so qualified would have a material and adverse effect on Seller, (c) comply with its Governing Documents, including all Single Purpose Entity provisions, and (d) not modify, amend or terminate its Governing Documents or divide itself into two or more separate limited liability companies. Seller shall (a) continue to engage in the same (and no other) general lines of business as presently conducted by it, (b) maintain and preserve all of its material rights, privileges, licenses and franchises necessary for the operation of its business, and (c) maintain Seller's status as a qualified transferee, qualified lender or any similar term (however defined) under the Purchased Asset Documents. Seller shall not (A) change its name, organizational number, tax identification number, fiscal year, method of accounting, identity, structure or jurisdiction of organization (or have more than one such jurisdiction), move the location of its principal place of business and chief executive office (as defined in the UCC) from the location referred to in Section 7.01, or (B) move, or consent to Custodian moving, the Purchased Asset Documents from the location thereof on the applicable Purchase Date for the related Purchased Asset, unless in each case Seller has given at least thirty (30) days prior notice to Buyer and has taken all actions required under the UCC to continue the first priority perfected security interest of Buyer in the Purchased Assets. Seller shall enter into each Transaction as principal. Seller shall provide Buyer with notice of any change in the principal office or place of business or jurisdiction of Pledgor or Guarantor within ten (10) Business Days after giving effect to such change.

Section 8.02 Compliance with Laws, Contractual Obligations and Repurchase Documents. Seller shall comply in all material respects with each and every Requirements of Law, including those relating to any Purchased Asset. No part of the proceeds of any Transaction shall be used for any purpose that violates Regulation T, U or X of the Board of Governors of the Federal Reserve System. Seller shall maintain the Custodial Agreement and Controlled Account Agreement in full force and effect. Seller shall not directly or indirectly enter into any agreement that would be violated or breached by any Transaction or the performance by Seller of any Repurchase Document.

Section 8.03 Structural Changes. Seller shall not enter into any merger or consolidation, or adopt, file, or effect a Division, or liquidate, wind up or dissolve, or, except in accordance with this Agreement, sell all or substantially all of its assets or properties, or permit any changes in the ownership of the Equity Interests of Seller, without the consent of

Buyer. Seller shall ensure that all Equity Interests of Seller shall continue to be directly owned by the owner thereof as of the date hereof. Seller shall ensure that neither the Equity Interests of Seller nor any property or assets of Seller shall be pledged to any Person other than Buyer. Seller shall not enter into any transaction with an Affiliate of Seller unless such transaction is on commercially reasonable terms similar to those available to unaffiliated parties in an arm's length transaction.

Section 8.04 Protection of Buyer's Interest in Purchased Assets. With respect to each Purchased Asset, Seller shall take all action necessary or required by the Repurchase Documents, the Purchased Asset Documents and each and every Requirements of Law, or requested by Buyer, to perfect, protect and more fully evidence the security interest granted in the Purchase Agreements and Buyer's ownership of and first priority perfected security interest in such Purchased Asset and related Purchased Asset Documents, including executing or causing to be executed (a) such other instruments or notices as may be necessary or appropriate and filing and maintaining effective UCC financing statements, continuation statements and assignments and amendments thereto, and (b) all documents necessary to both collaterally and absolutely and unconditionally assign all rights (but none of the obligations) of Seller under each Purchase Agreement, in each case as additional collateral security for the payment and performance of each of the Repurchase Obligations. Seller shall (a) not assign, sell, transfer, pledge, hypothecate, grant, create, incur, assume or suffer or permit to exist any security interest in or Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on any Purchased Asset to or in favor of any Person other than Buyer, (b) defend the right, title and interest of Buyer in and to all Purchased Assets against the claims and demands of all Persons whomsoever. Seller shall comply with all requirements of the Custodial Agreement with respect to each Purchased Asset. Notwithstanding the foregoing, (i) if Seller grants a Lien on any Purchased Asset in violation of this Section 8.04 or any other Repurchase Document, Seller shall defend such Purchased Asset against, and take such action as is necessary to remove, any such Lien, and be deemed to have simultaneously granted an equal and ratable Lien on such Purchased Asset in favor of Buyer to the extent such Lien has not already been granted to Buyer; provided, that such equal and ratable Lien shall not cure any resulting Event of Default, and (ii) to the extent any additional limited liability company is formed by a Division of Seller (and without prejudice to Sections 8.01, 8.03 and 9.01 hereof), Seller shall cause any such Division LLC to assign, pledge and grant to Buyer, for no additional consideration, all of its assets, and shall cause any owner of each such Division LLC to pledge all of the Equity Interests and any rights in connection therewith of each such Division LLC to Buyer, for no additional consideration, in support of all Repurchase Obligations in the same manner and to the same extent as the assignment, pledge and grant by Seller of all of Seller's assets hereunder, and in the same manner and to the same extent as the pledge by Pledgor of all of Pledgor's right, title and interest in all of the Equity Interests of Seller and any rights in connection therewith, in each case pursuant to the Pledge Agreement. Seller shall not materially amend, modify, waive or terminate any provision of any Purchase Agreement or Servicing Agreement without the prior written consent of Buyer. Seller shall not, or permit any Servicer to make any Material Modification to any Purchased Asset or Purchased Asset Document, without the prior written consent of Buyer. Seller shall use appropriate documentation to evidence the interests granted to Buyer hereunder. Seller shall not take any action to cause any Purchased Asset that is not evidenced by an instrument or chattel paper (as defined in the UCC) to be so evidenced. If a Purchased Asset becomes evidenced by an instrument or chattel paper, the same

shall be immediately delivered to Custodian on behalf of Buyer, together with endorsements required by Buyer.

Section 8.05 Actions of Seller Relating to Distributions, Indebtedness, Guarantee Obligations, Contractual Obligations, Investments and Liens. Following the occurrence and during the continuance of a Default or Event of Default (or if any Default or Event of Default would result after giving effect to any of the following), Seller shall not declare or make any payment on account of, or set apart assets for, a sinking or similar fund for the purchase, redemption, defeasance, retirement or other acquisition of any Equity Interest of Seller or Pledgor, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Seller or Pledgor; provided, however, that notwithstanding anything in this paragraph to the contrary, Seller shall be permitted to declare and/or pay any dividends and distributions to its shareholder or equity owners in order for Guarantor to (x) comply with Section 857(a)(1) of the Code for a taxable year and (y) avoid the imposition of tax on Guarantor under Sections 857(b)(1), 857(b)(5) or 4981(a) of the Code. Seller shall not contract, create, incur, assume or permit to exist any Indebtedness, Guarantee Obligations, Contractual Obligations or Investments, except to the extent (a) arising or existing under the Repurchase Documents, (b) arising or existing pursuant to any Retained Interests, (c) incurred after the Closing Date to originate or acquire Assets or to provide funding with respect to Assets, (d) related to Interest Rate Protection Agreements pursuant to Section 8.10 or entered into in order to manage risks related to Assets and (e) permitted by the terms of Section 9.01. Seller shall not (a) contract, create, incur, assume or permit to exist any Lien on or with respect to any of its property or assets (including the Purchased Assets) of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, other than, (i) except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document or (ii) any Liens for Taxes not yet due or that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP, or (b) except as provided in the preceding clause (a), grant, allow or enter into any agreement or arrangement with any Person that prohibits or restricts or purports to prohibit or restrict the granting of any Lien on any of the foregoing.

Section 8.06 Maintenance of Property, Insurance and Records. Seller shall (a) keep all property useful and necessary in its business in good working order and condition, (b) maintain insurance on all its properties in accordance with customary and prudent practices of companies engaged in the same or a similar business, and (c) furnish to Buyer upon request information and certificates with respect to such insurance. Seller shall maintain and implement administrative and operating procedures (including the ability to recreate records evidencing the Purchased Assets if the original records are destroyed) and shall keep and maintain all documents, books, records and other information (including with respect to the Purchased Assets) that are reasonably necessary or advisable in the conduct of its business.

Section 8.07 Delivery of Income. Unless otherwise agreed to by Buyer in writing, each Servicing Agreement and/or the related Servicer Notice shall require, and Seller shall cause Servicer to, transfer all Income for each Purchased Asset into the Waterfall Account in accordance with Section 5.01 hereof. Following the occurrence and during the continuance of an Event of Default, Buyer may deliver Irrevocable Redirection Notices to the Underlying

Obligors. Seller and Servicer shall, in connection with each principal payment or prepayment under a Purchased Asset, provide or cause to be provided to Buyer sufficient detail to enable Buyer to identify the Purchased Asset to which such payment applies. If Seller receives any rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any Purchased Assets, or otherwise in respect thereof, Seller shall accept the same as Buyer's agent, hold the same in trust for Buyer and immediately deliver the same to Buyer or its designee in the exact form received, together with duly executed instruments of transfer, stock powers or assignment in blank and such other documentation as Buyer shall reasonably request. If any Income is received by any Seller Party or any Affiliate of any Seller Party, Seller shall, subject to the applicable provisions of the related Servicing Agreement and the Servicer Notice, directly deposit such Income for deposit into the Waterfall Account within two (2) Business Days after receipt, and, until so deposited, hold such Income in trust for Buyer, segregated from other funds of Seller.

Section 8.08 Delivery of Financial Statements and Other Information. Seller shall deliver the following to Buyer, as soon as available and in any event within the time periods specified:

(a) within forty-five (45) days after the end of each of the first, second and third fiscal quarters of each fiscal year of Guarantor, (i) the unaudited balance sheets of Guarantor as at the end of such period, (ii) the related unaudited statements of income, retained earnings, stockholders equity and cash flows for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, and (iii) a Compliance Certificate;

(b) within ninety (90) days after the end of each fiscal year of Guarantor, (i) the audited balance sheets of Guarantor as at the end of such fiscal year, (ii) the related statements of income, retained earnings and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, (iii) an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall not be qualified as to scope of audit or going concern and shall state that said financial statements fairly present the financial condition and results of operations of Guarantor as at the end of and for such fiscal year in accordance with GAAP, and (iv) a Compliance Certificate;

(c) all reports submitted to Guarantor by independent certified public accountants in connection with each annual, interim or special audit of the books and records of Guarantor made by such accountants, including any management letter commenting on Guarantor's internal controls;

(d) with respect to each Purchased Asset and related Mortgaged Property, within ten (10) days after the end of each month (or, if the Underlying Obligor is not required to report monthly, within thirty (30) days after the end of each fiscal quarter of Seller): a rent roll, occupancy and other property level information and operating and financial statements of Underlying Obligors, and all modifications or updates to the items contained in the Underwriting Package; provided that Seller shall use commercially reasonable efforts to require each Underlying Obligor to comply with the reporting requirements of the related Purchased Asset Documents;

(e) all financial statements, reports, notices and other documents that each Seller Party files with any Governmental Authority, promptly after the delivery or filing thereof;

(f) within ten (10) days after the end of each month, a report of all proposed sales, repurchases and other transactions with respect to the Purchased Assets, which schedule shall be acceptable to Buyer;

(g) any other material agreements, correspondence, documents or other information not included in an Underwriting Package which is related to Seller or the Purchased Assets, as soon as possible after the discovery thereof by any Seller Party or any Affiliate of any Seller Party;

of:

(h)

(A) any amendment to the Governing Documents of Guarantor;

(B) the removal or resignation of Manager; and

(C) any material change in accounting policies or financial reporting practices by Guarantor;

(i) all amendments to any Purchased Asset Documents that are executed after

the Purchase Date of each Purchased Asset, whether or not the related amendment is also a Material Modification;

(j) such other information regarding the financial condition, operations or business of any Seller Party or any Underlying Obligor as Buyer may reasonably request including, without limitation, any such information that is otherwise necessary to allow Buyer to monitor compliance with the terms of the Repurchase Documents; and

(k) upon the request of Buyer, updated Appraisals of the Mortgaged Properties relating to the Purchased Assets, which, subject to the limitation in the last sentence of Section 18.20, shall be at Seller's sole cost and expense.

Section 8.09 Delivery of Notices. Seller shall promptly (but in any event within one (1) Business Day) notify Buyer of the occurrence of any of the following of which Seller has Knowledge, together with a certificate of a Responsible Officer of Seller setting forth details of such occurrence and any action Seller has taken or proposes to take with respect thereto:

(a) a Representation Breach;

(b) any of the following: (i) with respect to any Purchased Asset or related underlying Mortgaged Property, material loss or damage, material licensing or permit issues, violation of Requirements of Law, discharge of or damage from Materials of Environmental Concern or any other actual or expected event or change in circumstances that, with respect to each of the foregoing, could reasonably be expected to result in a default or material decline in

value or cash flow, and (ii) with respect to Seller, any violation of Requirements of Law, material decline in the value of Seller's assets or properties, an Internal Control Event or other event or circumstance that, with respect to each of the foregoing, could reasonably be expected to have a material and adverse effect on Seller;

(c) the existence of any Default, Event of Default or material default under or related to any Purchased Asset, any Purchased Asset Document, or any Indebtedness, Guarantee Obligation or Contractual Obligation of Seller;

(d) reserved;

(e) the establishment of a rating by any Rating Agency applicable to any Seller Party and any downgrade in or withdrawal of such rating once established;

(f) the commencement of, settlement of or material judgment in any litigation, action, suit, arbitration, investigation or other legal or arbitrable proceedings before any Governmental Authority that (i) affects any Seller Party, any Purchased Asset, Pledged Collateral or Mortgaged Property, (ii) questions or challenges the validity or enforceability of any Repurchase Document, Transaction, Purchased Asset or Purchased Asset Document, or (iii) individually or in the aggregate, if adversely determined, could reasonably be likely to have a material and adverse effect on such Seller Party; and

(g) each change in the location of its principal place of business and chief executive office, from the location referred to in Annex I.

Section 8.10 Hedging. (a) With respect to each Purchased Asset that is a Hedge Required Asset, Seller shall enter into one or more Interest Rate Protection Agreement(s) which are in form and substance reasonably acceptable to Buyer. Seller shall take such actions as Buyer reasonably requests to perfect the security interest granted in each Interest Rate Protection Agreement (including any Cleared Swap) pursuant to Section 11.01, and shall pledge to Buyer, which pledge shall (other than in the case of a Cleared Swap) be consented to in writing by each Hedge Counterparty, all of Seller's rights (but none of the obligations) in, to and under each Interest Rate Protection Agreement, subject to, in the case of a Cleared Swap, (i) the rights, if any, of the related DCO and FCM and (ii) any limitation on such a pledge by Seller required by the DCO or FCM.

(b) On or before the purchase by Buyer of the first Hedge Required Asset, Seller shall establish the Hedge Account. Subject to the provisions set forth in this Section 8.10(b), Buyer shall have sole dominion and control (including, without limitation, "control" within the meaning of Section 9-104(a) of the UCC) over the Hedge Account. Except as expressly set forth in this Section 8.10(b), Seller shall not have any right to withdraw amounts on deposit in the Hedge Account without the prior written consent of Buyer. With respect to any Interest Rate Protection Agreement entered into with respect to a Hedge Required Asset, Seller shall direct, in writing, the related Hedge Counterparty, or in the case of a Cleared Swap, the related FCM, to (i) make payment of all net regularly scheduled payments and net termination payments payable to Seller, (ii) except in the case of a Cleared Swap, deliver all collateral required to be transferred by the Hedge Counterparty to Seller with respect to such Interest Rate

Protection Agreement into the Hedge Account and (iii) in the case of a Cleared Swap, Seller's account at the FCM shall be pledged to Buyer; *provided, however*, in no event shall any return of excess collateral previously posted by Seller to a Hedge Counterparty be required to be transferred to the Hedge Account. Prior to the occurrence of a Default or an Event of Default, Seller may withdraw from the Hedge Account any amounts representing Permitted Withdrawals in such manner as may be necessary for Seller to satisfy the requirements under the relevant Interest Rate Protection Agreement with respect to the transfer (including returns) of collateral. With respect to any Other Permitted Withdrawal, at least two (2) Business Days' prior to the applicable withdrawal date, Seller shall deliver to Buyer written notice of its intent to make such Other Permitted Withdrawal which notice, at a minimum, provides evidence that the amounts remaining on deposit in the Hedge Account are at least equal to the aggregate amount of collateral posted to Seller by the Hedge Counterparties. Buyer shall have two (2) Business Days from the receipt of such notice to notify Seller that, in Buyer's reasonable discretion, it has determined that the withdrawal is not an Other Permitted Withdrawal. In such event, Seller shall not be permitted to make such Other Permitted Withdrawal. If Buyer does not object to such Other Permitted Withdrawal within such two (2) Business Day period, Seller shall be permitted to withdraw from the Hedge Account any amounts representing the Other Permitted Withdrawal set forth in Seller's previously delivered notice. Notwithstanding anything set forth in this Section 8.10(b) to the contrary, all rights of Seller to withdraw amounts on deposit in the Hedge Account without Buyer's prior written consent shall terminate upon the occurrence of any Default or Event of Default hereunder; *provided, however*, following the occurrence of any such Default or Event of Default, Buyer shall authorize and cause the release of amounts on deposit in the Hedge Account to satisfy the requirements under the relevant Interest Rate Protection Agreement with respect to the return of any excess collateral.

(c) For the avoidance of doubt, to the extent amounts on deposit in the Hedge Account are not sufficient to satisfy collateral posting obligations owed by Seller to a Hedge Counterparty, Seller shall satisfy such obligations from amounts available to Seller from a source other than the Servicer Account or the Waterfall Account.

(d) Following the occurrence of an Event of Default, Buyer shall have the right to apply all amounts on deposit in the Hedge Account to the outstanding Repurchase Obligations in such order and manner as Buyer determines in its reasonable discretion.

(e) Promptly upon receipt, Seller shall deliver to Buyer a copy of each "daily mark-to-market" report from each applicable Hedge Counterparty and such other information reasonably requested by Buyer.

Section 8.11 Reserved.

Section 8.12 Pledge Agreement. Seller shall not take any direct or indirect action inconsistent with the Pledge Agreement or the security interest granted thereunder to Buyer in the Pledged Collateral. Seller shall not permit any additional Persons to acquire Equity Interests in Seller other than the Equity Interests owned by Pledgor and pledged to Buyer on the Closing Date, and Seller shall not permit any sales, assignments, pledges or transfers of the Equity Interests in Seller other than to Buyer.

Section 8.13 Taxes. Guarantor will continue to qualify and be reported as a REIT for U.S. federal income tax purposes. Seller will continue to be classified and reported as a disregarded entity of a U.S. Person for U.S. federal income tax purposes. Each Seller Party will each timely file all required federal tax returns and all other material tax returns, domestic and foreign, required to be filed by them and will timely pay all federal and other material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges (whether imposed with respect to their income or any of their properties or assets) which become due and payable, except (i) any such taxes, assessments, fees, or other governmental charges that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves are established in accordance with GAAP or (ii) if the failure to do so could not reasonably be expected to have a material and adverse effect on such Seller Party.

Section 8.14 Reserved.

Section 8.15 Reserved.

Section 8.16 Transaction with Affiliates. Seller will not, directly or indirectly, (i) make any investment in an Affiliate (whether by means of share purchase; capital contribution; loan, advance or any other extension of credit, including repurchase agreements, securities lending transactions or any transaction involving a Derivatives Contract; deposit, or otherwise including any agreement or commitment to enter into any of the foregoing) or (ii) transfer, sell, lease, assign or otherwise dispose of any tangible or intangible property to an Affiliate or enter into any other transaction, directly or indirectly, with or for the benefit of any Affiliate (including, without limitation, guarantees and assumptions of obligations of an Affiliate) except, in each case, in compliance with the Repurchase Documents, the Investment Company Act and any other Requirements of Law.

Section 8.17 Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(a) The proceeds of any Transaction shall not be used, directly or indirectly, for any purpose which would breach any applicable Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.

(b) Each Seller Party shall (i) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; and (ii) maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(c) The repurchase of any Purchased Asset or any other payment due to Buyer under this Agreement or any other Repurchase Document shall not be funded, directly or indirectly, with proceeds derived from a transaction that would be prohibited by Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, or in any manner that would cause any Seller Party or to the knowledge of the Seller Parties, any Affiliates of any Seller Party to be in breach of any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.

(d) With respect to the Purchased Assets that were originated by Seller or any Affiliate of Seller, Seller has conducted the customer identification and customer due diligence required in connection with the origination of each Purchased Asset for purposes of complying

with all Anti-Money Laundering Laws, and will maintain sufficient information to identify each such customer for purposes of such Anti-Money Laundering Laws.

Section 8.18 Compliance with Sanctions. The proceeds of any Transaction hereunder will not, directly or indirectly, be used to lend, contribute, or otherwise be made available; (i) to fund any activities or business of or with a Sanctioned Target, or (ii) be used in any manner that would be prohibited by Sanctions or would otherwise cause Buyer to be in breach of any Sanctions. Seller shall notify Buyer in writing not more than three (3) Business Days after becoming aware of any breach of Section 7.20 or this Section 8.18.

Section 8.19 Beneficial Ownership. To the extent that Seller is a “legal entity customer” under the Beneficial Ownership Regulation, Seller shall promptly give notice to Buyer of any change in the information provided in any Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and shall promptly deliver an updated Beneficial Ownership Certification to Buyer.

Section 8.20 Post-Closing Obligation. No later than ten (10) Business Days after the Closing Date, Seller shall deliver an opinion of counsel licensed in Minnesota with respect to the perfection of Buyer’s security interest in the Purchased Assets as a result of Buyer (or Custodian on behalf of Buyer) having possession and control of the related Mortgage Notes, which opinion shall be in form and substance acceptable to Buyer in its reasonable discretion.

ARTICLE 9

SINGLE PURPOSE ENTITY

Section 9.01 Covenants Applicable to Seller. Seller shall (a) own no assets, and shall not engage in any business, other than the assets and transactions specifically contemplated by this Agreement and any other Repurchase Document; (b) not incur any Indebtedness or other obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (I) with respect to the Purchased Asset Documents and the Retained Interests, (II) commitments to make loans which may become Eligible Assets, and (III) as otherwise permitted under this Agreement; (c) not make any loans or advances to any Affiliate or any other Person and shall not acquire obligations or securities of its Affiliates, in each case other than in connection with the origination or acquisition of Assets for purchase under the Repurchase Documents; (d) pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) only from its own assets; (e) comply with the provisions of its Governing Documents; (f) do all things necessary to observe organizational formalities and to preserve its existence, and shall not amend, modify, waive provisions of or otherwise change its Governing Documents with respect to the matters set forth in this Article 9; (g) maintain all of its books, records and bank accounts separate from those of any other Person; (h) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on any financial statement of any

other Person; provided, however, that Seller's assets may be included in a consolidated financial statement of its Affiliate provided that appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Seller from such Affiliate and to indicate that Seller's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person; (i) file its own tax returns separate from those of any other Person, except to the extent that Seller is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under Requirements of Law; (j) be, and at all times shall hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, and shall not identify itself or any of its Affiliates as a division of the other; (k) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; (l) to the fullest extent permitted by law, not engage in or suffer any Change of Control, dissolution, winding up, liquidation, consolidation or merger in whole or in part or convey or transfer all or substantially all of its properties and assets to any Person (except as contemplated herein), nor shall Seller adopt, file, or effect a Division; (m) not commingle its funds or other assets with those of any Affiliate or any other Person; (n) maintain its properties, assets and accounts separate from those of any Affiliate or any other Person, (o) not guarantee any obligation of any Person, including any Affiliate, become obligated for the debts of any other Person, or hold out its credit or assets as being available pay the obligations of any other Person,

(p) not, without the prior unanimous written consent of all of its Independent Directors or Independent Managers, take any Insolvency Action, (q) (I) have at all times at least one (1) Independent Director or Independent Manager whose vote is required to take any Insolvency Action, and (II) provide Buyer with up-to-date contact information for each such Independent Director or Independent Manager and a copy of the agreement pursuant to which such Independent Director or Independent Manager consents to and serves as an "Independent Director" or "Independent Manager" for Seller; (r) have Governing Documents that provide that for so long as any Repurchase Obligations remain outstanding, (I) the Independent Manager or Independent Director may be removed only for Cause, (II) that Buyer be given at least five (5) Business Days prior notice of the removal and/or replacement of any Independent Director or Independent Manager, together with the name and contact information of the replacement Independent Director or Independent Manager and evidence of the replacement's satisfaction of the definition of "Independent Director" or "Independent Manager", (III) that, to the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, any Independent Director or Independent Manager shall consider only the interests of Seller, including its respective creditors, in acting or otherwise voting on the Insolvency Action, and (IV) that, except for duties to Seller as set forth in the immediately preceding clause (including duties to the holders of the Equity Interests in Seller or Seller's respective creditors solely to the extent of their respective economic interests in Seller, but excluding (A) all other interests of the holders of the Equity Interests in Seller, (B) the interests of other Affiliates of Seller, and (C) the interests of any group of Affiliates of which Seller is a part), the Independent Directors or Independent Managers shall not have any fiduciary duties to the holders of the Equity Interests in Seller, any officer or any other Person bound by the Governing Documents; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing;

(s) except for capital contributions or capital distributions permitted under the terms and conditions of its Governing Documents and properly reflected on the books and records of

Seller, not enter into any transaction with an Affiliate of Seller except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction; (t) maintain a sufficient number of employees in light of contemplated business operations and pay the salaries of its own employees, if any, only from its own funds; (u) use separate stationary, invoices and checks bearing its own name; (v) allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including for shared office space and for services performed by an employee of an Affiliate; (w) not pledge its assets to secure the obligations of any other Person; and (x) not form, acquire or hold any Subsidiary or own any Equity Interest in any other entity. Seller has complied with the covenants set forth in this Section 9.01 since the date of its formation.

Section 9.02 Reserved.

Section 9.03 Covenants Applicable to Seller and Pledgor. Seller shall, and Seller shall ensure that Pledgor shall, comply with the following additional provisions if either Seller or Pledgor is a limited partnership, a corporation, a limited liability company with more than one member or a single-member limited liability company (as the case may be):

(a)if either Seller or Pledgor is a limited partnership, each such entity shall have at least one general partner and shall have, as its only general partners, Single Purpose Entities each of which (i) is a corporation or single-member Delaware limited liability company, (ii) has at least one Independent Director or Independent Manager, and (iii) holds a direct interest as general partner in the limited partnership of not less than 0.5% (or 0.1% if the limited partnership is a Delaware entity);

(b)if either Seller or Pledgor is a corporation, each such entity shall have at least one Independent Director or Independent Manager, and shall not cause or permit the board of directors of such entity to take any Insolvency Action either with respect to itself and, if the corporation is a Pledgor, with respect to Seller, or any action requiring the unanimous affirmative vote of 100% of the members of its board of directors unless all of its Independent Directors or Independent Managers shall have participated in such vote and shall have voted in favor of such action;

(c)if either Seller or Pledgor is a limited liability company (other than a limited liability company meeting all of the requirements applicable to a single-member limited liability company set forth in Section 9.03(d)), shall have at least one member that is a Single Purpose Entity, that is a corporation or a single-member Delaware limited liability company, that has at least one Independent Director or Independent Manager and that directly owns at least 0.5% of the equity of the limited liability company (or 0.1% if the limited liability company is a Delaware entity); and

(d)if either Seller or Pledgor is a single-member limited liability company, such entity (i) shall be a Delaware limited liability company, (ii) shall have at least one Independent Director or Independent Manager serving as manager of such company, (iii) shall not take any Insolvency Action and shall not cause or permit the members or managers of such entity to take any Insolvency Action, either with respect to itself or, if the company is a Pledgor, with respect to Seller, in each case unless all of its Independent Director(s) or Independent

Manager(s) then serving as managers of the company shall have consented in writing to such action (directly or indirectly), and (iv) shall have either (A) a member which owns no economic interest in the company, has signed the company's limited liability company agreement and has no obligation to make capital contributions to the company, or (B) two natural persons or one entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement becomes a member of the company immediately prior to the resignation or dissolution of the last remaining member of the company.

ARTICLE 10

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default. Each of the following events shall be an “Event of Default”.

- (a) Seller fails to make a payment of (i) Margin Deficit or Repurchase Price

(other than Price Differential) when due, whether by acceleration or otherwise, (ii) Price Differential when due, or (iii) any fee or other amount when due (or if a date when due is not specified, within three (3) Business Days after notice thereof to Seller from Buyer), in each case under the Repurchase Documents;

(b) Seller fails to observe or perform in any material respect (A) any Repurchase Obligation of Seller under the first two sentences of Section 8.04 and Section 18.08(a) or (B) any other Repurchase Obligation of Seller under the Repurchase Documents or Purchased Asset Documents to which Seller is a party, and in the case of this clause (B) only, such failure continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller; provided, however, that, in the case of this clause (B) only, if such failure is susceptible of cure but cannot reasonably be cured within such five (5) Business Day period and Seller shall have commenced to cure such failure within such five (5) Business Day period and thereafter diligently and expeditiously proceeds to cure the same, such five (5) Business Day period shall be extended for such time as is reasonably necessary for Seller, in the exercise of due diligence, to cure such failure, and in no event shall such cure period exceed fifteen (15) days in the aggregate from Seller's receipt of Buyer's notice of such failure or Seller's discovery of such failure, as applicable;

(c) any Representation Breach (other than a Representation Breach arising out of the representations and warranties set forth in Schedule 1) exists and continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such Representation Breach by Seller;

(d) any Seller Party defaults beyond any applicable grace period in paying any amount or performing any obligation under any Indebtedness, Guarantee Obligation or Contractual Obligation with an outstanding amount of at least \$250,000 with respect to Seller or Pledgor, or \$10,000,000 with respect to Guarantor;

(e) any Seller Party or any Subsidiary of Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation due to Buyer or any Affiliate of Buyer under any other financing, hedging, security or other agreement (other than under this Agreement) between any Seller Party or any Subsidiary of Guarantor and Buyer or any Affiliate of Buyer, including, without limitation, Guarantor's obligations under the Guarantee Agreement;

(f) an Insolvency Event occurs with respect to any Seller Party;

(g) a Change of Control occurs;

(h) a final judgment or judgments for the payment of money in excess of

\$250,000 with respect to Seller or Pledgor, or \$10,000,000 with respect to Guarantor in the aggregate is entered against any Seller Party by one or more Governmental Authorities and the same is not satisfied, discharged (or provision has not been made for such discharge) or bonded, or a stay of execution thereof has not been procured, within thirty (30) days from the date of entry thereof;

(i) a Governmental Authority takes any action to (i) condemn, seize or appropriate, or assume custody or control of, all or any substantial part of the property of Seller, (ii) displace the management of Seller or curtail its authority in the conduct of the business of Seller, (iii) terminate the activities of Seller as contemplated by the Repurchase Documents, or (iv) remove, limit or restrict the approval of Seller of the foregoing as an issuer, buyer or a seller of securities, and in each case such action is not discontinued or stayed within thirty (30) days;

(j) any Seller Party admits that it is not Solvent or is not able or not willing to perform any of its Repurchase Obligations, Contractual Obligations, Guarantee Obligations, Capital Lease Obligations or Off-Balance Sheet Obligations;

(k) any provision of the Repurchase Documents, any right or remedy of Buyer or obligation, covenant, agreement or duty of Seller thereunder, or any Lien, security interest or control granted under or in connection with the Repurchase Documents, Pledged Collateral or Purchased Assets terminates, is declared null and void, ceases to be valid and effective, ceases to be the legal, valid, binding and enforceable obligation of Seller or any other Person, or the validity, effectiveness, binding nature or enforceability thereof is contested, challenged, denied or repudiated by Seller or any Affiliate thereof, in each case directly, indirectly, in whole or in part;

(l) Buyer ceases for any reason to have a valid and perfected first priority security interest in any Purchased Asset or any Pledged Collateral;

(m) any Seller Party is required to register as an “investment company” (as defined in the Investment Company Act) or the arrangements contemplated by the Repurchase Documents shall require registration of any Seller Party as an “investment company”;

(n) any Seller Party engages in any conduct or action where Buyer’s prior consent or approval is expressly required pursuant to Article 8 and such Seller Party fails to

obtain such consent or approval and such failure continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;

(o) Seller fails to apply any Income received by Seller in accordance with the provisions hereof on the date on which the same was due and such failure continues for a period of one (1) Business Day past the date on which the same was due;

(p) Guarantor's audited annual financial statements or the notes thereto or other opinions or conclusions stated therein are qualified or limited by reference to the status of Guarantor as a "going concern" or a reference of similar import, other than a qualification or limitation expressly related to Buyer's rights in the Purchased Assets;

(q) any termination event, default or event of default (however defined) shall have occurred with respect to Seller under any Interest Rate Protection Agreement and such Interest Rate Protection Agreement has been accelerated as a result of such event;

(r) any Material Modification is made to any Purchased Asset or any Purchased Asset Document without the prior written consent of Buyer; provided that the breach of this clause (r) shall not constitute an Event of Default if Seller repurchases the related Purchased Asset for the full Repurchase Price therefor pursuant to and in accordance with Section 3.04(b);

(s) Seller becomes subject to U.S. federal income tax on a net income basis;

(t) any Seller Party adopts, files, or effects a Division;

(u) the underlying assets of any Seller Party constitute Plan Assets;

(v)(A) the breach by Guarantor of any financial covenant or any payment obligation set forth in the Guarantee Agreement, (B) any of the representations and warranties of Guarantor in the Guarantee Agreement or in any Compliance Certificate shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated or (C) the breach by Guarantor of any other term, covenant, obligation or condition set forth in the Guarantee Agreement; provided, however, that any such default or breach under the preceding clauses (B) or (C) only shall not constitute an Event of Default if such Guarantor cures such default or breach, as the case may be, within ten (10) Business Days after the earlier of notice thereof from Buyer to Guarantor or Seller, or Seller's or Guarantor's discovery thereof; provided, further, that if any such default or breach under the preceding clauses (B) or (C) is susceptible of cure but cannot reasonably be cured within such ten (10) Business Day period and Guarantor shall have commenced to cure such default or breach within such ten (10) Business Day period and thereafter diligently and expeditiously proceeds to cure the same, such ten (10) Business Day period shall be extended for such time as is reasonably necessary for Guarantor, in the exercise of due diligence, to cure such default, and in no event shall such cure period exceed fifteen (15) Business Days in the aggregate from Guarantor's or Seller's receipt of Buyer's notice of such default or failure; and

(w) any withdrawal from the Hedge Account that is not in compliance with Section 8.10(b).

Section 10.02 Remedies of Buyer as Owner of the Purchased Assets. If an Event of Default exists, at the option of Buyer, exercised by notice to Seller (which option shall be deemed to be exercised, even if no notice is given, automatically and immediately upon the occurrence of an Event of Default under Section 10.01(f)), the Repurchase Date for all Purchased Assets shall be deemed automatically and immediately to occur (the date on which such option is exercised or deemed to be exercised, the “Accelerated Repurchase Date”). If Buyer exercises or is deemed to have exercised the foregoing option:

(a) All Repurchase Obligations shall become immediately due and payable on and as of the Accelerated Repurchase Date and Buyer may, upon the delivery of notice thereof to Seller, terminate this Agreement, except provisions of this Agreement which by their terms survive any such termination of the Agreement or the transactions contemplated hereby.

(b) All amounts in either the Servicer Account or the Waterfall Account and all Income paid after the Accelerated Repurchase Date shall be retained by Buyer and applied in accordance with Article 5.

(c) Buyer may complete any assignments, allonges, endorsements, powers or other documents or instruments executed in blank and otherwise obtain physical possession of all Purchased Asset Documents and all other instruments, certificates and documents then held by or on behalf of Custodian under the Custodial Agreement including, without limitation, the Blank Assignment Documents. Buyer may obtain physical possession of all Servicing Files, Servicing Agreements and other files and records of Seller or any Servicer. Seller shall deliver to Buyer such assignments and other documents with respect thereto as Buyer shall request.

(d) Buyer may immediately, at any time, and from time to time, exercise either of the following remedies with respect to any or all of the Purchased Assets: (i) sell such Purchased Assets on a servicing-released basis and/or without providing any representations and warranties on an “as-is where is” basis, in a recognized market and by means of a public or private sale at such price or prices as Buyer accepts, and apply the net proceeds thereof in accordance with Article 5, or (ii) retain such Purchased Assets and give Seller credit against the Repurchase Price for such Purchased Assets (or if the amount of such credit exceeds the Repurchase Price for such Purchased Assets, to credit against Repurchase Obligations due and any other amounts (without duplication) then owing to Buyer by any other Person pursuant to any Repurchase Document, in such order and in such amounts as determined by Buyer), in an amount equal to the Market Value of such Purchased Assets on the date of the related Event of Default. Until such time as Buyer exercises either such remedy with respect to a Purchased Asset, Buyer may hold such Purchased Asset for its own account and retain all Income with respect thereto.

(e) The Parties agree that the Purchased Assets are of such a nature that they may decline rapidly in value, and may not have a ready or liquid market. Accordingly, Buyer shall not be required to sell more than one Purchased Asset on a particular Business Day, to the

same purchaser or in the same manner. Buyer may determine whether, when and in what manner a Purchased Asset shall be sold, it being agreed that both a good faith public and a good faith private sale shall be deemed to be commercially reasonable. Buyer shall not be required to give notice to Seller or any other Person prior to exercising any remedy in respect of an Event of Default. If no prior notice is given, Buyer shall give notice to Seller of the remedies exercised by Buyer promptly thereafter.

(f) Seller shall be liable to Buyer for (i) any amount by which the Repurchase Obligations due to Buyer exceed the aggregate of the net proceeds and credits referred to in the preceding clause (d), (ii) the amount of all actual out-of-pocket expenses, including reasonable legal fees and expenses, actually incurred by Buyer in connection with or as a consequence of an Event of Default, (iii) any costs and losses payable under Section 12.03 ~~12.03~~ 12.04, and (iv) any other actual loss, damage, cost or expense resulting from the occurrence of an Event of Default.

(g) Buyer shall be entitled to an injunction, an order of specific performance or other equitable relief to compel Seller to fulfill any of its obligations as set forth in the Repurchase Documents, including this Article 10, if Seller fails or refuses to perform its obligations as set forth herein or therein.

(h) Seller hereby appoints Buyer as attorney-in-fact of Seller for purposes of carrying out the Repurchase Documents, including executing, endorsing and recording any instruments or documents and taking any other actions that Buyer deems necessary or advisable to accomplish such purposes, which appointment is coupled with an interest and is irrevocable.

(i) Buyer may, without prior notice to Seller, exercise any or all of its set-off rights including those set forth in Section 18.17 and pursuant to any other Repurchase Document. This Section 10.02(i) shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer is at any time otherwise entitled.

(j) All rights and remedies of Buyer under the Repurchase Documents, including those set forth in Section 18.17, are cumulative and not exclusive of any other rights or remedies that Buyer may have and may be exercised at any time when an Event of Default exists. Such rights and remedies may be enforced without prior judicial process or hearing. Seller agrees that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's-length. Seller hereby expressly waives any defenses Seller might have to require Buyer to enforce its rights by judicial process or otherwise arising from the use of nonjudicial process, disposition of any or all of the Purchased Assets, or any other election of remedies.

ARTICLE 11

SECURITY INTEREST

Section 11.01 Grant. Buyer and Seller intend that the Transactions be sales to Buyer of the Purchased Assets and not loans from Buyer to Seller secured by the Purchased Assets. However, to preserve and protect Buyer's rights with respect to the Purchased Assets and under the Repurchase Documents if any Governmental Authority recharacterizes any

Transaction with respect to a Purchased Asset as other than a sale, and as security for Seller's performance of the Repurchase Obligations, Seller hereby grants to Buyer a present Lien on and security interest in all of the right, title and interest of Seller in, to and under (i) the Purchased Assets (which for this purpose shall be deemed to include the items described in clause (B) of the proviso in the definition thereof), (ii) subject to the limitations permitted in Section 8.10, each Interest Rate Protection Agreement with each Hedge Counterparty relating to each Purchased Asset, including, the case of Cleared Swaps, the Seller's account at the relevant FCM, and (iii) each Mezzanine Loan assigned to Buyer pursuant to Section 3.01(j), and the transfer of the Purchased Assets to Buyer shall be deemed to constitute and confirm such grant, to secure the payment and performance of the Repurchase Obligations (including the obligation of Seller to pay the Repurchase Price, or if the related Transaction is recharacterized as a loan, to repay such loan for the Repurchase Price).

Section 11.02 Effect of Grant. If any circumstance described in Section 11.01 occurs, (a) this Agreement shall also be deemed to be a security agreement as defined in the UCC, (b) Buyer shall have all of the rights and remedies provided to a secured party by Requirements of Law (including the rights and remedies of a secured party under the UCC and the right to set off any mutual debt and claim), (c) without limiting the generality of the foregoing, Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Assets against all of the Repurchase Obligations, without prejudice to Buyer's right to recover any deficiency, (d) the possession by Buyer or any of its agents, including Custodian, of the Purchased Asset Documents, the Purchased Assets and such other items of property as constitute instruments, money, negotiable documents, securities or chattel paper shall be deemed to be possession by the secured party for purposes of perfecting such security interest under the UCC and Requirements of Law, and (e) notifications to Persons (other than Buyer) holding such property, and acknowledgments, receipts or confirmations from Persons (other than Buyer) holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, securities intermediaries, bailees or agents (as applicable) of the secured party for the purpose of perfecting such security interest under the UCC and Requirements of Law. The security interest of Buyer granted herein shall be, and Seller hereby represents and warrants to Buyer and to all other Affiliated Hedge Counterparties that it is, subject to the limitations permitted in Section 8.10, a first priority perfected security interest. For the avoidance of doubt, (i) each Purchased Asset and each Interest Rate Protection Agreement relating to a Purchased Asset secures the Repurchase Obligations of Seller with respect to all other Transactions and all other Purchased Assets, including any Purchased Assets that are junior in priority to the Purchased Asset in question, and (ii) if an Event of Default exists, no Purchased Asset or Interest Rate Protection Agreement relating to a Purchased Asset will be released from Buyer's Lien or transferred to Seller until the Repurchase Obligations are indefeasibly paid in full. Notwithstanding the foregoing, the Repurchase Obligations shall be full recourse to Seller.

Section 11.03 Seller to Remain Liable. Buyer and Seller agree that the grant of a security interest under this Article 11 shall not constitute or result in the creation or assumption by Buyer of any Retained Interest or other obligation of Seller or any other Person in connection with any Purchased Asset, or any Interest Rate Protection Agreement whether or not Buyer exercises any right with respect thereto (for the avoidance of doubt, other than funding obligations or other obligations that, in each case, first arise from and after the time Buyer forecloses on and takes title to, or ownership of (free and clear of any repurchase or redemption

rights of Seller or obligations of Buyer with respect to such rights of Seller under the Repurchase Documents), the applicable Purchased Assets in connection with Buyer's exercise of remedies following the occurrence of an Event of Default). Seller shall remain liable under the Purchased Assets, each Interest Rate Protection Agreement and the Purchased Asset Documents to perform all of Seller's duties and obligations thereunder to the same extent as if the Repurchase Documents had not been executed.

Section 11.04 Waiver of Certain Laws. Seller agrees, to the extent permitted by Requirements of Law, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Purchased Assets may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and Seller, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws and any and all right to have any of the properties or assets constituting the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset marshaled upon any such sale, and agrees that Buyer or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Purchased Assets and each Interest Rate Protection Agreement relating to a Purchased Asset as an entirety or in such parcels as Buyer or such court may determine.

ARTICLE 12

BENCHMARK REPLACEMENT; INCREASED COSTS; CAPITAL ADEQUACY

Section 12.01 Benchmark Replacement; Market Disruption.

(a) Benchmark Replacement for LIBOR Based Transactions. Notwithstanding anything to the contrary herein or in any other Repurchase Document, with respect to any LIBOR Based Transaction, if the USD LIBOR Transition Date has occurred prior to ~~the LIBOR Reference Time in respect of any~~any setting of USD LIBOR for any Pricing Period of such LIBOR Based Transaction, then such LIBOR Based Transaction shall be permanently converted to being a SOFR Based Transaction as of the first day of such Pricing Period (such conversion, a "Rate Conversion") without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document (such date on which the LIBOR Based Transactions are converted to SOFR Based Transactions, the "Rate Conversion Effective Date"); provided, that except as otherwise expressly specified in any Confirmation (or amended and restated Confirmation) entered into by Buyer and Seller following the Closing Date, from and after the Rate Conversion Effective Date, the Pricing Margin (as in effect immediately prior to the effectiveness of such Rate Conversion) for each such converted Transaction shall be increased by an amount equal to the SOFR Adjustment without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document.

(b) Benchmark Replacement for SOFR Based Transactions. Notwithstanding anything to the contrary herein or in any other Repurchase Document, with respect to any SOFR Based Transaction, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to ~~the Reference Time in respect of~~ any setting of the applicable then-current

Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), then the Benchmark Replacement will replace ~~the then-current~~such Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, applicable) with respect to each affected SOFR Based Transaction for all purposes hereunder or under any Repurchase Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document.

~~(c)Benchmark Replacement~~ Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement or any Rate Conversion, Buyer will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of Seller or any other party to this Agreement or any other Repurchase Document.

~~(d)Notices; Standards for Decisions and Determinations~~. Buyer will ~~promptly~~ notify Seller of (i) the implementation of any Benchmark Replacement or Rate Conversion, as applicable, and (ii) the effectiveness of any ~~Benchmark Replacement~~ Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement or Rate Conversion. Any determination, decision or election that may be made by Buyer pursuant to this Section 12.01, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from Seller or any other party to this Agreement or any other Repurchase Document. Any notice of Rate Conversion delivered by Buyer as described in the preceding clause (i) shall specify the Applicable SOFR designated by Buyer with respect to each such converted Transaction, which designation shall be conclusive and binding on Seller for all purposes of this Agreement.

~~(e)Market Disruption~~. Notwithstanding the foregoing, if prior to any Pricing Period, Buyer determines that, by reason of circumstances affecting the relevant market (other than a Benchmark Transition Event), adequate and reasonable means do not exist for ascertaining any applicable current Benchmark for such Pricing Period, Buyer shall give prompt notice thereof to Seller, whereupon the Pricing Rate for such Pricing Period with respect to each Transaction based on such applicable Benchmark, and for all subsequent Pricing Periods for Transactions based on such Benchmark until such notice has been withdrawn by Buyer, shall be the sum of (i) an alternate benchmark rate that has been selected by Buyer, (ii) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer and (iii) the applicable Pricing Margin.

~~(f)London Interbank Offered Rate Benchmark Transition Event. On March 5, 2021, the ICE Benchmark Administration (the "IBA"), the administrator of the London interbank offered rate, and the Financial Conduct Authority, the regulatory supervisor of the IBA, announced in public statements (the "Announcements") that the final publication or representativeness date for (i) 1-week and 2-month London interbank offered rate tenor settings will be December 31, 2021 and (ii) overnight, 1-month, 3-month, 6-month and 12-month London interbank offered rate tenor settings will be June 30, 2023. No successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in-~~

~~the occurrence of a Benchmark Transition Event with respect to the London interbank offered rate pursuant to the terms of this Agreement and that any obligation of Buyer to notify Seller of such Benchmark Transition Event pursuant to clause (c) of this Section~~

~~12.01 shall be deemed satisfied.~~

Section 12.02 Initial Benchmark Conforming Changes. In connection with the use or administration of any Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), Buyer will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of Seller or any other party to this Agreement or any other Repurchase Document. Buyer will notify Seller of the effectiveness of any Conforming Changes in connection with the use or administration of any such Benchmark.

Section 12.03 ~~Section 12.02~~ Illegality. If the adoption of or any change in any Requirements of Law or in the interpretation or application thereof after the date hereof shall make it unlawful for Buyer to effect or continue Transactions as contemplated by the Repurchase Documents, (a) any commitment of Buyer hereunder to enter into new Transactions shall be terminated and the Maturity Date shall be deemed to have occurred, (b) if required by such adoption or change, the Pricing Rate shall be the sum of (i) an alternate benchmark rate that has been selected by Buyer, (ii) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer and (iii) the applicable Pricing Margin, and (c) if required by such adoption or change, the Maturity Date shall be deemed to have occurred. In exercising the rights and remedies under this Section 12.03, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.

Section 12.04 ~~Section 12.03~~ Breakfunding. Upon demand of Buyer, Seller shall indemnify Buyer and hold Buyer harmless from any actual loss, cost or expense (including reasonable legal fees and expenses, but excluding any anticipated profit) which Buyer may sustain or incur arising from (a) the failure by Seller to terminate any Transaction after Seller has given a notice of termination pursuant to Section 3.04, (b) any payment to Buyer on account of the outstanding Repurchase Price, including a payment made pursuant to Section 3.04 but excluding a payment made pursuant to Section 5.02, on any day other than a Remittance Date (based on the assumption that Buyer funded its commitment with respect to the Transaction in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods that Buyer deems appropriate and practical), (c) any failure by Seller to sell Eligible Assets to Buyer after Seller has notified Buyer of a proposed Transaction and Buyer has agreed

to purchase such Eligible Assets in accordance with this Agreement, or (d) any redetermination of the Pricing Rate based on a Benchmark Replacement or Rate Conversion for any reason on a day that is not the last day of the then- current Pricing Period.

Section 12.05 ~~Section 12.04~~ Increased Costs. If the adoption of, or any change in, any Requirements of Law or in the interpretation or application thereof by any Governmental Authority, or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority having jurisdiction over Buyer made after the date of this Agreement, shall: (a) subject Buyer to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of “Excluded Taxes” and (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (b) impose, modify or hold applicable any reserve (including pursuant to regulations issued from time to time by the Board of Governors of the Federal Reserve System of the United States for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board of Governors of the Federal Reserve System of the United States, as amended and in effect from time to time)), special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of Buyer, or, or (c) impose on Buyer any other condition (other than Taxes); and the result of any of the preceding clauses (a), (b) and (c) is to increase the cost to Buyer, by an amount that Buyer deems to be material, of entering into, continuing or maintaining Transactions, or to reduce any amount receivable under the Repurchase Documents in respect thereof, then, in any such case, upon not less than thirty (30) days’ prior written notice to Seller, Seller shall pay to Buyer such additional amount or amounts as reasonably necessary to fully compensate Buyer for such increased cost or reduced amount receivable. In determining any additional amounts due under this ~~Section 12.04~~ Section 12.05, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.

Section 12.06 ~~Section 12.05~~ Capital Adequacy. If Buyer determines that any change in any Requirements of Law or internal policy regarding capital requirements has or would have the effect of reducing the rate of return on Buyer’s capital as a consequence of this Agreement or its obligations under the Transactions hereunder to a level below that which Buyer could have achieved but for such change in any Requirements of Law or internal policy (taking into consideration Buyer’s policies with respect to capital adequacy), then from time to time Seller will promptly upon demand pay to Buyer such additional amount or amounts as will compensate Buyer for any such reduction suffered. In determining any additional amounts due under this ~~Section 12.05~~ Section 12.06, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.

Section 12.07 ~~Section 12.06~~ Taxes.

(a) Any and all payments by or on account of any obligation of Seller under any Repurchase Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith

discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by Withholding Agent, Withholding Agent shall make (or cause to be made) such deduction or withholding and shall timely pay (or cause to be timely paid) the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by Seller shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section ~~12.06~~12.07) Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made in respect of such Indemnified Taxes.

(b) Seller shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Seller shall indemnify Buyer, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section ~~12.06~~12.07) payable or paid by Buyer or required to be withheld or deducted from a payment to Buyer, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Seller by Buyer shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes by Seller to a Governmental Authority pursuant to this Section ~~12.06~~12.07, Seller shall deliver to Buyer the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Buyer.

(e)(i) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Repurchase Document, Buyer shall deliver to Seller, at the time or times reasonably requested by Seller, such properly completed and executed documentation reasonably requested by Seller as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Buyer, if reasonably requested by Seller, shall deliver such other documentation prescribed by applicable law or reasonably requested by Seller as will enable Seller to determine whether or not Buyer is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section ~~12.06~~12.07(e)(ii)(A), Section ~~12.06~~12.07(e)(ii)(B) and Section ~~12.06~~12.07(e)(ii)(D) below) shall not be required if in Buyer's reasonable judgment such completion, execution or submission would subject Buyer to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Buyer.

(ii) Without limiting the generality of the foregoing:

(A) if Buyer is a U.S. Person, it shall deliver to Seller on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to

time thereafter upon the reasonable request of Seller), executed copies of IRS Form W-9 certifying that Buyer is exempt from U.S. federal backup withholding tax;

(B) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), whichever of the following is applicable:

(I) in the case of a Foreign Buyer claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Repurchase Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Repurchase Document, IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Buyer claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Buyer is not a “bank” within the meaning of section 881(c)(3)(A) of the Code, a “10 percent shareholder” of Seller within the meaning of section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable); or

(IV) to the extent a Foreign Buyer is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3 or IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Buyer is a partnership and one or more direct or indirect partners of such Foreign Buyer are claiming the portfolio interest exemption, such Foreign Buyer may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by the recipient) on or prior to the date on which Foreign Buyer becomes a Party

under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Seller to determine the withholding or deduction required to be made; and

(D) if a payment made to Buyer under any Repurchase Document would be subject to U.S. federal withholding Tax imposed by FATCA if Buyer were to fail to comply with the applicable reporting requirements of FATCA (including those contained in section 1471(b) or 1472(b) of the Code, as applicable), Buyer shall deliver to Seller at the time or times prescribed by law and at such time or times reasonably requested by Seller such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Seller as may be necessary for Seller to comply with its obligations under FATCA and to determine that Buyer has complied with Buyer's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include all amendments made to FATCA after the date of this Agreement.

Buyer agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Seller in writing of its legal inability to do so.

(f) If any Party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 12.07 (including by the payment of additional amounts pursuant to this Section 12.07), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 12.07 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 12.07(f) (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 12.07(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 12.07(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 12.07(f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 12.07, the term "applicable law" includes FATCA.

Section 12.08 ~~Section 12.07~~ Payment and Survival of Obligations. Buyer may at any time send Seller a notice showing the calculation of any amounts payable pursuant to this Article 12, and Seller shall pay such amounts to Buyer within ten (10) Business Days after Seller receives such notice. Each Party's obligations under this Article 12 shall survive any assignment of rights by, or the replacement of Buyer, the termination of the Transactions, the termination of this Agreement, and the repayment, satisfaction or discharge of all obligations under any Repurchase Document.

ARTICLE 13

INDEMNITY AND EXPENSES

Section 13.01 Indemnity.

(a) Seller shall release, defend, indemnify and hold harmless Buyer, Affiliates of Buyer and its and their respective officers, directors, shareholders, partners, members, owners, employees, agents, attorneys, Affiliates and advisors (each an "Indemnified Person" and collectively the "Indemnified Persons"), against, and shall hold each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, fees, costs, expenses (including reasonable legal fees, charges, and disbursements of any counsel for any such Indemnified Person and expenses), penalties or fines of any kind that may be imposed on, incurred by or asserted against any such Indemnified Person (collectively, the "Indemnified Amounts") in any way relating to, arising out of or resulting from or in connection with (i) the Repurchase Documents, the Purchased Asset Documents, the Purchased Assets, the Pledged Collateral, the Transactions, any Mortgaged Property or related property, or any action taken or omitted to be taken by any Indemnified Person in connection with or under any of the foregoing, or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or in respect of any Repurchase Document, any Transaction, any Purchased Asset, any Purchased Asset Document, or any Pledged Collateral, (ii) any claims, actions or damages by an Underlying Obligor or lessee with respect to a Purchased Asset, (iii) any violation or alleged violation of, non-compliance with or liability under any Requirements of Law, (iv) ownership of, Liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (v) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vi) any use, nonuse or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vii) any failure by Seller to perform or comply with any Repurchase Document, Purchased Asset Document or Purchased Asset, (viii) performance of any labor or services or the furnishing of any materials or other property in respect of any Mortgaged Property or Purchased Asset, (ix) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any lease or other transaction involving any Repurchase Document, Purchased Asset or Mortgaged Property,

(x) the execution, delivery, filing or recording of any Repurchase Document, Purchased Asset Document or any memorandum of any of the foregoing, (xi) any Lien or claim arising on or against any Purchased Asset or related Mortgaged Property under any Requirements of Law or any liability asserted against Buyer or any Indemnified Person with respect thereto, (xii) (1) a past, present or future violation or alleged violation of any Environmental Laws in connection with any Mortgaged Property by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor, (2) any presence of any Materials of Environmental Concern in, on, within, above, under, near, affecting or emanating from any Mortgaged Property in violation of Environmental Law, (3) the failure to timely perform any Remedial Work required under the Purchased Asset Documents or pursuant to Environmental Law, (4) any past, present or future activity by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from any Mortgaged Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting any Mortgaged Property, in each case, in violation of Environmental Law, (5) any past, present or future actual Release (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting any Mortgaged Property by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor, in each case, in violation of Environmental Law, (6) the imposition, recording or filing or the threatened imposition, recording or filing of any Lien on any Mortgaged Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any Environmental Law, or (7) any misrepresentation or failure to perform any obligations pursuant to any Repurchase Document or Purchased Asset Document relating to environmental matters in any way, (xiii) the Term Sheet or any business communications or dealings between the Parties relating thereto, or (xiv) Seller's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 13.01, that, in each case, results from anything whatsoever other than any Indemnified Person's gross negligence or intentional misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment. In any suit, proceeding or action brought by an Indemnified Person in connection with any Purchased Asset for any sum owing thereunder, or to enforce any provisions of any Purchased Asset, Seller shall defend, indemnify and hold such Indemnified Person harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction of liability whatsoever of the account debtor or Underlying Obligor arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or Underlying Obligor from Seller. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.01 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by Seller, an Indemnified Person or any other Person or any Indemnified Person is otherwise a party thereto and whether or not any Transaction is entered into. This Section 13.01(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(b) If for any reason the indemnification provided in this Section 13.01 is unavailable to the Indemnified Person or is insufficient to hold an Indemnified Person harmless, even though such Indemnified Person is entitled to indemnification under the express terms

hereof, then Seller shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Indemnified Person on the one hand and Seller on the other hand, the relative fault of such Indemnified Person, and any other relevant equitable considerations.

(c) An Indemnified Person may at any time send Seller a notice showing the calculation of Indemnified Amounts, and Seller shall pay such Indemnified Amounts to such Indemnified Person within ten (10) Business Days after Seller receives such notice. The obligations of Seller under this Section 13.01 shall apply (without duplication) to assignees and Participants hereunder and survive the termination of this Agreement.

Section 13.02 Expenses. Seller shall promptly pay to or as directed by Buyer all third-party out-of-pocket costs and expenses (including legal fees and expenses) incurred by Buyer in connection with (a) the development, evaluation, preparation, negotiation, execution, consummation, delivery and administration of, and any amendment, supplement or modification to, or extension, renewal or waiver of, the Repurchase Documents and the Transactions, (b) any Asset or Purchased Asset, including pre-purchase and/or ongoing due diligence, inspection, testing, review, recording, registration, travel custody, care, insurance or preservation, (c) the enforcement of the Repurchase Documents or the payment or performance by Seller of any Repurchase Obligations, and (d) any actual or attempted sale, exchange, enforcement, collection, compromise or settlement relating to the Purchased Assets.

ARTICLE 14

INTENT

Section 14.01 Safe Harbor Treatment. The Parties intend (a) for this Agreement and each Transaction to qualify for the safe harbor treatment provided by the Bankruptcy Code and for Buyer to be entitled to all of the rights, benefits and protections afforded to Persons under the Bankruptcy Code with respect to a “repurchase agreement” as defined in Section 101(47) of the Bankruptcy Code (to the extent that a Transaction has a maturity date of less than one (1) year) and a “securities contract” as defined in Section 741(7) of the Bankruptcy Code and that payments and transfers under this Agreement constitute transfers made by, to or for the benefit of a financial institution, financial participant or repo participant within the meaning of Section 546(e) or 546(f) of the Bankruptcy Code, (b) the Guarantee Agreement and the Pledge Agreement each constitute a security agreement or arrangement or other credit enhancement within the meaning of Section 101 of the Code related to a “securities contract” as defined in Section 741(7)(A)(xi) of the Bankruptcy Code and, to the extent that the Guarantee Agreement and the Pledge Agreement relate to a Transaction that has a maturity date of less than one (1) year, a “repurchase agreement” as that term is defined in Section 101(47)(A)(v) of the Bankruptcy Code, and (c) that Buyer (for so long as Buyer is a “financial institution,” “financial participant,” “repo participant,” “master netting participant” or other entity listed in Sections 555, 559, 561, 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code) shall be entitled to the “safe harbor” benefits and protections afforded under the Bankruptcy Code with respect to a “repurchase agreement,” “securities contract” and a “master netting agreement,” including (x) the rights, set forth in Article 10 and in Sections 555, 559 and 561 of the Bankruptcy Code, to

liquidate the Purchased Assets and terminate this Agreement, and (y) the right to offset or net out as set forth in Article 10 and Section 18.17 and in Sections 362(b)(6), 362(b)(7), 362(b)(27), 362(o) and 546 of the Bankruptcy Code. With respect to any Mezzanine Loan, it is the intent of Buyer and Seller that the grant of the security interest set forth in Section 11.01 of this Agreement, including the grant of a security interest in the Mezzanine Loans, constitutes “a security agreement or arrangement or other credit enhancement” that is related to the Agreement and the Transactions thereunder within the meaning of Sections 101(47)(A)(v) and 741(7)(A)(xi) of the Bankruptcy Code.

Section 14.02 Liquidation. The Parties intend that Buyer’s right to liquidate Purchased Assets delivered to it in connection with Transactions hereunder or to exercise any setoff and netting rights under Section 18.17 or any other remedies pursuant to Articles 10 and 11 and as otherwise provided in the Repurchase Documents is a contractual right to liquidate such Transactions as described in Sections 555, 559 and 561 of the Bankruptcy Code.

Section 14.03 Qualified Financial Contract. The Parties intend that if a Party is an “insured depository institution,” as such term is defined in the Federal Deposit Insurance Act, as amended (“FDIA”), then each Transaction hereunder is a “qualified financial contract,” as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

Section 14.04 Netting Contract. The Parties acknowledge and agree that this Agreement constitutes a “netting contract” as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) and each payment entitlement and payment obligation under any Transaction shall constitute a “covered contractual payment entitlement” or “covered contractual payment obligation,” respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a “financial institution” as that term is defined in FDICIA).

Section 14.05 Master Netting Agreement. The Parties intend that this Agreement, the Guarantee Agreement and the Pledge Agreement constitutes a “master netting agreement” as defined in Section 101(38A) of the Bankruptcy Code.

ARTICLE 15

DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

The Parties acknowledge that they have been advised and understand that:

(a)if one of the Parties is a broker or dealer registered with the Securities and Exchange Commission under Section 14 of the Exchange Act, the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 do not protect the other Party with respect to any Transaction;

(b)if one of the Parties is a government securities broker or a government securities dealer registered with the Securities and Exchange Commission under Section 14C of

the Exchange Act, the Securities Investor Protection Act of 1970 will not provide protection to the other Party with respect to any Transaction;

(c)if one of the Parties is a financial institution, funds held by or on behalf of the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable; and

(d)if one of the Parties is an “insured depository institution” as that term is defined in Section 1813(c)(2) of Title 12 of the United States Code, funds held by or on behalf of the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund or the Bank Insurance Fund, as applicable.

ARTICLE 16

NO RELIANCE

Each Party acknowledges, represents and warrants to the other Party that, in connection with the negotiation of, entering into, and performance under, the Repurchase Documents and each Transaction:

(a)It is not relying (for purposes of making any investment decision or otherwise) on any advice, counsel or representations (whether written or oral) of the other Party, other than the representations expressly set forth in the Repurchase Documents;

(b)It has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent that it has deemed necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of any Transaction) based on its own judgment and on any advice from such advisors as it has deemed necessary and not on any view expressed by the other Party;

(c)It is a sophisticated and informed Person that has a full understanding of all the terms, conditions and risks (economic and otherwise) of the Repurchase Documents and each Transaction and is capable of assuming and willing to assume (financially and otherwise) those risks;

(d)It is entering into the Repurchase Documents and each Transaction for the purposes of managing its borrowings or investments or hedging its underlying assets or liabilities and not for purposes of speculation;

(e)It is not acting as a fiduciary or financial, investment or commodity trading advisor for the other Party and has not given the other Party (directly or indirectly through any other Person) any assurance, guaranty or representation whatsoever as to the merits (either legal, regulatory, tax, business, investment, financial accounting or otherwise) of the Repurchase Documents or any Transaction; and

(f)No partnership or joint venture exists or will exist as a result of the Transactions or entering into and performing the Repurchase Documents.

ARTICLE 17

SERVICING

This Article 17 shall apply to all Purchased Assets.

Section 17.01 Servicing Rights. Buyer is the owner of all Servicing Rights. Without limiting the generality of the foregoing, Buyer shall have the right to hire or otherwise engage any Person to service or sub-service all or part of the Purchased Assets, provided, however, that at any time prior to an Event of Default, Seller may designate one or more Servicers reasonably acceptable to Buyer, and each such Person shall have only such servicing obligations with respect to such Purchased Assets as are approved by Buyer. Notwithstanding the preceding sentence, Buyer agrees with Seller as follows with respect to the servicing of the Purchased Assets:

(a) Each Servicer shall service the Purchased Assets on behalf of Buyer. Each Servicing Agreement shall contain provisions which are consistent with this Article 17 and must otherwise be in form and substance satisfactory to Buyer, it being understood that in all cases where an Affiliate of Seller is the Servicer, the related Servicing Agreement shall be in the form approved by Buyer.

(b) Unless they have previously done so, contemporaneously with the execution of this Agreement on the Closing Date, Buyer will enter into, and cause each Servicer to enter into, a Servicing Agreement. Each Servicing Agreement where the Servicer is not Buyer or an Affiliate of Buyer shall automatically terminate on the 30th day following its execution and at the end of each thirty (30) day period thereafter, unless, in each case, Buyer shall agree, by prior written notice (which may be by email) to the related Servicer to be delivered on or before the Remittance Date immediately preceding each such scheduled termination date, to extend the termination date an additional thirty (30) days. Neither Seller nor the related Servicer may assign its rights or obligations under the related Servicing Agreement without the prior written consent of Buyer.

(c) Notwithstanding that Buyer owns all Servicing Rights, subject to Sections 17.01(b) and 17.01(e), Buyer hereby grants Seller, prior to the occurrence and during the continuance of an Event of Default, the right to direct each Servicer under the terms of, and in accordance with, each applicable Servicing Agreement and this Agreement, unless such direction results in, or relates to a request for, any matter that could reasonably be expected to result in a Material Modification. Notwithstanding the foregoing, Seller shall not direct any Servicer to

(i) make any Material Modification without the prior written consent of Buyer or (ii) take any action which would result in a violation of the obligations of any Person under the related Servicing Agreement, this Agreement or any other Repurchase Document, or which would otherwise be inconsistent with the rights of Buyer under the Repurchase Documents. Buyer, as owner of the Purchased Assets, shall own all related servicing and voting rights and, as owner,

shall act as servicer with respect to the Purchased Assets, subject to an interim revocable option from Buyer in favor of Seller, which is hereby granted, to direct each related Servicer, so long as no Default or Event of Default has occurred and is continuing; provided, however, that Seller shall not give any direction or take any action that could materially adversely affect the value or collectability of any amounts due with respect to the Purchased Assets without the consent of Buyer. Such revocable option is not evidence of any ownership or other interest or right of Seller in any Purchased Asset.

(d) The servicing fee payable to each Servicer shall be payable as a servicing fee in accordance with this Agreement and each Servicing Agreement, including without limitation pursuant to priority *fourth* of Section 5.02 or priority *third* of Section 5.03, as applicable, but all such servicing and any applicable sub-servicing fees shall be the sole responsibility of Seller.

(e) Upon the occurrence and during the continuance of an Event of Default under this Agreement, in addition to all of the other rights and remedies of Buyer and each related Servicer under each Servicing Agreement, this Agreement and the other Repurchase Documents (and in addition to the provisions of each Servicing Agreement providing for termination of each such Servicing Agreement pursuant to its terms), (i) for the avoidance of doubt, the right, if any, of any person other than Buyer or its Affiliates to direct the servicing of the Purchased Assets shall immediately and automatically cease to exist, and (ii) either Buyer or each Servicer may at any time terminate the related Servicing Agreement immediately upon the delivery of a written termination notice from either Buyer or the related Servicer to Seller. Seller shall pay all expenses associated with any such termination, including without limitation any fees and expenses required in connection with the transfer of servicing to the related Servicer and/or a replacement Servicer.

(f) No Servicing Agreement may be amended or modified without the prior written approval of Buyer.

Section 17.02 Servicing Reports. Seller shall deliver (or cause each Servicer to deliver) to Buyer and Custodian a monthly remittance report on or before the second Business Day immediately preceding each monthly Remittance Date containing servicing information, including those fields reasonably requested by Buyer from time to time, on an asset by asset basis and in the aggregate, with respect to the Purchased Assets for the month (or any portion thereof) before the date of such report.

Section 17.03 Event of Default; Servicer Event of Default. If an Event of Default or Servicer Event of Default exists, Buyer shall have the right at any time thereafter to terminate the related Servicing Agreement (or, in the case of an Event of Default, all of the Servicing Agreements) and transfer servicing of the related Purchased Assets to Buyer or its designee, at no cost or expense to Buyer, it being agreed that Seller will pay any fees and expenses required to terminate such Servicing Agreement and transfer servicing to Buyer or its designee; provided, that if a Servicer Event of Default exists (and no Event of Default exists), Seller shall have (a) ten (10) Business Days following such Servicer Event of Default to designate, on behalf of Buyer, a replacement Servicer reasonably acceptable to Buyer and (b) sixty (60) days following

such Servicer Event of Default to deliver a replacement Servicing Agreement and Servicer Notice (if applicable), each in form and substance satisfactory to Buyer.

ARTICLE 18

MISCELLANEOUS

Section 18.01 Governing Law. **THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AGREEMENT.**

Section 18.02 Submission to Jurisdiction; Service of Process. Each Party irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Repurchase Documents, or for recognition or enforcement of any judgment, and each Party irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such State court or, to the fullest extent permitted by applicable law, in such Federal court. Each Party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or the other Repurchase Documents shall affect any right that Buyer may otherwise have to bring any action or proceeding arising out of or relating to the Repurchase Documents against Seller or its properties in the courts of any jurisdiction. Seller irrevocably and unconditionally waives, to the fullest extent permitted by Requirements of Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to the Repurchase Documents in any court referred to above, and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each Party irrevocably consents to service of process in the manner provided for notices in Section 18.12. Nothing in this Agreement will affect the right of any Party hereto to serve process in any other manner permitted by applicable law.

Section 18.03 IMPORTANT WAIVERS.

(a) SELLER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO ASSERT A COUNTERCLAIM, OTHER THAN A COMPULSORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY BUYER OR ANY INDEMNIFIED PERSON.

(b) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN

RESOLVING ANY DISPUTE BETWEEN THEM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH OR RELATED TO THE REPURCHASE DOCUMENTS, THE PURCHASED ASSETS, THE PLEDGED COLLATERAL, THE TRANSACTIONS, ANY DEALINGS OR COURSE OF CONDUCT BETWEEN THEM, OR ANY STATEMENTS (WRITTEN OR ORAL) OR OTHER ACTIONS OF EITHER PARTY. NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

(c) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, SELLER HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PERSON, ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES, WHETHER SUCH WAIVED DAMAGES ARE BASED ON STATUTE, CONTRACT, TORT, COMMON LAW OR ANY OTHER LEGAL THEORY, WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN AND REGARDLESS OF THE FORM OF THE CLAIM OF ACTION. NO INDEMNIFIED PERSON OR OTHER PARTY SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH ANY REPURCHASE DOCUMENT OR THE TRANSACTIONS.

(d) SELLER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BUYER OR AN INDEMNIFIED PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PERSON WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 18.03 IN THE EVENT OF LITIGATION OR OTHER CIRCUMSTANCES. THE SCOPE OF SUCH WAIVERS IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE REPURCHASE DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY.

(e) EACH PARTY ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 18.03 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT SUCH PARTY HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE REPURCHASE DOCUMENTS, AND THAT SUCH PARTY WILL CONTINUE TO RELY ON SUCH WAIVERS IN THEIR RELATED FUTURE DEALINGS UNDER THE REPURCHASE DOCUMENTS. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED SUCH WAIVERS WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO

A JURY TRIAL AND OTHER RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

(f)THE WAIVERS IN THIS SECTION 18.03 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO ANY OF THE REPURCHASE DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(g)THE PROVISIONS OF THIS SECTION 18.03 SHALL SURVIVE TERMINATION OF THE REPURCHASE DOCUMENTS AND THE INDEFEASIBLE PAYMENT IN FULL OF THE REPURCHASE OBLIGATIONS.

Section 18.04 Integration; Severability. The Repurchase Documents supersede and integrate all previous negotiations, contracts, agreements and understandings (whether written or oral), including, without limitation, the Term Sheet, between the Parties relating to a sale and repurchase of Purchased Assets and the other matters addressed by the Repurchase Documents, and contain the entire final agreement of the Parties relating to the subject matter thereof. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 18.05 Single Agreement. Seller agrees that (a) each Transaction is in consideration of and in reliance on the fact that all Transactions constitute a single business and contractual relationship, and that each Transaction has been entered into in consideration of the other Transactions, (b) a default by it in the payment or performance of any its obligations under a Transaction shall constitute a default by it with respect to all Transactions, (c) Buyer may set off claims and apply properties and assets held by or on behalf of Buyer with respect to any Transaction against the Repurchase Obligations owing to Buyer with respect to other Transactions, and (d) payments, deliveries and other transfers made by or on behalf of Seller with respect to any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers with respect to all Transactions, and the obligations of Seller to make any such payments, deliveries and other transfers may be applied against each other and netted.

Section 18.06 Survival and Benefit of Seller's Agreements. The Repurchase Documents and all Transactions shall be binding on and shall inure to the benefit of the Parties and their successors and permitted assigns. All of Seller's representations, warranties, agreements and indemnities in the Repurchase Documents shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations, and shall apply to and benefit all Indemnified Persons, Buyer and its successors and assigns, together with all assignees and Participants hereunder. No other Person shall be entitled to any benefit, right, power, remedy or claim under the Repurchase Documents.

Section 18.07 Reserved.

Section 18.08 Assignments and Participations.

(a) No Seller Party shall sell, assign or transfer any of their respective rights or the Repurchase Obligations or delegate any of their respective duties under this Agreement or any other Repurchase Document without the prior written consent of Buyer, and any attempt to do so without such consent shall be null and void.

(b) Buyer may at any time, without the consent of any Seller Party or any of their respective Affiliates, sell participations to any Eligible Assignee (other than a natural person or a Seller Party or any of their respective Affiliates) (a “Participant”) in all or any portion of Buyer’s rights and/or obligations under the Repurchase Documents; provided that (x) if a Default or Event of Default has occurred and is continuing, Buyer may sell participations to any Person at any time without consent, notice or restriction of any kind, other than the requirements set forth in clause (iv) below, and (y) so long as no Default or Event of Default has occurred and is continuing: (i) Buyer’s obligations under the Repurchase Documents shall remain unchanged, (ii) Buyer shall remain solely responsible to Seller for the performance of such obligations, (iii) Seller shall continue to deal solely and directly with Buyer in connection with Buyer’s rights and obligations under the Repurchase Documents and (iv) each Participant agrees to be bound by the confidentiality provisions set forth in Section 18.10. So long as no Default or Event of Default has occurred and is continuing, no Participant shall have any right to approve any amendment, waiver or consent with respect to any Repurchase Document, except to the extent that the Repurchase Price or Price Differential of any Purchased Asset would be reduced or the Repurchase Date of any Purchased Asset would be postponed. Each Participant shall be entitled to the benefits of Article 12 (subject to the requirements and limitations therein, including the requirements under Section ~~12.06~~12.07(e) (it being understood that the documentation required under Section ~~12.06~~12.07(e) shall be delivered to the participating Buyer)) and Article 13 to the same extent as if it was a Buyer and had acquired its interest by assignment pursuant to Section 18.08(c), provided that such Participant shall not be entitled to receive any greater payment under Section ~~12.04~~12.05 or Section ~~12.06~~12.07 than its participating Buyer would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from the adoption of or any change in any Requirements of Law or in the interpretation or application thereof by a Governmental Authority or compliance by the participating Buyer with a request or directive (whether or not having the force of law) from a central bank or other Governmental Authority having jurisdiction over such participating Buyer, in each case made or issued after the Participant acquired the applicable participation. To the extent permitted by Requirements of Law, each Participant shall also be entitled to the benefits of Sections 10.02(i) and 18.17 to the same extent as if it was a Buyer and had acquired its interest by assignment pursuant to Section 18.08(c).

(c) Buyer may at any time, without the consent of any Seller Party but upon notice to Seller, sell and assign all or any portion of all of the rights and obligations of Buyer under the Repurchase Documents to any Eligible Assignee proposed by Buyer; provided that if a Default or Event of Default has occurred and is continuing, Buyer may enter into any such sale and assignments with any Person at any time without consent, notice or restriction of any kind;

provided, further that so long as no Default or Event of Default has occurred and is continuing, so long as initial Buyer owns any economic interest in the Transactions, (A) Seller shall continue to deal solely and directly with initial Buyer in connection with Buyer's rights and obligations under the Repurchase Documents, and (B) initial Buyer shall retain sole decision making authority with respect to acceptance of prospective Purchased Assets into Transactions and Market Value and Margin Deficit determinations. Each such assignment shall be made pursuant to an Assignment and Acceptance substantially in the form of Exhibit E (an "Assignment and Acceptance"). From and after the effective date of such Assignment and Acceptance, (i) each such assignee shall be a Party and, to the extent provided therein, have the rights and obligations of Buyer under the Repurchase Documents with respect to the percentage and amount of the Repurchase Price allocated to it, (ii) Buyer shall, to the extent provided therein, be released from such obligations (and, in the case of an Assignment and Acceptance covering all or the remaining portion of Buyer's rights and obligations under the Repurchase Documents, Buyer shall cease to be a Party), (iii) the obligations of Buyer shall be deemed to be so reduced, and

(iv) Buyer will give prompt written notice thereof (including identification of the related assignee and the amount of Repurchase Price allocated to it) to each Party (but Buyer shall not have any liability for any failure to timely provide such notice). Any sale or assignment by Buyer of rights or obligations under the Repurchase Documents that does not comply with this Section 18.08(c) shall be treated for purposes of the Repurchase Documents as a sale by such Buyer of a participation in such rights and obligations in accordance with Section 18.08(b).

(d) Seller shall cooperate with Buyer in connection with any such sale and assignment of participations, syndications or assignments and shall enter into such restatements of, and amendments, supplements and other modifications to, the Repurchase Documents to give effect to any such sale or assignment; provided, that none of the foregoing shall change any economic or other material term of the Repurchase Documents in a manner adverse to Seller without the consent of Seller and any such cooperation shall be at no cost to Seller.

(e) Subject to the terms and conditions of Sections 18.08(b) and 18.08(c), Buyer shall have the right to partially or completely syndicate any or all of its rights under this Agreement and the other Repurchase Documents to any Eligible Assignee.

(f) Buyer, acting solely for this purpose as a non-fiduciary agent of Seller, shall maintain a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the assignees that become Parties hereto and, with respect to each such assignee, the aggregate assigned Purchase Price and applicable Price Differential (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Parties shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Buyer for all purposes of this Agreement. The Register shall be available for inspection by the Parties at any reasonable time and from time to time upon reasonable prior notice.

(g) If Buyer sells a participation of its rights hereunder, it shall, acting solely for this purpose as a non-fiduciary agent of Seller, maintain a register on which it enters the name and address of each Participant and, with respect to each such Participant, the aggregate participated Purchase Price and applicable Price Differential, and any other interest in any obligations under the Repurchase Documents (the "Participant Register"); provided that no Party shall have any obligation to disclose all or any portion of the Participant Register (including the

identity of any Participant or any information relating to a Participant's interest in any obligations under any Repurchase Document) to any Person except to the extent that such disclosure is necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the participating Party shall treat each Person whose name is recorded in the Participant Register as the owner of the applicable participation for all purposes of this Agreement notwithstanding any notice to the contrary.

Section 18.09 Ownership and Hypothecation of Purchased Assets. Title to all Purchased Assets shall pass to and vest in Buyer on the applicable Purchase Dates and, subject to the terms of the Repurchase Documents, Buyer or its designee shall have free and unrestricted use of all Purchased Assets and be entitled to exercise all rights, privileges and options relating to the Purchased Assets as the owner thereof, including rights of subscription, conversion, exchange, substitution, voting, consent and approval, and to direct any servicer or trustee. Buyer or its designee may, at any time, without the consent of any Seller Party or any of their respective Affiliates, engage in repurchase transactions with the Purchased Assets or otherwise sell, pledge, repledge, transfer, hypothecate, or rehypothecate the Purchased Assets to any Eligible Assignee, all on terms that Buyer may determine; provided, that no such transaction shall affect the obligations of Buyer to transfer the Purchased Assets to Seller on the applicable Repurchase Dates free and clear of any pledge, Lien, security interest, encumbrance, charge or other adverse claim and to apply Income in accordance with Article 5. In the event Buyer engages in a repurchase transaction with any of the Purchased Assets or otherwise pledges or hypothecates any of the Purchased Assets, Buyer shall have the right to assign to Buyer's counterparty any of the applicable representations or warranties herein and the remedies for breach thereof, as they relate to the Purchased Assets that are subject to such repurchase transaction.

Section 18.10 Confidentiality. All information regarding the terms set forth in any of the Repurchase Documents or the Transactions shall be kept confidential and shall not be disclosed by either Party to any Person except (a) to the Affiliates of such Party or its or their respective directors, officers, employees, agents, advisors, attorneys, accountants and other representatives who are informed of the confidential nature of such information and instructed to keep it confidential, and who need and will use such information exclusively in connection with administering this Agreement and the Transactions hereunder, (b) to the extent requested by any regulatory authority, stock exchange, government department or agency, or required by Requirements of Law, in which case, the disclosing Party agrees, to the extent permitted by the Requirements of Law, to inform the other Party promptly thereof, (c) to the extent required to be included in the financial statements of either Party or an Affiliate thereof, (d) to the extent required to exercise any rights or remedies under the Repurchase Documents, Purchased Assets or Mortgaged Properties, (e) to the extent required to consummate and administer a Transaction, (f) to any actual or prospective Participant or Eligible Assignee which agrees to comply with this Section 18.10, and (g) to the extent required in connection with any litigation between the parties in connection with any Repurchase Document or any Transaction; provided, that, except with respect to the disclosures by Buyer under clause (g) of this Section 18.10, no such disclosure made with respect to any Repurchase Document shall include a copy of such Repurchase Document to the extent that a summary would suffice, but if it is necessary for a copy of any Repurchase Document to be disclosed, all pricing and other economic terms set forth therein shall be redacted before disclosure.

Section 18.11 No Implied Waivers; Amendments. No failure on the part of Buyer to exercise, or delay in exercising, any right or remedy under the Repurchase Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy thereunder preclude any further exercise thereof or the exercise of any other right. The rights and remedies in the Repurchase Documents are cumulative and not exclusive of any rights and remedies provided by law. Application of the Default Rate after an Event of Default shall not be deemed to constitute a waiver of any Event of Default or Buyer's rights and remedies with respect thereto, or a consent to any extension of time for the payment or performance of any obligation with respect to which the Default Rate is applied. Except as otherwise expressly provided in the Repurchase Documents, neither Seller nor any of its Affiliates shall agree to any amendment, waiver or other modification of any provision of the Repurchase Documents without the signed agreement of Buyer. Any waiver or consent under the Repurchase Documents shall be effective only if it is in writing and only in the specific instance and for the specific purpose for which given.

Section 18.12 Notices and Other Communications. Unless otherwise provided in this Agreement, all notices, consents, approvals, requests and other communications required or permitted to be given to a Party hereunder shall be in writing and sent prepaid by hand delivery, by certified or registered mail, by expedited commercial or postal delivery service, or by facsimile or email if also sent by one of the foregoing, to the address for such Party specified in Annex 1 or such other address as such Party shall specify from time to time in a notice to the other Party. Any of the foregoing communications shall be effective when delivered, if such delivery occurs on a Business Day; otherwise, each such communication shall be effective on the first Business Day following the date of such delivery. A Party receiving a notice that does not comply with the technical requirements of this Section 18.12 may elect to waive any deficiencies and treat the notice as having been properly given.

Section 18.13 Counterparts; Electronic Transmission. This Agreement and any other Repurchase Document may be executed in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which shall together constitute but one and the same instrument. The Parties agree that this Agreement, any documents to be delivered pursuant to this Agreement, any other Repurchase Document and any notices hereunder may be transmitted between them by email and/or facsimile. The Parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties.

Section 18.14 No Personal Liability. No administrator, incorporator, Affiliate, owner, member, partner, stockholder, officer, director, employee, agent or attorney of Buyer, any Indemnified Person, or Seller Party, as such, shall be subject to any recourse or personal liability under or with respect to any obligation of Buyer or any Seller Party under the Repurchase Documents, whether by the enforcement of any assessment, by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed that the obligations of Buyer and each Seller Party under the Repurchase Documents are solely their respective corporate, limited liability company or partnership obligations, as applicable, and that any such recourse or personal liability is hereby expressly waived. This Section 18.14 shall survive the termination of the Repurchase Documents and the repayment in full of the Repurchase Obligations, and each

beneficiary of this Section 18.14 shall be a third-party beneficiary of this Section 18.14 with rights to enforce this Section.

Section 18.15 Protection of Buyer's Interests in the Purchased Assets; Further Assurances.

(a) Seller shall take such action as necessary to cause the Repurchase Documents and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of Buyer to the Purchased Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect such right, title and interest. Seller shall deliver to Buyer file-stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. Seller shall execute any and all documents reasonably required to fulfill the intent of this Section 18.15.

(b) Seller will promptly at its expense execute and deliver such instruments and documents and take such other actions as Buyer may reasonably request from time to time in order to perfect, protect, evidence, exercise and enforce Buyer's rights and remedies under and with respect to the Repurchase Documents, the Transactions and the Purchased Assets. Each Seller Party shall, promptly upon Buyer's request, deliver documentation in form and substance satisfactory to Buyer which Buyer deems necessary or desirable to evidence compliance with all applicable "know your customer" due diligence checks, including, but not limited to, any information required to be obtained by Buyer pursuant to the Beneficial Ownership Regulation.

(c) If Seller fails to perform any of its Repurchase Obligations, then Buyer may (but shall not be required to) perform or cause to be performed such Repurchase Obligation, and the costs and expenses incurred by Buyer in connection therewith shall be payable by Seller. Without limiting the generality of the foregoing, Seller authorizes Buyer, at the option of Buyer and the expense of Seller, at any time and from time to time, to take all actions and pay all amounts that Buyer deems necessary or appropriate to protect, enforce, preserve, insure, service, administer, manage, perform, maintain, safeguard, collect or realize on the Purchased Assets and Buyer's Liens and interests therein or thereon and to give effect to the intent of the Repurchase Documents. No Default or Event of Default shall be cured by the payment or performance of any Repurchase Obligation by Buyer on behalf of Seller. Buyer may make any such payment in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax Lien, title or claim except to the extent such payment is being contested in good faith by Seller in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

(d) Without limiting the generality of the foregoing, Seller will no earlier than six (6) months or later than three (3) months before the fifth (5th) anniversary of the date of filing of each UCC financing statement filed in connection with any Repurchase Document or any Transaction, if this Agreement is then in effect (i) deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement (provided that Buyer may elect to file such continuation statement), and (ii) deliver or cause to be delivered to Buyer

an opinion of counsel, in form and substance reasonably satisfactory to Buyer, confirming and updating the security interest opinion delivered pursuant to Section 6.01(a), with respect to perfection and otherwise to the effect that the security interests hereunder continue to be enforceable and perfected security interests, and Buyer's rights to the Purchased Assets, are senior to the rights of any other creditor of Seller, which opinion may contain usual and customary assumptions, limitations and exceptions.

(e) Except as provided in the Repurchase Documents, the sole duty of Buyer, Custodian or any other designee or agent of Buyer with respect to the Purchased Assets shall be to use reasonable care in the custody, use, operation and preservation of the Purchased Assets in its possession or control. Buyer shall incur no liability to Seller or any other Person for any act of Governmental Authority, act of God or other destruction in whole or in part or negligence or wrongful act of custodians or agents selected by Buyer with reasonable care, or Buyer's failure to provide adequate protection or insurance for the Purchased Assets. Buyer shall have no obligation to take any action to preserve any rights of Seller in any Purchased Asset against prior parties, and Seller hereby agrees to take such action. Buyer shall have no obligation to realize upon any Purchased Asset except through proper application of any distributions with respect to the Purchased Assets made directly to Buyer or its agent(s). So long as Buyer and Custodian shall act in good faith in their handling of the Purchased Assets, Seller waives or is deemed to have waived the defense of impairment of the Purchased Assets by Buyer and Custodian.

Section 18.16 Default Rate. To the extent permitted by Requirements of Law, Seller shall pay interest at the Default Rate on the amount of all Repurchase Obligations not paid when due under the Repurchase Documents until such Repurchase Obligations are paid or satisfied in full.

Section 18.17 Set-off. In addition to any rights now or hereafter granted under the Repurchase Documents, Requirements of Law or otherwise, Seller hereby grants to Buyer and each Indemnified Person, to secure repayment of the Repurchase Obligations, a right of set off upon any and all of the following: monies, securities, collateral or other property of Seller and any proceeds from the foregoing, now or hereafter held or received by Buyer, any Affiliate of Buyer or any Indemnified Person, for the account of Seller, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and also upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or Indebtedness of Seller at any time existing, and any obligation owed by Buyer or any Affiliate of Buyer to Seller and to set-off against any Repurchase Obligations or Indebtedness owed by Seller and any Indebtedness owed by Buyer or any Affiliate of Buyer to Seller, in each case whether direct or indirect, absolute or contingent, matured or unmatured, whether or not arising under the Repurchase Documents and irrespective of the currency, place of payment or booking office of the amount or obligation and in each case at any time held or owing by Buyer, any Affiliate of Buyer or any Indemnified Person to or for the credit of Seller, without prejudice to Buyer's right to recover any deficiency. Each of Buyer, each Affiliate of Buyer and each Indemnified Person is hereby authorized upon any amount becoming due and payable by Seller to Buyer or any Indemnified Person under the Repurchase Documents, the Repurchase Obligations or otherwise or upon the occurrence of an Event of Default, without notice to Seller, any such notice being expressly waived by Seller to the extent permitted by any Requirements of Law, to set-off, appropriate, apply and enforce such right of set-off against any and all items hereinabove

referred to against any amounts owing to Buyer, any Affiliate of Buyer or any Indemnified Person by Seller under the Repurchase Documents and the Repurchase Obligations, irrespective of whether Buyer, any Affiliate of Buyer or any Indemnified Person shall have made any demand under the Repurchase Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Buyer's rights to recover a deficiency. Seller shall be deemed directly indebted to Buyer, any Affiliate of Buyer and the other Indemnified Persons in the full amount of all amounts owing to Buyer, any Affiliate of Buyer and the other Indemnified Persons by Seller under the Repurchase Documents and the Repurchase Obligations, and Buyer shall be entitled to exercise the rights of set-off provided for above. ANY AND ALL RIGHTS TO REQUIRE BUYER, ANY AFFILIATE OF BUYER OR ANY OTHER INDEMNIFIED PERSONS TO EXERCISE THEIR RIGHTS OR REMEDIES WITH RESPECT TO THE PURCHASED ASSETS, THE PLEDGED COLLATERAL OR OTHER INDEMNIFIED PERSONS UNDER THE REPURCHASE DOCUMENTS, PRIOR TO EXERCISING THE FOREGOING RIGHT OF SET-OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY SELLER.

Buyer, any Affiliate of Buyer or any Indemnified Person shall promptly notify the Seller after any such set-off and application made by Buyer, any Affiliate of Buyer or such Indemnified Person, provided that the failure to give such notice shall not affect the validity of such set-off and application. If an amount or obligation is unascertained, Buyer, any Affiliate of Buyer or any Indemnified Person may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other party when the amount or obligation is ascertained. Nothing in this Section 18.17 shall be effective to create a charge or other security interest. This Section 18.17 shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer, any Affiliate of Buyer or any Indemnified Person is at any time otherwise entitled.

Section 18.18 Seller's Waiver of Set-off. Seller hereby waives any right of set-off it may have or to which it may be or become entitled under the Repurchase Documents or otherwise against Buyer, any Affiliate of Buyer, any Indemnified Person or their respective assets or properties.

Section 18.19 Power of Attorney. Seller hereby authorizes Buyer to file such financing statement or statements relating to the Purchased Assets (including a financing statement describing the collateral as "all assets of the debtor" or such other super-generic description thereof as Buyer may determine) without Seller's signature thereon as Buyer, at its option, may deem appropriate. Seller hereby appoints Buyer as Seller's agent and attorney in fact to file any such financing statement or statements in Seller's name and to perform all other acts which Buyer deems appropriate to perfect and preserve its ownership interest in and/or the security interest granted hereby, if applicable, and to protect, preserve and realize upon the Purchased Assets, including, but not limited to, the right to endorse notes, complete blanks in documents, transfer servicing (including, but not limited, to sending "good-bye letters" to any Underlying Obligor with respect to Purchased Assets which are Whole Loans, each to be in a form acceptable to Buyer), and sign assignments on behalf of such Seller as its agent and attorney in fact. This agency and power of attorney is coupled with an interest and is irrevocable without Buyer's consent. Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 18.19. In addition, Seller shall execute and deliver

to Buyer a power of attorney in the form and substance of Exhibit C hereto (“Power of Attorney”); provided that, other than as necessary to record or file any of the Blank Assignment Documents, prior to the occurrence and continuance of an Event of Default, Buyer shall not use such Power of Attorney for any other purpose.

Section 18.20 Periodic Due Diligence Review. Buyer may perform continuing due diligence reviews with respect to any or all of the Purchased Assets, Seller and Affiliates of each Seller Party, including ordering new third party reports, for purposes of, among other things, verifying compliance with the representations, warranties, covenants, agreements, duties, obligations and specifications made under the Repurchase Documents or otherwise. Upon reasonable prior notice to Seller, unless a Default or Event of Default exists, in which case no notice is required, Buyer or its representatives may during normal business hours inspect any properties and examine, inspect and make copies of the books and records of Seller and Affiliates of Seller, the Purchased Asset Documents and the Servicing Files. Seller shall make available to Buyer one or more knowledgeable financial or accounting officers and representatives of the independent certified public accountants of Seller for the purpose of answering questions of Buyer concerning any of the foregoing. Seller shall cause Servicer to cooperate with Buyer by permitting Buyer to conduct due diligence reviews of the Servicing Files. Buyer may purchase Purchased Assets from Seller based solely on the information provided by Seller to Buyer in the Underwriting Package and the representations, warranties, duties, obligations and covenants contained herein, and Buyer may at any time conduct a partial or complete due diligence review on some or all of the Purchased Assets, including ordering new credit reports and new Appraisals on the Mortgaged Properties and otherwise re-generating the information used to originate and underwrite such Purchased Assets. Buyer may underwrite such Purchased Assets itself or engage a mutually acceptable third-party underwriter to do so. Seller agrees to reimburse Buyer for any and all third-party out-of-pocket costs and expenses (including legal fees and expenses) incurred by Buyer in connection with continuing due diligence on Eligible Assets and Purchased Assets, including, without limitation, the cost of Appraisals requested by Buyer pursuant to Section 8.08(k) on the Mortgaged Properties relating to the Purchased Assets; provided that, other than in connection with Buyer’s review of any Material Modification or any other release of collateral relating to a Purchased Asset, no more than one (1) Appraisal per Purchased Asset, in any twelve (12) month period, shall be ordered at Seller’s cost and expense.

Section 18.21 Time of the Essence. Time is of the essence with respect to all obligations, duties, covenants, agreements, notices or actions or inactions of the parties under the Repurchase Documents.

Section 18.22 Reserved

Section 18.23 PATRIOT Act Notice. Buyer hereby notifies Seller that Buyer is required by the PATRIOT Act to obtain, verify and record information that identifies Seller.

Section 18.24 Successors and Assigns. Subject to the foregoing, the Repurchase Documents and any Transactions shall be binding upon and shall inure to the benefit of the Parties and their successors and permitted assigns.

Section 18.25 Acknowledgement of Anti-Predatory Lending Policies. Seller and Buyer each have in place internal policies and procedures that expressly prohibit their purchase of any high cost mortgage loan.

Section 18.26 Maintenance of Financial Covenants. To the extent that any Seller Party is obligated under any other repurchase agreement, loan agreement, warehouse facility, guaranty or similar credit facility involving the financing of commercial real estate assets which are similar to the Purchased Assets (whether now in effect or in effect at any time during the term of this Agreement) to comply with a financial covenant that is comparable to any of the financial covenants set forth in this Agreement or in any other Repurchase Document, and such comparable financial covenant is more restrictive to any Seller Party or otherwise more favorable to the related lender or buyer thereunder than any financial covenant set forth in this Agreement or in any other Repurchase Document, or is in addition to any financial covenant set forth in this Agreement or in any other Repurchase Document, then such comparable or additional financial covenant shall, with no further action required on the part of the Seller Parties or Buyer, automatically become a part of this Agreement or in such other Repurchase Document and be incorporated herein and/or therein, and each Seller Party hereby covenants to maintain compliance with such comparable or additional financial covenant at all times throughout the remaining term of this Agreement. In connection therewith, each Seller Party agrees to promptly notify Buyer of the execution of any agreement or other document that would cause the provisions of this Section 18.26 to become effective. Each Seller Party further agrees to execute and deliver any new guaranties, agreements or amendments to this Agreement or any other Repurchase Document necessary to evidence all such new or modified provisions, provided that the execution of such amendment shall not be a precondition to the effectiveness of such amendment, but shall merely be for the convenience of the parties hereto and thereto.

Section 18.27 Recognition of the U.S. Special Resolution Regimes.

(a) In the event that Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from Buyer of this Agreement and/or the Repurchase Documents, and any interest and obligation in or under this Agreement and/or the Repurchase Documents, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that Buyer or a BHC Act Affiliate of Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or the Repurchase Documents that may be exercised against Buyer are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents were governed by the laws of the United States or a state of the United States.

[ONE OR MORE UNNUMBERED SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

SELLER:

CMTG WF FINANCE LLC

By:
Name:
Title:

BUYER:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By:
Name:
Title:

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard J. Mack, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Richard J. Mack
Richard J. Mack
Chief Executive Officer and Chairman
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, J. Michael McGillis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ J. Michael McGillis

J. Michael McGillis

Chief Financial Officer, President and Director
(Principal Financial and Accounting Officer)

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The following certification is being furnished solely to accompany the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2025, pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any filing of Claros Mortgage Trust, Inc. under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Executive Officer

I, Richard J. Mack, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2025, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Claros Mortgage Trust, Inc.

Date: May 7, 2025

/s/ Richard J. Mack

Richard J. Mack
Chief Executive Officer and Chairman
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Claros Mortgage Trust, Inc. and will be retained by Claros Mortgage Trust, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The following certification is being furnished solely to accompany the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2025, pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any filing of Claros Mortgage Trust, Inc. under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Financial Officer

I, J. Michael McGillis, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2025, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Claros Mortgage Trust, Inc.

Date: May 7, 2025

/s/ J. Michael McGillis

J. Michael McGillis

Chief Financial Officer, President and Director
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Claros Mortgage Trust, Inc. and will be retained by Claros Mortgage Trust, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
