

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒

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

For the quarterly period ended June 30, 2026

OR

☐

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

Commission File Number: 001-38377

BRIGHTSPIRE CAPITAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of
Incorporation or Organization)

38-4046290

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

590 Madison Avenue, 33rd Floor

New York, NY 10022

(Address of Principal Executive Offices, Including Zip Code)

(212) 547-2631

(Registrant’s Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	BRSP	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, 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. (Check one):

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 ☒

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date:
As of July 28, 2026, BrightSpire Capital, Inc. had 126,524,180 shares of Class A common stock, par value \$0.01 per share, outstanding.

BRIGHTSPIRE CAPITAL, INC.**FORM 10-Q****TABLE OF CONTENTS**

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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement.

Among others, the following uncertainties and other factors could cause actual results to differ from those set forth in the forward-looking statements:

- operating costs and business disruption may be greater than expected;
- we depend on borrowers and tenants for a substantial portion of our revenue and, accordingly, our revenue and our ability to make distributions to stockholders will be dependent upon the success and economic viability of such borrowers and tenants;
- higher interest rates may adversely impact the value of our variable-rate investments, resulting in higher interest expense, materially impacting our borrowers’ ability to refinance existing loans, and creating disruptions to our borrowers’ and tenants’ ability to finance their activities, on whom we depend for a substantial portion of our revenue;
- lower interest rates may materially impact earnings as a result of generating less income on our loans and our ability to redeploy funds in a timely manner or to supplement earnings loss;
- our ability to manage and stabilize properties;
- deterioration in the performance of the properties securing our investments (including the impact of higher interest expense, depletion of interest and other reserves or payment-in-kind concessions in lieu of current interest payment obligations, population shifts and migration, or reduced demand for office, multifamily, hospitality or retail space) may cause deterioration in the performance of our investments and, potentially, principal losses to us;
- the fair value of our investments may be subject to uncertainties including impacts associated with inflationary trends, decisions, actions and inactions of the Federal government that cause instability, the volatility of interest rates and credit spreads increased market volatility affecting commercial real estate businesses and public securities;
- our use of leverage and interest rate mismatches between our assets and borrowings could hinder our ability to make distributions and may significantly impact our liquidity position;
- the ability to realize expected returns on equity and/or yields on investments;
- adverse impacts on our corporate revolver, including covenant compliance and borrowing base capacity;
- adverse impacts on our liquidity, including available capacity under and margin calls on master repurchase facilities, debt service or lease payment defaults or deferrals, demands for protective advances and capital expenditures;
- our real estate investments are relatively illiquid and we may not be able to vary our portfolio in response to changes in economic and other conditions, which may result in losses to us;
- our inability to refinance existing mortgage debt on our real estate portfolio;
- the timing of and ability to deploy available capital;
- our lack of an established minimum distribution payment level, and whether we can continue to pay distributions in the future;
- the timing of and ability to complete repurchases of our common stock;
- the risks associated with obtaining mortgage financing on our real estate, which could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to stockholders; and
- the impact of legislative, regulatory, tax and competitive changes, regime changes and the actions of governmental authorities, and in particular those affecting the commercial real estate finance and mortgage industry or our business.

The foregoing list of factors is not exhaustive. We urge you to carefully review the disclosures we make concerning risks in the sections entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2025, “Risk Factors” in this Form 10-Q for the quarter ended June 30, 2026 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” herein.

We caution investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. The Company is under no duty to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q, nor to conform prior statements to actual results or revised expectations, and the Company does not intend to do so.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

BRIGHTSPIRE CAPITAL, INC. **CONSOLIDATED BALANCE SHEETS** (in Thousands, Except Share and Per Share Data)

	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 68,157	\$ 66,789
Restricted cash	101,563	107,046
Loans and preferred equity held for investment	2,893,663	2,678,315
Current expected credit loss reserve	(98,658)	(87,401)
Loans and preferred equity held for investment, net	2,795,005	2,590,914
Real estate, net	450,338	679,779
Receivables, net	51,368	45,591
Deferred leasing costs and intangible assets, net	4,337	27,646
Assets held for sale	248,418	—
Other assets	28,547	47,065
Total assets	\$ 3,747,733	\$ 3,564,830
Liabilities		
Securitization bonds payable, net	\$ 1,407,850	\$ 977,082
Mortgage and other notes payable, net	211,604	414,060
Credit facilities	926,225	1,078,098
Accrued and other liabilities	54,527	64,098
Liabilities related to assets held for sale	200,000	—
Escrow deposits payable	76,261	82,511
Dividends payable	21,885	20,576
Total liabilities	2,898,352	2,636,425
Commitments and contingencies (Note 12)		
Equity		
Stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	—	—
Common stock, \$0.01 par value per share		
Class A, 950,000,000 shares authorized, 126,789,991 and 128,627,246 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	1,268	1,286
Additional paid-in capital	2,845,471	2,863,377
Accumulated deficit	(1,983,759)	(1,926,231)
Total stockholders' equity	862,980	938,432
Noncontrolling interests in investment entities	(13,599)	(10,027)
Total equity	849,381	928,405
Total liabilities and equity	\$ 3,747,733	\$ 3,564,830

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

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED BALANCE SHEETS

(in Thousands)

The following table presents assets and liabilities of securitization vehicles and certain real estate properties that have noncontrolling interests as variable interest entities for which the Company is determined to be the primary beneficiary.

	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 1,795	\$ 1,461
Restricted cash	12,876	9,149
Loans and preferred equity held for investment, net	1,616,299	1,151,496
Real estate, net	141,430	149,343
Receivables, net	19,356	16,053
Deferred leasing costs and intangible assets, net	3,764	3,544
Other assets	22,239	23,970
Total assets	<u>\$ 1,817,759</u>	<u>\$ 1,355,016</u>
Liabilities		
Securitization bonds payable, net	\$ 1,407,850	\$ 977,082
Mortgage and other notes payable, net	95,417	96,348
Credit facilities	45,145	45,145
Accrued and other liabilities	10,669	8,074
Escrow deposits payable	3,980	3,354
Total liabilities	<u>\$ 1,563,061</u>	<u>\$ 1,130,003</u>

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

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net interest income				
Interest income	\$ 52,077	\$ 48,663	\$ 101,592	\$ 96,749
Interest expense	(34,848)	(31,935)	(68,241)	(64,146)
Net interest income	17,229	16,728	33,351	32,603
Property and other income				
Property operating income	30,432	35,668	63,086	62,526
Other income	1,039	1,593	4,010	4,211
Total property and other income	31,471	37,261	67,096	66,737
Expenses				
Property operating expense	18,511	16,650	38,589	26,616
Transaction, investment and servicing expense	1,507	562	2,339	1,192
Interest expense on real estate	5,121	6,765	10,213	13,330
Depreciation and amortization	8,187	10,607	16,814	21,159
Increase of current expected credit loss reserve	13,502	582	15,247	346
Impairment of operating real estate	9,270	51,127	9,270	51,127
Compensation and benefits (including \$3,443, \$2,913, \$6,361 and \$7,126 of equity-based compensation expense, respectively)	8,989	8,194	18,045	18,623
Operating expense	3,158	2,976	6,253	6,191
Total expenses	68,245	97,463	116,770	138,584
Other income				
Other loss, net	(27)	(3,362)	(31)	(3,603)
Loss before equity in earnings of unconsolidated ventures and income taxes	(19,572)	(46,836)	(16,354)	(42,847)
Equity in earnings (loss) of unconsolidated ventures	(602)	—	(602)	—
Income tax benefit (expense)	(10)	21,664	(104)	21,382
Net loss	(20,184)	(25,172)	(17,060)	(21,465)
Net loss attributable to noncontrolling interests in investment entities	1,850	2,054	3,572	3,688
Net loss attributable to BrightSpire Capital, Inc. common stockholders	<u>\$ (18,334)</u>	<u>\$ (23,118)</u>	<u>\$ (13,488)</u>	<u>\$ (17,777)</u>
Net loss per common share - basic (Note 14)	<u>\$ (0.15)</u>	<u>\$ (0.19)</u>	<u>\$ (0.12)</u>	<u>\$ (0.15)</u>
Net loss per common share - diluted (Note 14)	<u>\$ (0.15)</u>	<u>\$ (0.19)</u>	<u>\$ (0.12)</u>	<u>\$ (0.15)</u>
Weighted average shares of common stock outstanding - basic (Note 14)	<u>126,710</u>	<u>127,247</u>	<u>126,324</u>	<u>127,165</u>
Weighted average shares of common stock outstanding - diluted (Note 14)	<u>126,710</u>	<u>127,247</u>	<u>126,324</u>	<u>127,165</u>

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

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in Thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	\$ (20,184)	\$ (25,172)	\$ (17,060)	\$ (21,465)
Other comprehensive income (loss)				
Reclassification of net investment hedges to other gain (loss)	—	(18,603)	—	(18,603)
Foreign currency translation gain	—	23,109	—	24,940
Total other comprehensive income	—	4,506	—	6,337
Comprehensive loss	(20,184)	(20,666)	(17,060)	(15,128)
Comprehensive loss attributable to noncontrolling interests:				
Investment entities	1,850	2,054	3,572	3,688
Comprehensive loss attributable to common stockholders	<u>\$ (18,334)</u>	<u>\$ (18,612)</u>	<u>\$ (13,488)</u>	<u>\$ (11,440)</u>

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

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(in Thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Total Equity
	Class A							
	Shares	Amount						
Balance as of December 31, 2024	<u>129,685</u>	<u>\$ 1,297</u>	<u>\$ 2,865,341</u>	<u>\$ (1,812,083)</u>	<u>\$ (6,337)</u>	<u>\$ 1,048,218</u>	<u>\$ (2,407)</u>	<u>\$ 1,045,811</u>
Issuance and amortization of equity-based compensation	1,619	\$ 16	\$ 4,197	\$ —	\$ —	\$ 4,213	\$ —	\$ 4,213
Other comprehensive income	—	—	—	—	1,831	1,831	—	1,831
Dividends and distributions declared (\$0.16 per share)	—	—	—	(20,802)	—	(20,802)	—	(20,802)
Shares canceled for tax withholding on vested stock awards	(646)	(6)	(3,872)	—	—	(3,878)	—	(3,878)
Net income (loss)	—	—	—	5,342	—	5,342	(1,634)	3,708
Balance as of March 31, 2025	<u>130,658</u>	<u>\$ 1,307</u>	<u>\$ 2,865,666</u>	<u>\$ (1,827,543)</u>	<u>\$ (4,506)</u>	<u>\$ 1,034,924</u>	<u>\$ (4,041)</u>	<u>\$ 1,030,883</u>
Issuance and amortization of equity-based compensation	93	\$ 1	\$ 2,912	\$ —	\$ —	\$ 2,913	\$ —	\$ 2,913
Repurchase of common stock	(757)	(8)	(4,000)	—	—	(4,008)	—	(4,008)
Other comprehensive income	—	—	—	—	4,506	4,506	—	4,506
Dividends and distributions declared (\$0.16 per share)	—	—	—	(20,862)	—	(20,862)	—	(20,862)
Net loss	—	—	—	(23,118)	—	(23,118)	(2,054)	(25,172)
Balance as of June 30, 2025	<u>129,994</u>	<u>\$ 1,300</u>	<u>\$ 2,864,578</u>	<u>\$ (1,871,523)</u>	<u>\$ —</u>	<u>\$ 994,355</u>	<u>\$ (6,095)</u>	<u>\$ 988,260</u>

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

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF EQUITY (Continued)
(in Thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Total Equity
	Class A						
	Shares	Amount					
Balance as of December 31, 2025	<u>128,627</u>	<u>\$ 1,286</u>	<u>\$ 2,863,377</u>	<u>\$ (1,926,231)</u>	<u>\$ 938,432</u>	<u>\$ (10,027)</u>	<u>\$ 928,405</u>
Issuance and amortization of equity-based compensation	2,511	\$ 26	\$ 2,892	\$ —	\$ 2,918	\$ —	\$ 2,918
Dividends and distributions declared (\$0.16 per share)	—	—	—	(23,487)	(23,487)	—	(23,487)
Shares canceled for tax withholding on vested stock awards	(860)	(9)	(4,781)	—	(4,790)	—	(4,790)
Net income (loss)	—	—	—	4,845	4,845	(1,722)	3,123
Balance as of March 31, 2026	<u>130,278</u>	<u>\$ 1,303</u>	<u>\$ 2,861,488</u>	<u>\$ (1,944,873)</u>	<u>\$ 917,918</u>	<u>\$ (11,749)</u>	<u>\$ 906,169</u>
Issuance and amortization of equity-based compensation	88	\$ 1	\$ 3,442	\$ —	\$ 3,443	\$ —	\$ 3,443
Repurchase of common stock	(3,576)	(36)	(19,459)	—	(19,495)	—	(19,495)
Dividends and distributions declared (\$0.16 per share)	—	—	—	(20,552)	(20,552)	—	(20,552)
Net loss	—	—	—	(18,334)	(18,334)	(1,850)	(20,184)
Balance as of June 30, 2026	<u>126,790</u>	<u>\$ 1,268</u>	<u>\$ 2,845,471</u>	<u>\$ (1,983,759)</u>	<u>\$ 862,980</u>	<u>\$ (13,599)</u>	<u>\$ 849,381</u>

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

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net loss	\$ (17,060)	\$ (21,465)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Equity in (earnings) losses of unconsolidated ventures	602	—
Depreciation and amortization	16,814	21,159
Straight-line rental income	(223)	(530)
Origination fees received, net of discount accretion and fee amortization	3,521	(816)
Amortization of deferred financing costs	5,109	4,275
Paid-in-kind interest added to loan principal	(1,005)	(1,048)
Designated hedges and foreign currency translation reclassified to earnings	—	3,362
Realized loss on sale of real estate	29	245
Increase of current expected credit loss reserve	15,247	346
Impairment of operating real estate	9,270	51,127
Amortization of equity-based compensation	6,361	7,126
Non-cash adjustments	54	(50)
Deferred income tax (benefit) expense	94	(21,781)
Changes in assets and liabilities:		
Receivables, net	(5,521)	(3,812)
Deferred costs and other assets	10,838	(3,298)
Other liabilities	(3,789)	(6,913)
Net cash provided by operating activities	40,341	27,927
Cash flows from investing activities:		
Acquisition, origination and funding of loans and preferred equity held for investment, net	(559,455)	(210,652)
Repayment on loans held for investment	292,980	146,419
Proceeds from sale of real estate	25,812	5,184
Cash and restricted cash received related to consolidation of loans held for investment and real estate owned	2,433	4,653
Cash and restricted cash relinquished in deconsolidation of subsidiaries	(706)	—
Acquisition of and additions to real estate and related intangibles	(2,129)	(8,389)
Change in escrow deposits payable	(6,250)	(5,384)
Net cash used in investing activities	(247,315)	(68,169)
Cash flows from financing activities:		
Distributions paid on common stock	(42,733)	(41,550)
Shares canceled for tax withholding on vested stock awards	(4,791)	(3,878)
Repurchase of common stock	(19,495)	(4,008)
Repayment of mortgage notes	(2,768)	(2,957)
Borrowings from master repurchase and credit facilities	936,953	116,224
Repayment of master repurchase and credit facilities	(1,088,825)	(111,678)
Borrowing from securitization bonds	833,237	—
Repayment of securitization bonds	(398,215)	(105,965)
Payment of deferred financing costs	(10,504)	(4,780)
Net cash provided by (used in) financing activities	202,859	(158,592)
Effect of exchange rates on cash, cash equivalents and restricted cash	—	(180)
Net decrease in cash, cash equivalents and restricted cash	(4,115)	(199,014)
Cash, cash equivalents and restricted cash - beginning of period	173,835	450,696
Cash, cash equivalents and restricted cash - end of period	\$ 169,720	\$ 251,682

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

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(in Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2026	2025
Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets		
Beginning of the period		
Cash and cash equivalents	\$ 66,789	\$ 302,173
Restricted cash	107,046	148,523
Total cash, cash equivalents and restricted cash, beginning of period	<u>\$ 173,835</u>	<u>\$ 450,696</u>
End of the period		
Cash and cash equivalents	\$ 68,157	\$ 154,283
Restricted cash	101,563	97,399
Total cash, cash equivalents and restricted cash, end of period	<u>\$ 169,720</u>	<u>\$ 251,682</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 73,174	\$ 76,369
Income taxes paid (refunded)	(10,166)	1,884
Supplemental disclosure of non-cash investing and financing activities:		
Deconsolidation of assets following foreclosure (refer to Note 4)	\$ (7,885)	\$ (194,665)
Deconsolidation of liabilities following foreclosure (refer to Note 4)	5,829	168,699
Accrual of distribution payable	21,885	20,862
Assets transferred to held for sale	248,418	34,284
Liabilities related to assets transferred to held for sale	(200,000)	—
Assumption of accounts payable, accrued expenses and other liabilities related to consolidation of VIE and assumption of real estate	(2,267)	(9,597)
Assumption of receivables and other assets related to consolidation of VIE and assumption of real estate	443	10,742
Assumption of real estate and consolidation of VIE (refer to Note 4)	44,791	166,918

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

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Business and Organization

BrightSpire Capital, Inc. (the “Company”) is an internally-managed commercial real estate (“CRE”) credit real estate investment trust (“REIT”) focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE debt investments. CRE debt investments primarily consist of senior mortgage loans, which is the Company’s primary investment strategy. Additionally, the Company may selectively originate mezzanine loans and make preferred equity investments, which may include profit participations. The mezzanine loans and preferred equity investments may be in conjunction with the Company’s origination of corresponding senior mortgages on the same properties.

The Company was organized in the state of Maryland on August 23, 2017 and maintains key offices in New York, New York and Los Angeles, California. The Company elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, beginning with the taxable year ended December 31, 2018. The Company conducts all activities and holds substantially all assets and liabilities through the Company’s operating subsidiary, BrightSpire Capital Operating Company, LLC (the “OP”).

2. Summary of Significant Accounting Policies

The significant accounting policies of the Company are described below. The accounting policies of the Company’s unconsolidated ventures are substantially similar to those of the Company.

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by generally accepted accounting principles in the United States of America (“GAAP”) for complete financial statements. These statements reflect all normal and recurring adjustments which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of the Company for the interim periods presented. However, the results of operations for the interim period presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2026, or any other future period. These interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in, or presented as exhibits to, the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, as certain disclosures that would substantially duplicate those contained in the audited consolidated financial statements have not been included in this interim report.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its controlled subsidiaries. All intercompany accounts and transactions have been eliminated. The portions of equity, net income and other comprehensive income of consolidated subsidiaries that are not attributable to the parent are presented separately as amounts attributable to noncontrolling interests in the consolidated financial statements.

The Company consolidates entities in which it has a controlling financial interest by first considering if an entity meets the definition of a variable interest entity (“VIE”) for which the Company is deemed to be the primary beneficiary, or if the Company has the power to control an entity through a majority of voting interest or through other arrangements.

Variable Interest Entities

Variable Interest Entities—A VIE is an entity that either (i) lacks sufficient equity to finance its activities without additional subordinated financial support from other parties; (ii) whose equity holders as a group lack the characteristics of a controlling financial interest; or (iii) is established with non-substantive voting rights. A VIE is consolidated by its primary beneficiary, which is defined as the party who has a controlling financial interest in the VIE through (a) power to direct the activities of the VIE that most significantly affect the VIE’s economic performance, and (b) obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE.

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Voting Interest Entities—Unlike VIEs, voting interest entities have sufficient equity to finance their activities and equity investors exhibit the characteristics of a controlling financial interest through their voting rights. The Company consolidates such entities when it has the power to control these entities through ownership of a majority of the entities’ voting interests or through other arrangements.

At each reporting period, the Company reassesses whether changes in facts and circumstances cause a change in the status of an entity as a VIE or voting interest entity, and/or a change in the Company’s consolidation assessment.

As of June 30, 2026 and December 31, 2025, the Company has identified certain consolidated and unconsolidated VIEs. Assets of each of the VIEs, other than the OP, may only be used to settle obligations of the respective VIE. Creditors of each of the VIEs have no recourse to the general credit of the Company.

Consolidated VIEs

Consolidated VIEs include the entities which issue securitization bonds payable, net, the entities holding the Arlington, Texas and Mesa, Arizona multifamily properties and certain operating real estate properties that have noncontrolling interests. The noncontrolling interests in the operating real estate properties represent a third party joint venture partner with an ownership of 5.0% at June 30, 2026 and December 31, 2025. The noncontrolling interest does not have substantive kick-out nor participating rights. The Arlington, Texas and Mesa, Arizona are multifamily loans in which we also hold preferred equity interests.

Unconsolidated VIEs

As of June 30, 2026, the Company held additional interests in 10 unconsolidated VIEs relating to 10 preferred equity investments. The table below shows key characteristics of these unconsolidated VIEs.

	Fixed Preferred Return⁽²⁾	Maximum Exposure to Loss⁽³⁾	Carrying Value	Commitment
Preferred Equity Investments 6 pack ⁽¹⁾	14 %	\$172.3 million	\$11.9 million	\$14.5 million
Preferred Equity Investments 7-10	15-20%	\$112.3 million	\$4.3 million	\$7.5 million

(1) The preferred equity investments were funded in relation to six senior loans that were originated prior to the second quarter of 2025, all with the same sponsor. The preferred equity investments are cross-collateralized. If there is a shortfall upon resolution of any of the six preferred equity investments, the Company will receive proceeds from the resolution of the other six remaining preferred equity investments.

(2) The Company does not hold any upside above the Fixed Preferred Returns.

(3) The Maximum Exposure to Loss represents the unpaid principal balances of the senior loans and preferred equity investments at June 30, 2026.

The Company has determined that it is not the primary beneficiary of the VIEs noted in the table above as it does not have power over decisions that most significantly affect the VIEs and has not consolidated these VIEs. The Company accounts for these investments as debt investments due to the mandatory redemption features within the preferred equity investment agreements. The mandatory redemption date is the same as the maturity date for the corresponding senior loans. The investments are included in loans and preferred equity held for investment, net on the Company’s consolidated balance sheets.

Noncontrolling Interests

Noncontrolling interests in investment entities represents interests in consolidated investment entities held by third party joint venture partners, including the operations of the Arlington, Texas and Mesa, Arizona multifamily properties collateralizing the senior loans.

Allocation of net income or loss is generally based upon relative ownership interests held by equity owners in each investment entity or based upon contractual arrangements that may provide for disproportionate allocation of economic returns among equity interests, including using a hypothetical liquidation at book value (“HLBV”) basis, where applicable and substantive. HLBV uses a balance sheet approach, which measures each party’s capital account at the end of a period, assuming that the subsidiary was liquidated or sold at book value. Each party’s share of the subsidiary’s earnings or loss is calculated by measuring the change in the party’s capital account from the beginning of the period in question to the end of period, adjusting for effects of distributions and new investments.

Fair Value Measurement

Fair value is based on an exit price, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Where appropriate, the Company makes adjustments to estimated fair values to appropriately reflect counterparty credit risk as well as the Company’s own creditworthiness.

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The estimated fair value of financial assets and financial liabilities are categorized into a three-tier hierarchy, prioritized based on the level of transparency in inputs used in the valuation techniques, as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in non-active markets, or valuation techniques utilizing inputs that are derived principally from or corroborated by observable data directly or indirectly for substantially the full term of the financial instrument.

Level 3—At least one assumption or input is unobservable, and it is significant to the fair value measurement, requiring significant management judgment or estimate.

Where the inputs used to measure the fair value of a financial instrument fall into different levels of the fair value hierarchy, the financial instrument is categorized within the hierarchy based on the lowest level of input that is significant to its fair value measurement.

Fair Value Option

The fair value option provides an option to elect fair value as an alternative measurement for selected financial instruments. Gains and losses on items for which the fair value option has been elected are reported in earnings. The fair value option may be elected only upon the occurrence of certain specified events, including when the Company enters into an eligible firm commitment, at initial recognition of the financial instrument, as well as upon a business combination or consolidation of a subsidiary. The election is applied on an instrument-by-instrument basis and is irrevocable unless a new election event occurs.

Business Combinations

Definition of a Business—The Company evaluates each purchase transaction to determine whether the acquired assets meet the definition of a business. If substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, then the set of transferred assets and activities is not a business. If not, for an acquisition to be considered a business, it would have to include an input and a substantive process that together significantly contribute to the ability to create outputs (i.e., there is a continuation of revenue before and after the transaction). A substantive process is not ancillary or minor, cannot be replaced without significant costs, effort or delay or is otherwise considered unique or scarce. To qualify as a business without outputs, the acquired assets would require an organized workforce with the necessary skills, knowledge and experience that performs a substantive process.

Asset Acquisitions—For acquisitions that are not deemed to be businesses, the assets acquired are recognized based on their cost to the Company as the acquirer and no gain or loss is recognized. The cost of assets acquired in a group is allocated to individual assets within the group based on their relative fair values and does not give rise to goodwill. Transaction costs related to the acquisition of assets are included in the cost basis of the assets acquired. Such valuations require management to make significant estimates and assumptions.

Business Combinations—The Company accounts for acquisitions that qualify as business combinations by applying the acquisition method. Transaction costs related to the acquisition of a business are expensed as incurred and excluded from the fair value of consideration transferred. The identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity are recognized and measured at their estimated fair values. The excess of the fair value of consideration transferred over the fair values of identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity, net of fair value of any previously held interest in the acquired entity, is recorded as goodwill. Such valuations require management to make significant estimates and assumptions.

Cash and Cash Equivalents

Short-term, highly liquid investments with original maturities of three months or less at the time of acquisition are considered to be cash equivalents. The Company's cash is held with major financial institutions. Certain cash account balances exceed Federal Deposit Insurance Corporation insurance limits of \$250,000 per account and as a result, there is a concentration of credit risk related to amounts in excess of the insurance limits. The Company monitors the financial stability of these financial institutions and believes it is not exposed to any significant credit risk in cash and cash equivalents.

Restricted Cash

Restricted cash consists primarily of borrower escrow deposits, tenant escrow deposits and real estate capital expenditure reserves.

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Loans and Preferred Equity Held for Investment

The Company originates and purchases loans and preferred equity held for investment. The accounting framework for loans and preferred equity held for investment depends on the Company's strategy whether to hold or sell the loan and preferred equity or whether the loan was credit-impaired at the time of acquisition.

Loans and Preferred Equity Held for Investment

Loans and preferred equity that the Company has the intent and ability to hold for the foreseeable future are classified as held for investment. Originated loans and preferred equity are recorded at amortized cost, or outstanding unpaid principal balance plus exit fees less net deferred loan fees. Net deferred loan fees include unamortized origination and other fees charged to the borrower less direct incremental loan origination costs incurred by the Company. Purchased loans and preferred equity are recorded at amortized cost, or unpaid principal balance plus purchase premium or less unamortized discount. Costs to purchase loans and preferred equity are expensed as incurred. Preferred equity investments included in loans and preferred equity held for investment, net have fixed interest rates and mandatory redemption dates.

Interest Income—Interest income is recognized based upon contractual interest rate and unpaid principal balance of the loans and preferred equity. Net deferred loan fees on originated loans are deferred and amortized as adjustments to interest income over the expected life of the loans and preferred equity using the effective yield method. Premium or discount on purchased loans and preferred equity are amortized as adjustments to interest income over the expected life of the loans and preferred equity using the effective yield method. When a loan or preferred equity is prepaid, prepayment fees and any excess of proceeds over the carrying amount of the loan and preferred equity is recognized as additional interest income.

The Company has debt investments in its portfolio that contain a payment-in-kind ("PIK") provision. Contractual PIK interest, which represents contractually deferred interest added to the loan or preferred equity balance that is due at the end of the loan term, is generally recorded on an accrual basis to the extent such amounts are expected to be collected. The Company will generally cease accruing PIK interest if there is insufficient value to support the accrual or management does not expect the borrower to be able to pay all principal and interest due.

Nonaccrual—Accrual of interest income is suspended on nonaccrual loans and preferred equity. Loans and preferred equity that are past due 90 days or more as to principal or interest, or where reasonable doubt exists as to timely collection, are generally considered nonperforming and placed on nonaccrual status. Interest receivable is reversed against interest income when loans and preferred equity are placed on nonaccrual status. Interest collected is recognized on a cash basis by crediting income when received; or if ultimate collectability of loan or preferred equity principal is uncertain, interest collected is recognized using a cost recovery method by applying interest collected as a reduction to loan and preferred equity carrying value. Loans and preferred equity may be restored to accrual status when all principal and interest are current and full repayment of the remaining contractual principal and interest are probable.

Loans Held for Sale

Loans that the Company intends to sell or liquidate in the foreseeable future are classified as held for sale. Loans held for sale are carried at the lower of amortized cost or fair value less disposal cost, with valuation changes recognized as impairment loss. Loans held for sale are not subject to Current Expected Credit Losses ("CECL") reserves. Net deferred loan origination fees and loan purchase premiums or discounts are deferred and capitalized as part of the carrying value of the held for sale loan until the loan is sold, and therefore are included in the periodic valuation adjustments based on lower of cost or fair value less disposal cost. At June 30, 2026 and December 31, 2025, there were no loans held for sale.

Operating Real Estate

Real Estate Acquisitions—Real estate acquired in acquisitions that are deemed to be business combinations is recorded at the fair values of the acquired components at the time of acquisition, allocated among land, buildings, improvements, equipment and lease-related tangible and identifiable intangible assets and liabilities, including forgone leasing costs, in-place lease values and above- or below-market lease values and assumed debt, if any. Real estate acquired in acquisitions that are deemed to be asset acquisitions is recorded at the total value of consideration transferred, including transaction costs, and allocated to the acquired components based upon relative fair value. The estimated fair value of acquired land is derived from recent comparable sales of land and listings within the same local region based on available market data. The estimated fair value of acquired buildings and building improvements is derived from comparable sales, discounted cash flow analysis using market-based assumptions, or replacement cost, as appropriate. The fair value of site and tenant improvements is estimated based upon current market replacement costs and other relevant market rate information.

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Real Estate Held for Investment

Real estate held for investment is carried at cost less accumulated depreciation.

Costs Capitalized or Expensed—Expenditures for ordinary repairs and maintenance are expensed as incurred, while expenditures for significant renovations that improve or extend the useful life of the asset are capitalized and depreciated over their estimated useful lives.

Depreciation—Real estate held for investment, other than land, is depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Real Estate Assets	Term
Building (fee interest)	28 to 47 years
Building leasehold interests	Lesser of remaining term of the lease or remaining life of the building
Building improvements	Lesser of the useful life or remaining life of the building
Land improvements	1 to 15 years
Tenant improvements	Lesser of the useful life or remaining term of the lease
Furniture, fixtures and equipment	2 to 9 years

Impairment—The Company evaluates its real estate held for investment for impairment periodically or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company evaluates real estate for impairment on the lowest level of identifiable cash flows, which is generally on an individual property basis. If an impairment indicator exists, the Company evaluates the undiscounted future net cash flows that are expected to be generated by the property, including any estimated proceeds from the eventual disposition of the property. If multiple outcomes are under consideration, the Company may apply a probability-weighted approach to the impairment analysis. Another key consideration in this assessment is the Company's assumptions about the highest and best use of its real estate investments and its intent and ability to hold them for a reasonable period that would allow for the recovery of their carrying values. If such assumptions change and the Company shortens its expected hold period, this may result in the recognition of impairment losses. Based upon the analysis, if the carrying value of a property exceeds its undiscounted future net cash flows, an impairment loss is recognized for the excess of the carrying value of the property over the estimated fair value of the property. In evaluating and/or measuring impairment, the Company considers, among other things, current and estimated future cash flows associated with each property, market information for each sub-market, including, where applicable, capitalization rates, discount rates, leasing trends, occupancy trends, lease or room rates, and the market prices of similar properties recently sold or currently being offered for sale, and other quantitative and qualitative factors. See Note 4, "Real Estate, net" and Note 11, "Fair Value" for further detail.

Real Estate Held for Sale

Real estate is classified as held for sale in the period when (i) management approves a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, subject only to usual and customary terms, (iii) a program is initiated to locate a buyer and actively market the asset for sale at a reasonable price, and (iv) completion of the sale is probable within one year. Real estate held for sale is stated at the lower of its carrying amount or estimated fair value less disposal cost, with any write-down to fair value less disposal cost recorded as an impairment loss. For any increase in fair value less disposal cost subsequent to classification as held for sale, the impairment loss may be reversed, but only up to the amount of cumulative loss previously recognized. Depreciation is not recorded on assets classified as held for sale. At the time a sale is consummated, the excess, if any, of sale price less selling costs over carrying value of the real estate is recognized as a gain.

If circumstances arise that were previously considered unlikely and, as a result, the Company decides not to sell the real estate asset previously classified as held for sale, the real estate asset is reclassified as held for investment. Upon reclassification, the real estate asset is measured at the lower of (i) its carrying amount prior to classification as held for sale, adjusted for depreciation expense that would have been recognized had the real estate been continuously classified as held for investment, and (ii) its estimated fair value at the time the Company decides not to sell.

At June 30, 2026, there were two properties classified as held for sale. At December 31, 2025, the Company classified one property as held for sale. Refer to Note 4, "Real Estate, net" and Note 11, "Fair Value" for further detail.

Foreclosed Properties

The Company receives foreclosed properties in full or partial settlement of loans held for investment by taking legal title or physical possession of the properties. Foreclosed properties are generally recognized at the time the real estate is received at

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foreclosure sale or upon execution of a deed-in-lieu of foreclosure. Foreclosed properties are initially measured at fair value. If the fair value of the property is lower than the carrying value of the loan, the difference is recognized through CECL reserves and the cumulative reserve on the loan is charged off prior to recording the loan as real estate. Fair value of foreclosed properties is generally based on a discounted cash flow, third party appraisals, broker price opinions, comparable sales, direct capitalization method or a combination thereof. At June 30, 2026, the Company held four foreclosed properties in other real estate, net with a combined carrying value of \$252.7 million. At December 31, 2025, the Company held four foreclosed properties in other real estate, net with a combined carrying value of \$237.0 million.

Identifiable Intangibles

Identifiable intangibles recognized in acquisitions of operating real estate properties generally include in-place leases, above- or below-market leases and deferred leasing costs, all of which have finite lives. In-place leases generate value over and above tangible real estate because a property that is occupied with leased space is typically worth more than a vacant building without an operating lease contract in place. The estimated fair value of acquired in-place leases is derived based on management's assessment of costs avoided from having tenants in place, including lost rental income, rent concessions and tenant allowances or reimbursements, that hypothetically would be incurred to lease a vacant building to its actual existing occupancy level on the valuation date. The net amount recorded for acquired in-place leases is included in intangible assets and amortized on a straight-line basis as an increase to depreciation and amortization expense over the remaining term of the applicable leases. If an in-place lease is terminated, the unamortized portion is charged to depreciation and amortization expense.

The estimated fair value of the above- or below-market component of acquired leases represents the present value of the difference between contractual rents of acquired leases and market rents at the time of the acquisition for the remaining lease term, discounted for tenant credit risks. Above- or below-market operating lease values are amortized on a straight-line basis as a decrease or increase to rental income, respectively, over the applicable lease terms. This includes fixed rate renewal options in acquired leases that are below market, which are amortized to decrease rental income over the renewal period. Above- or below-market ground lease obligations are amortized on a straight-line basis as a decrease or increase to rent expense, respectively, over the applicable lease terms. If the above- or below-market operating lease values or above- or below-market ground lease obligations are terminated, the unamortized portion of the lease intangibles are recorded in rental income or rent expense, respectively.

Deferred leasing costs represent management's estimate of the avoided leasing commissions and legal fees associated with an existing in-place lease. The net amount is included in intangible assets and amortized on a straight-line basis as an increase to depreciation and amortization expense over the remaining term of the applicable lease.

Transfers of Financial Assets

Sale accounting for transfers of financial assets requires the transfer of an entire financial asset, a group of financial assets in its entirety or if a component of the financial asset is transferred, that the component meets the definition of a participating interest with characteristics that mirror the original financial asset.

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. If the Company has any continuing involvement, rights or obligations with the transferred financial asset (outside of standard representations and warranties), sale accounting requires that the transfer meets the following sale conditions: (1) the transferred asset has been legally isolated; (2) the transferee has the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred asset; and (3) the Company does not maintain effective control over the transferred asset through an agreement that provides for (a) both an entitlement and an obligation by the Company to repurchase or redeem the asset before its maturity, (b) the unilateral ability by the Company to reclaim the asset and a more than trivial benefit attributable to that ability, or (c) the transferee requiring the Company to repurchase the asset at a price so favorable to the transferee that it is probable the repurchase will occur.

If sale accounting is met, the transferred financial asset is removed from the balance sheet and a net gain or loss is recognized upon sale, taking into account any retained interests. Transfers of financial assets that do not meet the criteria for sale are accounted for as financing transactions, or secured borrowing, including the Company's Master Repurchase Facilities (as defined herein).

Financing Costs

Financing costs primarily include debt discounts and premiums as well as deferred financing costs. Deferred financing costs represent commitment fees, legal and other third-party costs associated with obtaining financing. Costs related to revolving credit facilities are recorded in other assets and are amortized to interest expense using the straight-line basis over the term of

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the facility. Costs related to other borrowings are recorded net against the carrying value of such borrowings and are amortized to interest expense using the effective interest method. The Company expenses unamortized deferred financing costs to other gain (loss), net when the associated facility is repaid before maturity. Costs incurred in seeking financing transactions, which do not close, are expensed in the period in which it is determined that the financing will not occur.

Revenue Recognition

Property Operating Income

Property operating income includes the following:

Rental Income—Rental income is recognized on a straight-line basis over the non-cancellable term of the related lease, together with renewal options that are reasonably certain of being exercised, which includes the effects of minimum rent increases and rent abatements under the lease. Rents received in advance are deferred.

When it is determined that the Company is the owner of tenant improvements, the cost to construct the tenant improvements, including costs paid for or reimbursed by the tenants, is capitalized. For tenant improvements owned by the Company, the amount funded by or reimbursed by the tenants are recorded as deferred revenue, which is amortized on a straight-line basis as additional rental income over the term of the related lease. Rental income recognition commences when the leased space is substantially ready for its intended use and the tenant takes possession of the leased space.

When it is determined that the tenant is the owner of tenant improvements, the Company's contribution towards those improvements is recorded as a lease incentive, included in deferred leasing costs and intangible assets on the balance sheet, and amortized as a reduction to rental income on a straight-line basis over the term of the lease. Rental income recognition commences when the tenant takes possession of the leased space.

Tenant Reimbursements—In net lease arrangements, the tenant is generally responsible for operating expenses related to the property, including real estate taxes, property insurance, maintenance, repairs and improvements. Costs reimbursable from tenants and other recoverable costs are recognized as revenue in the period the recoverable costs are incurred. When the Company is the primary obligor with respect to purchasing goods and services for property operations and has discretion in selecting the supplier and retains credit risk, tenant reimbursement revenue and property operating expenses are presented on a gross basis in the statements of operations. For certain triple net leases where the lessee self-manages the property, hires its own service providers and retains credit risk for routine maintenance contracts, no reimbursement revenue and expense are recognized.

Hotel Operating Income—Hotel operating income includes room revenue, food and beverage sales and other ancillary services. Revenue is recognized upon occupancy of rooms, consummation of sales and provision of services.

Foreign Currency

Assets and liabilities denominated in a foreign currency for which the functional currency is a foreign currency are translated using the exchange rate in effect at the balance sheet date and the corresponding results of operations for such entities are translated using the average exchange rate in effect during the period. The resulting foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income or loss in stockholders' equity. Upon sale, complete or substantially complete liquidation of a foreign subsidiary, or upon partial sale of a foreign equity method investment, the translation adjustment associated with the investment, or a proportionate share related to the portion of equity method investment sold, is reclassified from accumulated other comprehensive income or loss into earnings. Refer to Note 10, "Stockholders' Equity" for further discussion.

Assets and liabilities denominated in a foreign currency for which the functional currency is the U.S. dollar are remeasured using the exchange rate in effect at the balance sheet date and the corresponding results of operations for such entities are remeasured using the average exchange rate in effect during the period. The resulting foreign currency remeasurement adjustments are recorded in other gain (loss), net on the consolidated statements of operations.

Disclosures of non-U.S. dollar amounts to be recorded in the future are translated using exchange rates in effect at the date of the most recent balance sheet presented. As of June 30, 2025, the Company no longer had any assets or liabilities denominated in a foreign currency. See Note 4, "Real Estate, net" for further detail.

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Equity-Based Compensation

Equity-classified stock awards granted to executive officers and non-employee directors are based on the closing price of the Class A common stock on the grant date and recognized on a straight-line basis over the requisite service period of the awards for restricted stock awards. For performance stock units (“PSUs”) the fair value is based on a Monte Carlo simulation as of the grant date and the expense is generally recognized on a straight-line basis over the measurement period, except when certain performance metrics are achieved. See Note 9, “Equity-Based Compensation” for further discussion.

The compensation expense is adjusted for actual forfeitures upon occurrence. Equity-based compensation is classified within compensation and benefits in the consolidated statements of operations.

Earnings Per Share

The Company presents both basic and diluted earnings per share (“EPS”) using the two-class method. Basic EPS is calculated by dividing earnings allocated to common shareholders, as adjusted for unallocated earnings attributable to certain participating securities, if any, by the weighted-average number of common shares outstanding during the period. Diluted EPS is based on the weighted-average number of common shares and the effect of potentially dilutive common share equivalents outstanding during the period. The two-class method is an allocation formula that determines earnings per share for each share of common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. The Company has certain share-based payment awards that contain nonforfeitable rights to dividends, which are considered participating securities for the purposes of computing EPS pursuant to the two-class method.

Income Taxes

For U.S. federal income tax purposes, the Company elected to be taxed as a REIT beginning with its taxable year ended December 31, 2018. To qualify as a REIT, the Company must continually satisfy tests concerning, among other things, the real estate qualification of sources of its income, the real estate composition and values of its assets, the amounts it distributes to stockholders and the diversity of ownership of its stock.

To the extent that the Company qualifies as a REIT, it generally will not be subject to U.S. federal income tax to the extent of its distributions to stockholders. The Company believes that all of the criteria to maintain the Company’s REIT qualification have been met for the applicable periods, but there can be no assurance that these criteria will continue to be met in subsequent periods. If the Company were to fail to meet these requirements, it would be subject to U.S. federal income tax and potential interest and penalties, which could have a material adverse impact on its results of operations and amounts available for distributions to its stockholders. The Company’s accounting policy with respect to interest and penalties is to classify these amounts as a component of income tax expense, where applicable.

The Company may also be subject to certain state, local and franchise taxes. Under certain circumstances, U.S. federal income and excise taxes may be due on its undistributed taxable income. The Company previously held an investment in Europe which was subject to tax in its local jurisdiction.

The Company made joint elections to treat certain subsidiaries as taxable REIT subsidiaries (“TRSs”) which may be subject to taxation by U.S. federal, state and local authorities. In general, a TRS of the Company may perform non-customary services for tenants, hold assets that the Company cannot hold directly and engage in most real estate or non-real estate-related business.

Certain subsidiaries of the Company are subject to taxation by U.S. federal, state and local authorities for the periods presented. Income taxes are accounted for by the asset/liability approach in accordance with GAAP. Deferred taxes, if any, represent the expected future tax consequences when the reported amounts of assets and liabilities are recovered or paid. Such amounts arise from differences between the financial reporting and tax bases of assets and liabilities and are adjusted for changes in tax laws and tax rates in the period during which such changes are enacted. A provision for income tax represents the total of income taxes paid or payable for the current period, plus the change in deferred taxes. Current and deferred taxes are recorded on the portion of earnings (losses) recognized by the Company with respect to its interest in TRSs. Deferred income tax assets and liabilities are calculated based on temporary differences between the Company’s GAAP consolidated financial statements and the U.S. federal, state and local tax basis of assets and liabilities as of the consolidated balance sheet date. The Company evaluates the realizability of its deferred tax assets (e.g., net operating loss and capital loss carryforwards) and recognizes a valuation allowance if, based on the available evidence, it is more likely than not that some portion or all of its deferred tax assets will not be realized. When evaluating the realizability of its deferred tax assets, the Company considers estimates of expected future taxable income, existing and projected book/tax differences, tax planning strategies available and the general and industry-specific economic outlook. This realizability analysis is inherently subjective, as it requires the Company to

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forecast its business and general economic environment in future periods. Changes in estimate of deferred tax asset realizability, if any, are included in income tax expense in the consolidated statements of operations.

For the three months ended June 30, 2026 and 2025, the Company recorded a de minimis income tax expense and income tax benefit of \$21.7 million, respectively. For the six months ended June 30, 2026 and 2025, the Company recorded income tax expense of \$0.1 million and income tax benefit of \$21.4 million, respectively.

The income tax benefit for the three and six months ended June 30, 2025 includes a benefit of \$22.1 million, which is the result of the reversal of a deferred tax liability associated with a European investment subsidiary that the lenders acquired control of following a maturity default on its bond financing. Refer to Note 4, "Real Estate, net" for further information.

Current Expected Credit Loss ("CECL") reserve

The CECL reserve for the Company's financial instruments carried at amortized cost and off-balance sheet credit exposures, such as loans, loan commitments and trade receivables, represents a lifetime estimate of expected credit losses. Factors considered by the Company when determining the CECL reserve include loan-specific characteristics such as loan-to-value ("LTV") ratio, vintage year, loan term, property type, occupancy and geographic location, financial performance of the borrower, expected payments of principal and interest, as well as internal or external information relating to past events, current conditions and reasonable and supportable forecasts.

The CECL reserve is measured on a collective (pool) basis when similar risk characteristics exist for multiple financial instruments. If similar risk characteristics do not exist, the Company measures the CECL reserve on an individual instrument basis. The determination of whether a particular financial instrument should be included in a pool can change over time. If a financial asset's risk characteristics change, the Company evaluates whether it is appropriate to continue to keep the financial instrument in its existing pool or evaluate it individually.

In measuring the CECL reserve for financial instruments that share similar risk characteristics, the Company primarily applies a probability of default ("PD")/loss given default ("LGD") model for instruments that are collectively assessed, whereby the CECL reserve is calculated as the product of PD, LGD and exposure at default. The Company's model principally utilizes historical loss rates derived from a commercial mortgage-backed securities database with historical losses from 1998 through June 2026 provided by a third party, Trepp LLC, forecasting the loss parameters using a scenario-based statistical approach over a reasonable and supportable forecast period of twelve months, followed by a straight-line reversion period of twelve-months back to average historical losses. Where management has determined that the credit loss model does not fully capture certain external factors, including portfolio trends or loan specific factors, a qualitative adjustment to the reserve may be recorded.

For loans that do not share similar risk characteristics, the Company evaluates the CECL reserve on an individual basis. The Company considers loans to be collateral dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the operation or sale of the underlying collateral or foreclosure is probable. For such loans, the Company estimates the CECL reserve based on the difference between the fair value of the underlying collateral, net of selling costs, as applicable, and the amortized cost basis of the loan.

The Company applies broadly accepted and standard real estate valuation techniques, such as a discounted cash flow ("DCF"), direct capitalization methodology, or sales comparables to determine the fair value of the collateral. Determining fair value of the collateral, including utilization of a practical expedient, may take into account a number of assumptions including, but not limited to, market rents and cash flow projections, market capitalization rates, discount rates and sales comps. Such assumptions are generally based on current market conditions and are subject to economic and market uncertainties.

Management only expects to charge-off the CECL reserves in the consolidated financial statements if and when such amounts are deemed non-recoverable. This is generally at the time a loan is repaid or foreclosed. However, non-recoverability may also be concluded if, management determines, it is nearly certain that all amounts will not be collected.

In connection with developing the CECL reserve for its loans and preferred equity held for investment, the Company determines the risk ranking of each loan and preferred equity investment as a key credit quality indicator. The risk rankings are based on a variety of factors, including, without limitation, underlying real estate performance and asset value, values of comparable properties, durability and quality of property cash flows, sponsor experience and financial wherewithal, and the existence of a risk-mitigating loan structure. Additional key considerations include loan-to-value ratios, debt service coverage ratios, loan structure, real estate and credit market dynamics, and risk of default or principal loss. Based on a five-point scale, the Company's loans and preferred equity held for investment are rated "1" through "5," from less risk to greater risk, and the

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ratings are updated quarterly. At the time of origination or purchase, loans and preferred equity held for investment are ranked as a “3” and will move accordingly going forward based on the ratings which 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 high 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.

The Company also considers qualitative factors, including, but not limited to, economic and business conditions, borrower actions, nature and volume of the loan portfolio, lending terms, volume and severity of past due loans, concentration of credit and changes in the level of such concentrations in its determination of the CECL reserve.

The Company has elected to not measure a CECL reserve for accrued interest receivable as it is reversed against interest income when a loan or preferred equity investment is placed on nonaccrual status. Loans and preferred equity investments are charged off when all or a portion of the principal amount is determined to be uncollectible. See “Nonaccrual” in “Loans and Preferred Equity Held for Investment” above for further detail.

Changes in the CECL reserve for the Company’s financial instruments are recorded in increase/decrease in current expected credit loss reserve on the consolidated statement of operations with a corresponding offset to the loans and preferred equity held for investment or as a component of other liabilities for future loan fundings recorded on the Company’s consolidated balance sheets. See Note 3, “Loans and Preferred Equity Held for Investment, net” for further detail.

Future Application of Accounting Standards

Disaggregation of Income Statement Expenses—In November 2024, the FASB issued ASU No. 2024-03, *Income Statement- Reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40)*, and in January 2025, the FASB issues ASU No. 2025-01, *Income Statement- Reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*. ASU 2024-03 requires disclosures on certain costs and expenses for each interim and annual reporting period. ASU No. 2024-03, as clarified by ASU No. 2025-01, is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company does not expect the adoption of ASU No. 2024-03 to have a material impact on its consolidated financial statements.

Business Combinations and Consolidation—In May 2025, the FASB issued ASU No. 2025-03, *Business Combinations and Consolidation: Determining The Accounting Acquirer In The Acquisition of a Variable Interest Entity*. The ASU requires reporting entities involved in a business combination effected primarily by the exchange of equity interests to consider the new guidance to determine which entity is the accounting acquirer regardless of whether the legal acquiree is a VIE. As a result, a reporting entity can determine that a transaction in which the legal acquiree is a VIE represents a reverse acquisition and the acquirer is identified as the acquiree for accounting purposes. This ASU is effective for periods beginning after December 15, 2026, with early adoption permitted. The Company is evaluating the impact of this standard.

Interim Reporting—In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270): Narrow Scope Improvements*. The guidance is intended to improve the literature surrounding interim disclosures and when such disclosures are required. The amendment also adds a principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The guidance is not intended to change current requirements and is intended to provide clarity on current requirements. This ASU is effective for periods beginning after December 15, 2027, with early adoption permitted. The Company is evaluating the impact of this standard.

Any new accounting standards that have not been disclosed that have been issued or proposed by FASB and that do not require adoption until a future date are being evaluated and not expected to have a material impact on the financial statements.

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3. Loans and Preferred Equity Held for Investment, net

The following table provides a summary of the Company's loans and preferred equity held for investment, net (dollars in thousands):

	June 30, 2026					December 31, 2025				
	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon ⁽¹⁾	Weighted Average of Contractual Maturity ⁽²⁾	Weighted Average Maturity in Years ⁽³⁾	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon ⁽¹⁾	Weighted Average of Contractual Maturity ⁽²⁾	Weighted Average Maturity in Years ⁽³⁾
Variable rate										
Senior loans	\$ 1,211,175	\$ 1,209,789	7.1 %	1.0	2.0	\$ 1,422,235	\$ 1,420,199	6.9 %	1.2	2.6
Securitized loans ⁽⁴⁾	1,630,000	1,625,278	6.7 %	1.3	2.7	1,172,999	1,173,495	7.0 %	0.7	1.3
	<u>2,841,175</u>	<u>2,835,067</u>				<u>2,595,234</u>	<u>2,593,694</u>			
Fixed rate										
Senior loans	27,337	27,337	20.0 %	0.0 ⁽⁵⁾	0.2	24,139	24,139	20.0 %	0.1	0.4
Mezzanine loans	15,105	15,105	— %	0.6	0.6	49,069	49,069	8.4 %	0.1	1.1
Preferred equity interests	16,154	16,154	14.4 %	0.5	0.5	11,467	11,413	14.3 %	0.4	1.0
	<u>58,596</u>	<u>58,596</u>				<u>84,675</u>	<u>84,621</u>			
Loans and preferred equity held for investment	2,899,771	2,893,663				2,679,909	2,678,315			
CECL reserve	—	(98,658)				—	(87,401)			
Loans and preferred equity held for investment, net	<u>\$ 2,899,771</u>	<u>\$ 2,795,005</u>	7.0 %	1.1	2.3	<u>\$ 2,679,909</u>	<u>\$ 2,590,914</u>	7.1 %	0.9	2.0

(1) Calculated based on contractual interest rate, except for nonaccrual loans. As of June 30, 2026 and December 31, 2025, all variable rate loans utilize Term Secured Overnight Financing Rate ("Term SOFR").

(2) Calculated using current maturity date.

(3) Calculated using extended maturity date.

(4) Represents loans transferred into securitization trusts that are consolidated by the Company.

(5) The contractual maturity of the fixed rate senior loans was July 9, 2026 at June 30, 2026. The loan was extended subsequent to June 30, 2026.

The Company had \$12.6 million and \$10.8 million of interest receivable related to its loans and preferred equity held for investment, net as of June 30, 2026, and December 31, 2025, respectively. This is included in receivables, net on the Company's consolidated balance sheets.

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Activity relating to the Company's loans and preferred equity held for investment, net was as follows (dollars in thousands):

	Carrying Value	
	Six Months Ended June 30,	
	2026	2025
Balance at January 1	\$ 2,590,914	\$ 2,352,993
Acquisitions/originations/additional funding ⁽¹⁾	559,455	210,652
Loan maturities/principal repayments ⁽¹⁾	(292,980)	(146,419)
(Increase) decrease of CECL reserve ⁽²⁾	(14,883)	86
Discount accretion and fee amortization, net	(3,306)	1,032
Capitalized interest, net of repayments	1,005	1,048
Transfer to Real Estate, net ⁽³⁾⁽⁴⁾	(45,200)	(165,876)
Charge-off of CECL reserve-transfer to Real Estate, net ⁽³⁾⁽⁴⁾	—	2,332
Charge-off of loan held for investment ⁽⁵⁾⁽⁶⁾	(3,626)	(27,366)
Charge-off of CECL reserve-other ⁽⁵⁾⁽⁶⁾	3,626	27,366
Balance at June 30	\$ 2,795,005	\$ 2,255,848

- (1) During the first quarter of 2025, the Company amended a senior mixed-use loan as part of the resolution of a senior mixed-use loan with the same sponsor. In relation to this amendment, there was a transfer of principal of \$8.8 million. This transfer is not included within these captions as it was neither additional funding nor a repayment. See "Loan Modifications" below for more detail. During the six months ended June 30, 2026, the Company originated 18 loans and preferred equity with a total of \$597.4 million in committed principal balance.
- (2) (Increase) decrease of CECL reserve excludes \$(0.4) million for the six months ended June 30, 2026 and \$(0.4) million for the six months ended June 30, 2025 as determined by the Company's PD/LGD model for unfunded commitments reported on the consolidated statements of operations, with a corresponding offset to accrued and other liabilities recorded on the Company's consolidated balance sheets.
- (3) During the first quarter of 2026, the Company acquired legal title to one multifamily property through foreclosure. As a result, the property was consolidated as real estate and removed from loans held from investment, net. The CECL reserve related to this loan was charged off in 2025. There was no gain or loss recorded as part of the consolidation. Refer to Note 4, "Real Estate, net" for further discussion.
- (4) During the first quarter of 2025, the Company eliminated a multifamily loan in Mesa, Arizona as part of the consolidation of the Mesa, Arizona property as the primary beneficiary. During the second quarter of 2025, the Company foreclosed on a hotel loan in San Jose, California. As a result, the properties were consolidated as real estate and removed from loans held from investment, net. The CECL reserve related to these loans were charged off and the net amount is reflected as an addition to real estate, net. There was no gain or loss recorded as part of the consolidation. Refer to Note 4, "Real Estate, net" for further discussion.
- (5) During the six months ended June 30, 2026, the Company charged off uncollectible amounts of \$4.4 million relating to three multifamily loans based on resolution of the loans. In addition, the Company had a reversal of charge-offs of \$0.8 million based on additional proceeds received upon resolution of an office loan and an industrial loan.
- (6) During the six months ended June 30, 2025, the Company charged off uncollectible amounts of \$27.3 million relating to two multifamily loans based on resolution of the loans.

Loan Modifications

The Company may amend or modify a loan depending on the loan's specific facts and circumstances. These loan modifications typically include additional time for the borrower to refinance or sell the collateral property, adjustment or waiver of performance tests that are prerequisite to the extension of a loan's maturity, and/or deferral of scheduled principal payments. In exchange for a modification, the Company may receive a partial repayment of principal, a short-term accrual of capitalized interest for a portion of interest due, a cash infusion to replenish interest or capital improvement reserves, termination of all or a portion of the remaining unfunded loan commitment, additional call protection, and/or increase the loan coupon.

During the first quarter of 2025, the Company amended a senior mixed-use loan ("Loan A") as part of the resolution of a senior mixed-use loan ("Loan B") with the same sponsor. The sponsor obtained new financing on Loan B collateral that was \$8.8 million short of a full principal payoff. The \$8.8 million of principal was transferred to Loan A as part of the full resolution of Loan B. A joint venture agreement was entered into with the sponsor with respect to the Loan B collateral providing that (i) any available cash after Loan B debt service is paid is distributed to the Company to pay down Loan A and (ii) if, at any time after two years, Loan A is not paid off, the Company may unilaterally force a sale of the collateral for Loan B. During the fourth quarter of 2025, Loan A was further modified to allow funds to be used to pay for architecture, design, and permitting fees to better position the collateral for a sale. The maturity of Loan A and the venture agreement were also shortened by nine months. In the second quarter of 2026, the total commitment of Loan A was increased by \$0.5 million. In the third quarter of 2026, Loan A was extended to August 2026.

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Preferred Equity Investment Originations

During the six months ended June 30, 2026, the Company originated one preferred equity investment. During the year ended December 31, 2025, the Company originated nine preferred equity investments. Refer to “Unconsolidated VIEs” in Note 2, “Summary of Significant Accounting Policies” for more details on these originations.

Nonaccrual and Past Due Loans

Loans that are 90 days or more past due as to principal or interest, or where reasonable doubt exists as to timely collection, are generally considered nonperforming and placed on nonaccrual status.

The following table provides an aging summary of loans held for investment at carrying values before CECL reserve (dollars in thousands):

	Current or Less Than 30 Days Past Due	30-59 Days Past Due ⁽¹⁾	60-89 Days Past Due	90 Days or More Past Due ⁽²⁾⁽³⁾	Total Loans
June 30, 2026	\$ 2,821,918	\$ 56,640	\$ —	\$ 15,105	\$ 2,893,663
December 31, 2025	2,641,623	—	—	36,692	2,678,315

(1) At June 30, 2026, includes one multifamily senior loan with a carrying value of \$56.6 million which was in maturity and payment default. In July 2026, the loan was extended to December 2026 and interest was paid current.

(2) At June 30, 2026, includes one office mezzanine loan which was placed on nonaccrual status on April 1, 2024, with a carrying value of \$15.1 million.

(3) At December 31, 2025, includes one industrial senior loan which was placed on nonaccrual status on September 9, 2025, with a carrying value of \$22.0 million and an office mezzanine loan which was placed on nonaccrual status on April 1, 2024, with a carrying value of \$14.7 million. Subsequent to December 31, 2025, the industrial loan was resolved.

As of June 30, 2026, all loans were performing in accordance with the contractual terms of their governing documents and were categorized as performing loans, except one nonaccrual office mezzanine loan and one multifamily senior loan. The multifamily senior loan in payment and maturity default was extended and interest was paid current in July 2026. As of December 31, 2025, all loans were performing in accordance with the contractual terms of their governing documents and were categorized as performing loans, except for one nonaccrual industrial senior loan and one nonaccrual office mezzanine loan. For the six months ended June 30, 2026, and June 30, 2025, no debt investment individually contributed more than 10.0% of interest income.

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Current Expected Credit Loss Reserve

The following table provides details on the changes in CECL reserves (dollars in thousands):

CECL reserve at December 31, 2025	\$ 87,401
Decrease in general CECL reserve ⁽¹⁾	(2,085)
Increase in specific CECL reserve ⁽²⁾	2,639
Charge-off of CECL reserve - other ⁽²⁾	(2,639)
CECL reserve at March 31, 2026	\$ 85,316
Increase in general CECL reserve ⁽¹⁾	\$ 13,342
Increase in specific CECL reserve ⁽²⁾	987
Charge-offs of CECL reserve - other ⁽²⁾	(987)
CECL reserve at June 30, 2026	\$ 98,658
CECL reserve at December 31, 2024	\$ 165,932
Decrease in general CECL reserve ⁽¹⁾	(9,524)
Increase in specific CECL reserve ⁽²⁾	9,174
Charge-offs of CECL reserve - other ⁽²⁾	(9,174)
Charge-offs of CECL reserve - transfer to Real Estate, net and Real Estate Held for Sale ⁽³⁾	(1,043)
CECL reserve at March 31, 2025	\$ 155,365
Decrease in general CECL reserve	\$ (18,798)
Increase in specific CECL reserve ⁽²⁾	19,482
Charge-offs of CECL reserve - other ⁽²⁾	(18,192)
Charge-offs of CECL reserve - transfer to Real Estate, net and Real Estate Held for Sale ⁽⁴⁾	(1,290)
CECL reserve at June 30, 2025	\$ 136,567

- (1) Excludes CECL reserves related to unfunded commitments reported on the consolidated statement of operations for the three months ended March 31, 2026: \$1.2 million, June 30, 2026: \$(0.8) million, March 31, 2025: \$0.5 million, June 30, 2025 \$(0.1) million.
- (2) During the first six months of 2026, the Company recorded specific CECL reserves totaling \$2.9 million for one multifamily mezzanine loan, \$0.9 million for one multifamily senior loan and \$0.6 million for one multifamily loan and had reversals of \$0.6 million relating to one industrial loan and \$0.2 million relating to one office senior loan. The CECL reserves were charged off during the period. During the first six months of 2025, the Company recorded specific CECL reserves totaling \$28.7 million for two multifamily loans and one hotel loan, all of which were charged off during the six months ended June 30, 2025. As of June 30, 2025, the hotel is classified as real estate, net. Subsequent to June 30, 2025, one multifamily loan was acquired and classified as real estate, net.
- (3) During the first quarter of 2025, the Company consolidated a multifamily loan as the primary beneficiary. As a result, the property was consolidated as real estate. The CECL reserve related to this loan was charged off.
- (4) During the second quarter of 2025, the Company consolidated one hotel loan upon foreclosure. As a result, the property was consolidated as real estate. The CECL reserve related to this loan was charged off.

Loans are typically secured by direct senior priority liens on real estate properties or by interests in entities that directly own real estate properties, which serve as the primary source of cash for the payment of principal and interest. The Company evaluates its loans at least quarterly and differentiates the relative credit quality principally based on: (i) whether the borrower is currently paying contractual debt service in accordance with its contractual terms; and (ii) whether the Company believes the borrower will be able to perform under its contractual terms in the future, as well as the Company's expectations as to the ultimate recovery of principal at maturity.

The following tables provide a summary by carrying values before any CECL reserves of the Company's loans and preferred equity held for investment by year of origination and credit quality risk ranking as of June 30, 2026, and December 31, 2025 (dollars in thousands). Refer to Note 2, "Summary of Significant Accounting Policies" for loan risk ranking definitions.

At June 30, 2026, the weighted average risk ranking for loans and preferred equity held for investment was 3.0.

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		June 30, 2026					
		Year of Origination					
Risk Rankings		2026	2025	2024	2023	2022 and earlier	Total
Senior loans							
3		\$ 530,876	\$ 656,780	\$ 83,129	\$ —	\$ 1,458,783	\$ 2,729,568
4		—	—	—	—	132,836	132,836
Total Senior loans		530,876	656,780	83,129	—	1,591,619	2,862,404
Mezzanine loans							
3		—	—	—	15,105	—	15,105
Total Mezzanine loans		—	—	—	15,105	—	15,105
Preferred Equity							
3		633	12,455	—	—	—	13,088
4		—	3,066	—	—	—	3,066
Total Preferred Equity		633	15,521	—	—	—	16,154
Total Loans and preferred equity held for investment		\$ 531,509	\$ 672,301	\$ 83,129	\$ 15,105	\$ 1,591,619	\$ 2,893,663
Current period gross write-offs		\$ —	\$ —	\$ —	\$ —	\$ 3,626	\$ 3,626

As of December 31, 2025, the weighted average risk ranking for loans and preferred equity held for investment was 3.1.

Risk Rankings		December 31, 2025											
		Year of Origination					Total						
		2025	2024	2023	2022	2021 and earlier							
Senior loans													
3	\$	723,723	\$	79,019	\$	—	\$	630,338	\$	965,963	\$	2,399,043	
4		—		—		—		—		65,123		65,123	
5		—		—		—		88,880		64,787		153,667	
Total Senior loans			723,723		79,019		—		719,218		1,095,873		2,617,833
Mezzanine loans													
3		—		—		14,692		34,377		—		49,069	
Total Mezzanine loans			—		—		14,692		34,377		—		49,069
Preferred Equity													
3		10,327		—		—		—		—		10,327	
4		1,086		—		—		—		—		1,086	
Total Preferred Equity			11,413		—		—		—		—		11,413
Total Loans and preferred equity held for investment		\$	735,136	\$	79,019	\$	14,692	\$	753,595	\$	1,095,873	\$	2,678,315
Current period gross write-offs ⁽¹⁾		\$	—	\$	—	\$	—	\$	25,137	\$	77,307	\$	102,444

(1) Current period gross write-offs exclude all transfers to real estate, net.

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Lending Commitments

The Company has lending commitments to borrowers pursuant to certain loan and preferred equity agreements in which the borrower may submit a request for funding contingent on achieving certain criteria, which must be approved by the Company as lender, such as leasing, performance of capital expenditures and construction in progress with an approved budget. Assuming the terms to qualify for future advances, if any, had been met, total gross unfunded lending commitments were \$145.5 million and \$112.2 million at June 30, 2026 and December 31, 2025, respectively. Refer to Note 12, “Commitments and Contingencies” for further details. The Company recorded \$1.0 million and \$0.7 million for allowance for lending commitments in accrued and other liabilities on its consolidated balance sheets in accordance with CECL at June 30, 2026 and December 31, 2025, respectively. See Note 2, “Summary of Significant Accounting Policies” for further details.

4. Real Estate, net

The following table presents the Company’s net lease portfolio, net, as of June 30, 2026 and December 31, 2025 (dollars in thousands):

	June 30, 2026	December 31, 2025
Land and improvements	\$ 11,955	\$ 78,805
Buildings, building leaseholds, and improvements	96,972	287,767
Tenant improvements	7,910	13,781
Subtotal	\$ 116,837	\$ 380,353
Less: Accumulated depreciation	(34,920)	(86,871)
Net lease portfolio, net	<u>\$ 81,917</u>	<u>\$ 293,482</u>

The following table presents the Company’s portfolio of other real estate, net as of June 30, 2026 and December 31, 2025 (dollars in thousands):

	June 30, 2026	December 31, 2025
Land and improvements	\$ 123,467	\$ 127,614
Buildings, building leaseholds, and improvements	250,072	262,451
Tenant improvements	19,641	18,097
Furniture, fixtures and equipment	14,727	13,938
Construction-in-progress	8,165	7,972
Subtotal	\$ 416,072	\$ 430,072
Less: Accumulated depreciation	(47,651)	(43,775)
Other portfolio, net	<u>\$ 368,421</u>	<u>\$ 386,297</u>

Depreciation Expense

Depreciation expense on real estate was \$5.6 million and \$7.4 million for the three months ended June 30, 2026 and 2025, respectively. Depreciation expense on real estate was \$11.5 million and \$14.5 million for the six months ended June 30, 2026 and 2025, respectively.

Property Operating Income

For the three and six months ended June 30, 2026 and 2025 the components of property operating income were as follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Lease revenues				
Minimum lease revenue	\$ 16,882	\$ 24,251	\$ 34,286	\$ 48,121
Variable lease revenue	806	2,921	1,672	5,968
	\$ 17,688	\$ 27,172	\$ 35,958	\$ 54,089
Hotel operating income	12,747	8,498	27,120	8,498
Total property operating income ⁽¹⁾	<u>\$ 30,435</u>	<u>\$ 35,670</u>	<u>\$ 63,078</u>	<u>\$ 62,587</u>

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(1) Excludes de minimis net amortization expense for the three months ended June 30, 2026 and de minimis income for the six months ended June 30, 2026 related to above and below-market leases. Excludes net amortization expense related to above and below-market leases of a de minimis amount and \$0.1 million for the three and six months ended June 30, 2025, respectively.

For the six months ended June 30, 2026, the Company had one property with property operating income equal to or greater than 10% of the Company's total revenue. The property had property operating income of \$27.2 million or 16% of the Company's total revenue. For the six months ended June 30, 2025, the Company had no single property with property operating income equal to or greater than 10% of total revenue of the Company.

Real Estate Acquisitions

During the six months ended June 30, 2026, the Company acquired legal title to one multifamily property through foreclosure, which is included in real estate, net on the Company's consolidated balance sheets.

During the year ended December 31, 2025, the Company acquired legal title to one multifamily construction/development project and one office property through deeds-in-lieu of foreclosure, and one hotel property via foreclosure, all of which are included in real estate, net on the Company's consolidated balance sheets. The office property was subsequently sold. See "Real Estate Sales" below for further detail on the gain on sale.

The Company previously held an investment in a senior loan collateralized by a multifamily property in Mesa, Arizona that was determined to be a VIE. The Company was determined to be the primary beneficiary of the VIE and consolidated the assets and liabilities as well as the operations of the multifamily property in February 2025. The multifamily property is included in real estate, net on the Company's consolidated balance sheets. The consolidation did not result in a gain or loss.

In accordance with ASC 805-50, the Company allocated the fair value of the assumed assets and liabilities on the respective acquisition dates for each property acquired.

The following table summarizes the Company's real estate acquisitions for the six months ended June 30, 2026 and year ended December 31, 2025 (dollars in thousands):

Acquisition Date	Property Type and Location	Number of Buildings/Units ⁽¹⁾	Purchase Price	Purchase Price Allocation							
				Land and Improvements ⁽²⁾	Building and Improvements ⁽²⁾	Furniture and Fixtures ⁽²⁾	Lease Intangible Assets ⁽²⁾	Other Assets	Lease Intangible Liabilities ⁽²⁾	Other Liabilities	
Six Months Ended June 30, 2026											
January 2026	Multifamily - Texas ⁽³⁾	624	\$ 45,400	\$ 13,486	\$ 25,944	\$ 1,235	\$ 4,126	\$ 2,876	\$ —	\$ (2,267)	
Year Ended December 31, 2025											
September 2025	Office - Oregon ⁽³⁾	8	21,100	10,913	5,105	—	4,567	1,849	(298)	(1,036)	
July 2025	Multifamily/Pre-dev - California ⁽³⁾	n/a	39,760	39,760	—	—	—	—	—	—	
May 2025	Hotel - California ⁽³⁾	541	139,126	36,166	91,719	10,197	80	10,034	—	(9,070)	
February 2025	Multifamily - Arizona ⁽⁵⁾	285	31,965	9,007	21,051	270	1,456	708	—	(527)	
			\$ 277,351	\$ 109,332	\$ 143,819	\$ 11,702	\$ 10,229	\$ 15,467	\$ (298)	\$ (12,900)	

(1) For multifamily properties, represents number of units. For hotels, it represents number of rooms.

(2) Useful life of real estate acquired is 28 to 40 years for buildings, four to 15 years for tenant improvements, four to nine for furniture and fixtures, and one to 12 years for lease intangibles.

(3) Represents assets acquired by the Company through foreclosure or a deed-in-lieu of foreclosure.

(4) Represents a multifamily construction/development project located in California.

(5) Represents a multifamily property held in a VIE for which the Company was deemed the primary beneficiary. The Company consolidated the assets, liabilities and the property's operations on the acquisition date in accordance with ASC 810.

Impairment

The Company recorded \$9.3 million of impairment of operating real estate during the six months ended June 30, 2026.

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The Company recorded \$3.8 million of impairment related to one multifamily property, which was due to a reduction in the current expected holding period of the property. The estimated fair value of the property was determined based on the execution of a purchase and sale agreement, resulting in a Level 2 fair value of \$25.3 million as of the June 30, 2026 measurement date. The multifamily property is classified as held for sale at June 30, 2026. See “Real Estate Held for Sale” below for further details.

During the six months ended June 30, 2026, the Company received notice that it was in default on mortgage notes payable cross-collateralized by five retail properties. In April 2026, a receiver was appointed and took possession and full control of one Indiana retail property in connection with the foreclosure process, requiring deconsolidation of the assets and liabilities from the Company’s consolidated balance sheet in the second quarter of 2026, and resulting in impairment of operating real estate of \$2.4 million. The Company has no further involvement in the Indiana retail property, and the lender is not a related party.

Similarly, as a result of the foreclosure process, for one Illinois retail property, a receiver was appointed and took possession and full control subsequent to June 30, 2026. As such, the Company recorded \$3.1 million of impairment of operating real estate during the three months ended June 30, 2026.

The Company expects the lender to continue to pursue remedies, and accordingly, will thereby lose control over the three remaining retail properties. At such time, the Company will deconsolidate the mortgage notes payable. The combined carrying value of the three remaining retail properties is \$11.1 million, and the unpaid principal balance of the mortgage notes payable is \$25.3 million.

In May 2025, an investment subsidiary reached a maturity default on its bond financing collateralized by the Company’s Norwegian net lease office campus. Following the maturity default, the lenders exercised remedies and took control by equity pledge of the underlying investment subsidiary, requiring deconsolidation of the assets and liabilities from the Company’s consolidated balance sheet. The deconsolidation resulted in impairment of operating real estate of \$49.3 million. The Company has no further involvement in the Norwegian net lease office campus, and the lenders are not a related party.

In January 2025, an investment subsidiary defaulted on its mortgage note payable collateralized by one Pennsylvania office property included in the Company’s other real estate, net portfolio. In July 2025, a receiver was appointed and took possession and full control of the property, requiring deconsolidation of the assets and liabilities from the Company’s consolidated balance sheet in the third quarter of 2025. The deconsolidation resulted in impairment of operating real estate of \$4.3 million. The Company has no further involvement in the Pennsylvania office property, and the lenders are not a related party.

Real Estate Held for Sale

During the six months ended June 30, 2026, purchase and sale agreements were executed for one industrial portfolio and one multifamily property for a gross sale price of \$300.0 million and \$26.0 million, respectively. Both the industrial portfolio and multifamily property were classified as held for sale as of June 30, 2026. As part of the sale of the industrial portfolio, the purchaser will assume the \$200.0 million mortgage note payable. As of June 30, 2026, the carrying value for the industrial portfolio is \$223.1 million and the multifamily property is \$25.3 million. The Company expects both sales to close in the third quarter of 2026.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following table summarizes the Company's assets held for sale related to real estate (dollars in thousands):

	June 30, 2026
Assets	
Land and improvements	\$ 75,800
Buildings, building leaseholds, and improvements	201,040
Tenant improvements	5,551
Furniture, fixtures and equipment	236
Subtotal	282,627
Less: Accumulated depreciation	(56,035)
Total real estate, net	\$ 226,592
Deferred leasing costs and intangible assets, net	\$ 21,826
Total assets held for sale	\$ 248,418
Liabilities	
Mortgage and other notes payable, net	\$ 200,000
Total liabilities related to assets held for sale	\$ 200,000

Real Estate Sales

During the six months ended June 30, 2026, the Company sold one office property for a total gross sales price of \$28.0 million. The Company recorded a net gain on the sale of \$0.1 million and it is included in other loss, net on the Company's consolidated statement of operations.

During the year ended December 31, 2025, the Company sold three office properties and one multifamily property previously acquired through deeds-in-lieu of foreclosure for a total gross sales price of \$85.6 million. Prior to the sale of one office property, the Company recorded an impairment loss of \$6.3 million due to shortening the expected hold period. The impairment loss was based on the net proceeds received from the sale. This is included in impairment of operating real estate in the Company's consolidated statement of operations. The net gain of \$1.1 million on three office properties and one multifamily property is included in other gain (loss), net on the Company's consolidated statement of operations.

5. Deferred Leasing Costs and Other Intangibles

The Company's deferred leasing costs, other intangible assets and intangible liabilities, excluding those related to assets held for sale at June 30, 2026 and December 31, 2025 are as follows (dollars in thousands):

	June 30, 2026		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	\$ 23,905	\$ (23,248)	\$ 657
Deferred leasing costs	12,884	(9,286)	3,598
Above-market lease values	7,324	(7,242)	82
	\$ 44,113	\$ (39,776)	\$ 4,337

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	December 31, 2025		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	\$ 52,028	\$ (32,762)	\$ 19,266
Deferred leasing costs	20,499	(12,836)	7,663
Above-market lease values	8,517	(7,800)	717
	<u>\$ 81,044</u>	<u>\$ (53,398)</u>	<u>\$ 27,646</u>
Intangible Liabilities			
Below-market lease values	<u>\$ 776</u>	<u>\$ (387)</u>	<u>\$ 389</u>

The following table summarizes the amortization of deferred leasing costs, intangible assets and intangible liabilities for the three and six months ended June 30, 2026 and 2025 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Above-market lease values	\$ (3)	\$ (297)	\$ (6)	\$ (679)
Below-market lease values	—	296	2	619
Net decrease to property operating income	<u>\$ (3)</u>	<u>\$ (1)</u>	<u>\$ (4)</u>	<u>\$ (60)</u>
In-place lease values	\$ 2,285	\$ 2,558	\$ 4,575	\$ 5,398
Deferred leasing costs	318	610	640	1,236
Amortization expense	<u>\$ 2,603</u>	<u>\$ 3,168</u>	<u>\$ 5,215</u>	<u>\$ 6,634</u>

6. Restricted Cash, Other Assets and Accrued and Other Liabilities

The following table presents a summary of restricted cash as of June 30, 2026, and December 31, 2025 (dollars in thousands):

	June 30, 2026	December 31, 2025
Restricted cash:		
Borrower escrow deposits	\$ 76,262	\$ 82,511
Capital expenditure reserves	8,597	7,668
Real estate escrow reserves	7,379	8,288
Working capital and other reserves	6,951	6,637
Tenant lockboxes	2,374	1,942
Total	<u>\$ 101,563</u>	<u>\$ 107,046</u>

The following table presents a summary of other assets as of June 30, 2026, and December 31, 2025 (dollars in thousands):

	June 30, 2026	December 31, 2025
Other assets:		
Right-of-use lease asset	\$ 12,476	\$ 19,833
Deferred financing costs, net - credit facilities	6,877	5,716
Prepaid expenses and other	5,891	7,154
Tax receivable and deferred tax assets	1,880	12,247
Investments in unconsolidated ventures at fair value	1,423	2,115
Total	<u>\$ 28,547</u>	<u>\$ 47,065</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following table presents a summary of accrued and other liabilities as of June 30, 2026 and December 31, 2025 (dollars in thousands):

	June 30, 2026	December 31, 2025
<u>Accrued and other liabilities:</u>		
Accounts payable, accrued expenses and other liabilities	\$ 24,826	\$ 25,962
Operating lease liability	12,913	20,703
Prepaid rent and unearned revenue	9,002	9,664
Interest payable	6,119	6,239
Unfunded CECL loan allowance	1,037	669
Tenant security deposits	630	861
Total	<u>\$ 54,527</u>	<u>\$ 64,098</u>

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7. Debt

The following table presents debt as of June 30, 2026, and December 31, 2025 (dollars in thousands):

	Capacity (\$)	Recourse vs. Non-Recourse ⁽¹⁾	Final Maturity	Contractual Interest Rate	June 30, 2026		December 31, 2025	
					Principal Amount ⁽²⁾	Carrying Value ⁽²⁾	Principal Amount ⁽²⁾	Carrying Value ⁽²⁾
Securitization bonds payable, net								
BRSP 2026-FL3 ⁽³⁾		Non-recourse	Aug-43	SOFR + 1.69%	\$ 833,237	\$ 827,804	\$ —	\$ —
BRSP 2024-FL2 ⁽³⁾		Non-recourse	Aug-37	SOFR + 2.47%	583,875	580,046	583,875	578,879
BRSP 2021-FL1 ⁽³⁾		Non-recourse	⁽⁴⁾	⁽⁴⁾	—	—	398,215	398,203
Subtotal securitization bonds payable, net					1,417,112	1,407,850	982,090	977,082
Mortgage and other notes payable, net								
Net lease 1		Non-recourse	Sep-33	4.77%	200,000	199,122	200,000	199,068
Net lease 3		Non-recourse	Aug-26	4.08%	27,585	27,576	27,958	27,928
Net lease 4		Non-recourse	Oct-27	4.45%	20,398	20,398	20,730	20,730
Net lease 5 ⁽⁵⁾⁽⁶⁾		Non-recourse	Nov-26	4.45%	15,993	15,959	16,222	16,153
Net lease 5 ⁽⁷⁾		Non-recourse	Mar-28	7.25%	10,700	10,263	10,800	10,362
Net lease 6 ⁽⁶⁾		Non-recourse	Nov-26	4.45%	6,354	6,341	6,445	6,418
Net lease 8 ⁽⁶⁾		Non-recourse	Nov-26	4.45%	2,945	2,937	2,987	2,975
Other real estate 1		Non-recourse	Dec-28 ⁽⁸⁾	4.47%	95,967	95,417	97,082	96,348
Loan 1 ⁽⁹⁾		Non-recourse	Jul-28 ⁽⁹⁾	5.50%	33,591	33,591	34,078	34,078
Subtotal mortgage and other notes payable, net					413,533	411,604	416,302	414,060
Bank credit facility								
Bank credit facility	\$ 120,000	Recourse	Dec-28 ⁽¹⁰⁾	SOFR + 2.25%	70,000	70,000	—	—
Subtotal bank credit facility					70,000	70,000	—	—
Master repurchase facilities								
Bank 1	600,000	Limited Recourse ⁽¹¹⁾	Oct-28 ⁽¹²⁾	SOFR + 2.26%	⁽¹³⁾ 309,227	309,227	433,642	433,642
Bank 2	600,000	Limited Recourse ⁽¹¹⁾	Apr-30 ⁽¹⁴⁾	n/a	⁽¹³⁾ —	—	135,550	135,550
Bank 3	500,000	Limited Recourse ⁽¹⁵⁾	June-30 ⁽¹⁶⁾	SOFR + 1.74%	⁽¹³⁾ 230,839	230,839	427,899	427,899
Bank 4	400,000	Limited Recourse ⁽¹¹⁾	Nov-29 ⁽¹⁷⁾	SOFR + 1.49%	⁽¹³⁾ 175,143	175,143	81,007	81,007
Bank 5	250,000	Limited Recourse ⁽¹¹⁾	Mar-31 ⁽¹⁸⁾	SOFR + 2.00%	⁽¹³⁾ 141,016	141,016	—	—
Subtotal master repurchase facilities					\$ 856,225	856,225	1,078,098	1,078,098
Subtotal credit facilities					926,225	926,225	1,078,098	1,078,098
Total					\$ 2,756,870	\$ 2,745,679	\$ 2,476,490	\$ 2,469,240

(1) Subject to customary non-recourse carveouts.

(2) Difference between principal amount and carrying value of securitization bonds payable, net and mortgage and other notes payable, net is attributable to deferred financing costs, net and premium/discount on mortgage notes payable.

(3) The Company, through indirect Cayman subsidiaries, securitized commercial mortgage loans originated by the Company. Senior notes issued by the securitization trusts were generally sold to third parties and subordinated notes were retained by the Company. These securitizations are accounted for as secured financings with the underlying mortgage loans pledged as collateral. Principal payments from underlying collateral loans must be applied to repay the notes until fully paid off, irrespective of the contractual maturities on the notes. Underlying collateral loans have initial terms of two to three years.

(4) On February 19, 2026, the Company redeemed the outstanding securities under BRSP 2021-FL1, including the 2021-FL1 Notes, at a redemption price of \$310.7 million.

(5) Payment terms are periodic payment of principal and interest for debt on two properties and periodic payment of interest only with principal at maturity (except for principal repayments to release collateral properties disposed) for debt on one property.

(6) During the six months ended June 30, 2026, the Company received notice that it was in default on the mortgage notes payable cross-collateralized by Net Lease 5, Net Lease 6 and Net Lease 8. The Company deconsolidated one property collateralizing Net Lease 5 and impaired the property collateralizing

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- Net Lease 8 during the six months ended June 30, 2026. The Company expects the lender to continue to pursue remedies and thereby lose control over the three remaining retail properties, at which time the Company will deconsolidate the cross-collateralized mortgage notes payable. Refer to Note 4, "Real estate, net" for further detail.
- (7) Represents a mortgage note collateralized by three properties. In April 2025, the contractual interest rate on Net lease 5 was modified to 7.25%.
- (8) The current maturity date is December 2027, with a one-year extension available, subject to satisfaction of certain customary conditions set forth in the governing documents.
- (9) During the third quarter of 2025, the Company acquired legal title to the multifamily construction/development project collateralizing the note payable through a deed-in-lieu of foreclosure. Additionally, the Company refinanced the note payable, with a two-year initial term plus one one-year extension option. The principal balance and spread of the note payable did not change. Refer to Note 4, "Real Estate, net" for further discussion.
- (10) On December 9, 2025, the Company, through its subsidiaries, including the OP, entered into an Amendment No. 1 to the Restated Credit Agreement. Refer to "Bank Credit Facility" within this note for more details.
- (11) Recourse solely with respect to 25.0% of the financed amount.
- (12) During the second quarter of 2026, the Company extended the maturity date of Bank 1 to October 2028.
- (13) Represents the weighted average spread as of June 30, 2026. The contractual interest rate depends upon asset type and characteristics and ranges from SOFR plus 1.30% to 2.75%.
- (14) The current maturity date is April 2028, with two one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents.
- (15) Recourse is either 25.0% or 50.0% depending on loan metrics.
- (16) The current maturity date is June 2028, with two one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents. In December 2025, the maximum facility size was increased to \$500.0 million.
- (17) The current maturity date is November 2026, with three one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents.
- (18) The Company entered into a Master Repurchase Agreement with Bank 5 which provides up to \$250.0 million to finance first mortgage loans, senior loan participations and related mezzanine loans secured by commercial real estate. The current maturity date is March 2029, with two one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents.

Future Minimum Principal Payments

The following table summarizes future scheduled minimum principal payments at June 30, 2026 based on initial maturity dates or extended maturity dates to the extent criteria are met and the extension option is at the borrower's discretion (dollars in thousands):

	Total	Securitization Bonds Payable, Net	Mortgage and Other Notes Payable, Net	Credit Facilities
Remainder of 2026 ⁽¹⁾	\$ 53,414	\$ —	\$ 53,414	\$ —
2027	20,309	—	20,309	—
2028	519,037	—	139,810	379,227
2029	175,143	—	—	175,143
2030	230,839	—	—	230,839
2031 and thereafter	1,758,128	1,417,112	200,000	141,016
Total	\$ 2,756,870	\$ 1,417,112	\$ 413,533	\$ 926,225

(1) Mortgage and other notes payable, net includes Net lease 5, Net lease 6 and Net lease 8, which are in default as of June 30, 2026.

Bank Credit Facility

The Company uses bank credit facilities (including term loans and revolving facilities) to finance the business. These financings may be collateralized or non-collateralized and may involve one or more lenders. Credit facilities typically have maturities ranging from one to five years and may accrue interest at either fixed or floating rates.

The OP (together with certain subsidiaries of the OP from time-to-time party thereto as borrowers, collectively, the "Borrowers") is party to an Amended and Restated Credit Agreement (as amended to date, the "Amended Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), and the several lenders from time to time party thereto (the "Lenders"). The Amended Credit Agreement provides for a revolving credit facility in the aggregate principal amount of up to \$120.0 million, of which up to \$25.0 million is available as letters of credit.

Loans under the Amended Credit Agreement may be advanced in U.S. dollars and certain foreign currencies, including euros, pounds sterling and Swiss francs.

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The Amended Credit Agreement also includes an option for the Borrowers to increase the maximum available principal amount to up to \$180.0 million, subject to one or more new or existing Lenders agreeing to provide such additional loan commitments and satisfaction of other customary conditions.

Advances under the Amended Credit Agreement accrue interest at a per annum rate equal to, at the applicable Borrower's election, either (x) a Term SOFR rate plus a margin of 2.25%, or (y) a base rate equal to the highest of (i) the Wall Street Journal's prime rate, (ii) the federal funds rate plus 0.50% and (iii) the Term SOFR rate plus 1.00%, plus a margin of 1.25%. An unused commitment fee at a rate of 0.25% or 0.35%, per annum, depending on the amount of facility utilization, applies to unutilized borrowing capacity under the Amended Credit Agreement. Amounts owed under the Amended Credit Agreement may be prepaid at any time without premium or penalty, subject to customary breakage costs in the case of borrowings with respect to which a Term SOFR rate election is in effect.

The maximum amount available for borrowing at any time under the Amended Credit Agreement is limited to a borrowing base valuation of certain investment assets, with the valuation of such investment assets generally determined according to a percentage of adjusted net book value. As of June 30, 2026, the borrowing base valuation is sufficient to permit borrowings of up to the entire \$120.0 million commitment. If any borrowing is outstanding for more than 180 days after its initial draw, the borrowing base valuation will be reduced by 50% until all outstanding borrowings are repaid in full. The ability to borrow new amounts under the Amended Credit Agreement terminates and any outstanding revolving loans will mature on December 8, 2028.

The obligations of the Borrowers under the Amended Credit Agreement are guaranteed pursuant to a Guarantee and Collateral Agreement by substantially all material wholly owned subsidiaries of the OP (the "Guarantors") in favor of the Administrative Agent (the "Guarantee and Collateral Agreement") and, subject to certain exceptions, secured by a pledge of substantially all equity interests owned by the Borrowers and the Guarantors, as well as by a security interest in deposit accounts of the Borrowers and the Guarantors (as such terms are defined in the Guarantee and Collateral Agreement) in which the proceeds of investment asset distributions are maintained.

The Amended Credit Agreement contains various affirmative and negative covenants, including, among other things, the obligation of the Company to maintain REIT status and be listed on the New York Stock Exchange or any other U.S. national or international securities exchange, and limitations on debt, liens and restricted payments. In addition, the Amended Credit Agreement includes the following financial covenants applicable to the OP and its consolidated subsidiaries: (a) minimum consolidated tangible net worth of the OP to be greater than or equal to the sum of (i) \$900,000,000 and (ii) 70% of the net cash proceeds received by the OP from any offering of its common equity after December 9, 2025 and of the net cash proceeds from any offering by the Company of its common equity to the extent such proceeds are contributed to the OP, excluding any such proceeds that are contributed to the OP within ninety (90) days of receipt and applied to acquire capital stock of the OP; (b) the OP's EBITDA plus lease expenses to fixed charges for any period of four consecutive fiscal quarters not less than 1.40 to 1.00; (c) the OP's minimum interest coverage ratio not less than 3.00 to 1.00; and (d) the OP's ratio of consolidated total debt to consolidated total assets must not exceed 0.80 to 1.00. The Amended Credit Agreement also includes customary events of default, including, among other things, failure to make payments when due, breach of covenants or representations, cross default to material indebtedness, material judgment defaults, bankruptcy matters involving any Borrower or any Guarantor and certain change of control events. The occurrence of an event of default will limit the ability of the OP and its subsidiaries to make distributions and may result in the termination of the credit facility, acceleration of repayment obligations and the exercise of remedies by the Lenders with respect to the collateral.

As of June 30, 2026, the Company was in compliance with all of its financial covenants under the Amended Credit Agreement.

Securitization Financing Transactions

Securitization bonds payable, net represent debt issued by securitization vehicles consolidated by the Company. Senior notes issued by these securitization trusts were generally sold to third parties and subordinated notes retained by the Company. Following expiration of the reinvestment period, payments from underlying collateral loans must be applied to repay the notes until fully paid off, irrespective of the contractual maturities of the loans.

The Company evaluated the key terms in the collateralized loan obligation ("CLO") governing documents of the issuers of the CRE CLOs ("CRE CLO Issuers"), which are wholly owned subsidiaries of the Company, to determine if they were VIEs and, if so, whether the Company was the primary beneficiary and therefore consolidate the CRE CLOs. The Company concluded that the CRE CLO Issuers are VIEs and the Company is the primary beneficiary because it has the ability to control the most significant activities of the CRE CLO Issuers, the obligation to absorb losses to the extent of its equity investments, and the right to receive benefits that could potentially be significant to these entities.

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As of June 30, 2026, the Company had \$1.6 billion carrying value of CRE debt investments financed with \$1.4 billion of securitization bonds payable, net. As of December 31, 2025, the Company had \$1.2 billion carrying value of CRE debt investments financed with \$982.1 million of securitization bonds payable, net.

BRSP 2026-FL3

In February 2026, the Company executed a \$955.0 million securitization transaction through wholly-owned subsidiaries, BRSP 2026-FL3, Ltd. and BRSP 2026-FL3, LLC (collectively, “BRSP 2026-FL3”), which resulted in the sale of \$833.2 million of investment grade notes (the “2026-FL3 Notes”).

BRSP 2026-FL3 includes a six-month ramp-up acquisition period that allows the Company to contribute existing or newly originated loan investments in exchange for \$98.3 million in unused proceeds held in BRSP 2026-FL3, subject to the satisfaction of certain conditions set forth in the indenture. At June 30, 2026, the unused proceeds have been fully utilized. BRSP 2026-FL3 also includes a 30-month reinvestment feature that allows the Company to contribute existing or newly originated loan investments in exchange for proceeds from repayments of loans held in BRSP 2026-FL3, subject to the satisfaction of certain conditions set forth in the indenture.

At June 30, 2026, the Company had \$955.0 million of unpaid principal balance of CRE debt investments financed with BRSP 2026-FL3. As of June 30, 2026, the securitization reflects an advance rate of 87.3% at a weighted average cost of funds of Term SOFR plus 1.69% (before transaction costs), and is collateralized by a pool of 32 senior loan investments.

Additionally, BRSP 2026-FL3 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. The Company did not fail any note protection tests during the six months ended June 30, 2026. While the Company continues to closely monitor all loan investments contributed to BRSP 2026-FL3, a deterioration in the performance of an underlying loan could negatively impact its liquidity position.

BRSP 2024-FL2

BRSP 2024-FL2 is a \$675.0 million securitization vehicle operated through wholly-owned subsidiaries, BRSP 2024-FL2, Ltd. and BRSP 2024-FL2, LLC (collectively, “BRSP 2024-FL2”), which have issued \$583.9 million of investment grade notes (the “2024-FL2 Notes”).

BRSP 2024-FL2 includes a two-year reinvestment feature that allows the Company to contribute existing or newly originated loan investments in exchange for proceeds from repayments of loans held in BRSP 2024-FL2, subject to the satisfaction of certain conditions set forth in the indenture. At June 30, 2026, the Company had \$675.0 million of unpaid principal balance of CRE debt investments and other assets financed with BRSP 2024-FL2. As of June 30, 2026, the securitization reflects an advance rate of 86.5% at a weighted average cost of funds of Term SOFR plus 2.47% (before transaction costs), and is collateralized by a pool of 27 senior loan investments.

Additionally, BRSP 2024-FL2 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. The Company did not fail any note protection tests during the six months ended June 30, 2026. While the Company continues to closely monitor all loan investments contributed to BRSP 2024-FL2, a deterioration in the performance of an underlying loan could negatively impact its liquidity position.

BRSP 2021-FL1

On February 19, 2026, the Company redeemed the outstanding securities under the securitization vehicle operated through wholly-owned subsidiaries, BRSP 2021-FL1, Ltd and BRSP 2021-FL1, LLC (collectively, “BRSP 2021-FL1”) including the investment grade notes issued thereunder, at a redemption price of \$310.7 million. The 17 senior loan investments, with an aggregate unpaid principal balance of \$440.8 million, held by BRSP 2021-FL1 were refinanced by the issuance of securities under BRSP 2026-FL3 and with existing Master Repurchase Facilities.

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Master Repurchase Facilities

As of June 30, 2026, the Company, through subsidiaries, had entered into repurchase agreements with multiple global financial institutions to provide an aggregate principal amount of up to \$2.4 billion to finance the origination of first mortgage loans and senior loan participations secured by senior loan investments (each, a “Master Repurchase Facility” and collectively, the “Master Repurchase Facilities”). The Company agreed to guarantee certain obligations under the Master Repurchase Facilities, which contain representations, warranties, covenants, conditions precedent to funding, events of default and indemnities that are customary for agreements of this type. The Master Repurchase Facilities act as revolving loan facilities that can be paid down as assets are repaid or sold and re-drawn upon for new investments. As of June 30, 2026, the Company was in compliance with all of its financial covenants under the Master Repurchase Facilities.

As of June 30, 2026, the Company had \$1.4 billion carrying value of CRE debt investments financed with \$856.2 million under the Master Repurchase Facilities. As of December 31, 2025, the Company had \$1.5 billion carrying value of CRE debt investments financed with \$1.1 billion under the Master Repurchase Facilities.

As of June 30, 2026, the Company had three counterparties, Bank 1, Bank 3 and Bank 5, with net exposure (collateral that exceeded amounts borrowed) totaling more than 10% of the Company’s total equity. As of June 30, 2026, the Company’s net exposure to Bank 1, Bank 3 and Bank 5 was \$262.8 million, \$92.9 million and \$93.0 million, respectively.

As of December 31, 2025, the Company had three counterparties, Bank 1, Bank 2 and Bank 3, with net exposure totaling more than 10% of the Company’s total equity. As of December 31, 2025, the Company’s net exposure to Bank 1, Bank 2 and Bank 3 was \$216.4 million, \$100.0 million and \$122.0 million, respectively.

8. Related Party Arrangements

The Company had no related party transactions as of and for the six months ended June 30, 2026 and 2025.

9. Equity-Based Compensation

On March 30, 2026, the Company’s board of directors adopted, and at the annual meeting of stockholders held on May 13, 2026, the stockholders approved the second amendment to the 2022 Equity Incentive Plan (as amended, the “2022 Plan”), which was effective as of May 13, 2026 and increases the total number of shares of the Class A common stock issuable by 10.0 million shares (subject to adjustment pursuant to the terms of the 2022 Plan). The 2022 Plan terminates on May 4, 2032. Awards may be granted under the 2022 Plan to (x) any employee, officer, director, consultant or advisor (who is a natural person) providing services to the Company, or its affiliates and (y) any other individual whose participation in the 2022 Plan is determined to be in the best interests of the Company. The following types of awards may be made under the 2022 Plan, subject to the limitations set forth in the plan: (i) stock options (which may be either incentive stock options or non-qualified stock options); (ii) stock appreciation rights; (iii) restricted stock awards; (iv) stock units; (v) unrestricted stock awards; (vi) dividend equivalent rights; (vii) performance awards; (viii) annual cash incentive awards; (ix) long-term incentive units; and (x) other equity-based awards.

Shares subject to an award granted under the 2022 Plan will be counted against the maximum number of shares of Class A common stock available for issuance thereunder as one share of Class A common stock for every one share of Class A common stock subject to such an award. Shares subject to an award granted under the 2022 Plan will again become available for issuance under the 2022 Plan if the award terminates by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares (except as set forth in the following sentence). The number of shares of Class A common stock available for issuance under the 2022 Plan will not be increased by (i) any shares tendered or withheld in connection with the purchase of shares upon exercise of a stock option, (ii) any shares deducted or delivered in connection with the Company’s tax withholding obligations, or (iii) any shares purchased by the Company with proceeds from stock option exercises. Shares granted to non-independent directors, officers and employees, if applicable, generally vest ratably in three annual installments following the grant date.

On March 16, 2026, the Company granted 1,907,157 shares of Class A common stock to certain of its employees, including executive officers. The shares vest in one-third increments on March 15, 2027, March 15, 2028 and March 15, 2029.

On May 20, 2026, the Company granted 88,340 shares of Class A common stock to the non-employee directors of the Company which vest on May 20, 2027.

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Equity-Based Compensation Expense

In connection with the share grants, the Company recognized share-based compensation expense of \$3.4 million and \$6.4 million within compensation and benefits in the consolidated statements of operations for the three and six months ended June 30, 2026, respectively. In connection with the share grants, the Company recognized share-based compensation expense of \$2.9 million and \$7.1 million within compensation and benefits in the consolidated statements of operations for the three and six months ended June 30, 2025, respectively.

Restricted Stock—Restricted stock awards relating to the Company’s Class A common stock are granted to non-employee directors of the Company and generally vest within one year. Restricted stock awards are granted to certain employees of the Company, with service conditions only and are generally subject to annual time-based vesting in equal tranches over a three-year period. Restricted stock is entitled to dividends declared and paid on the Company’s Class A common stock and such dividends are not forfeitable prior to vesting of the award. Restricted stock awards are valued based on the Company’s Class A common stock price on grant date and equity-based compensation expense is recognized on a straight-line basis over the requisite three-year service period.

Performance Stock Units (“PSU”)—PSUs are granted to certain employees of the Company and are subject to both a service condition and a market condition. Following the end of the measurement period for the PSUs, the recipients of PSUs may be eligible to vest in all or a portion of PSUs granted, and be issued a number of shares of the Company’s Class A common stock, ranging from 0% to 200% of the number of PSUs granted and eligible to vest, to be determined based upon the Company’s total shareholder return relative to certain peer group companies at the end of a three-year measurement period for the 2024 PSU grant (the “2024 Grant”), the 2025 PSU grant (the “2025 Grant”) and the 2026 PSU grant (the “2026 Grant”). PSUs also contain dividend equivalent rights which entitle the recipients to a payment equal to the amount of dividends that would have been paid on the shares that are ultimately issued at the end of the measurement period.

Fair value of PSUs, including dividend equivalent rights, was determined using a Monte Carlo simulation, with the following assumptions.

	2026 Grant	2025 Grant	2024 Grant
Expected volatility ⁽¹⁾	30.5 %	35.7 %	35.6 %
Risk free rate ⁽²⁾	4.0 %	4.0 %	4.3 %
Expected dividend yield ⁽³⁾	—	—	—

(1) Based upon the Company’s historical stock volatility.

(2) Based upon the continuously compounded zero-coupon U.S. Treasury yield for the term coinciding with the measurement period of the award as of valuation date.

(3) Based upon award holders being entitled to dividends paid during the measurement period on any shares earned.

Fair value of PSU awards, excluding dividend equivalent rights, is generally recognized on a straight-line basis over their measurement period as compensation expense, except when certain performance metrics are achieved. Following the completion of the measurement period for the 2023 Grant, the Company issued 603,478 shares of Class A common stock to certain of its employees in March 2026.

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The table below summarizes the Company's awards granted, forfeited or vested under the 2022 Plan during the six months ended June 30, 2026 and 2025:

	Number of Shares			Weighted Average Grant Date Fair Value	
	Restricted Stock	PSUs	Total	Restricted Stock	PSUs
Unvested shares at December 31, 2024	2,742,917	918,434	3,661,351	\$ 6.92	\$ 8.60
Granted	1,618,509	542,789	2,161,298	5.97	6.78
Vested	(1,428,999)	—	(1,428,999)	7.21	—
Unvested shares at March 31, 2025	2,932,427	1,461,223	4,393,650	6.25	7.93
Granted	92,940	—	92,940	5.27	—
Vested	(79,495)	—	(79,495)	5.27	—
Unvested shares at June 30, 2025	2,945,872	1,461,223	4,407,095	6.25	7.93
Unvested shares at December 31, 2025	2,865,399	1,461,223	4,326,622	\$ 6.27	\$ 7.93
Granted	1,907,157	588,839	2,495,996	5.61	7.08
Vested	(1,222,270)	(384,378)	(1,606,648)	6.50	9.69
Unvested shares at March 31, 2026	3,550,286	1,665,684	5,215,970	5.83	7.22
Granted	88,340	—	88,340	5.70	—
Vested	(92,940)	—	(92,940)	5.38	—
Unvested shares at June 30, 2026	3,545,686	1,665,684	5,211,370	5.84	7.22

Fair value of equity awards that vested during the six months ended June 30, 2026 and June 30, 2025, determined based on their respective fair values at vesting date, was \$10.8 million and \$9.0 million, respectively. Fair value of granted awards is determined based on the closing price of the Class A common stock on the date of vesting of the awards. Equity-based compensation is classified within compensation and benefits in the consolidated statement of operations.

At June 30, 2026, aggregate unrecognized compensation cost for all unvested equity awards was \$24.2 million, which is expected to be recognized over a weighted-average period of 2.1 years.

10. Stockholders' Equity

Authorized Capital

As of June 30, 2026, the Company had the authority to issue up to 1.0 billion shares of stock, at \$0.01 par value per share, consisting of 950.0 million shares of Class A common stock and 50.0 million shares of preferred stock.

The Company had no shares of preferred stock issued and outstanding as of June 30, 2026 and December 31, 2025.

Dividends

During the six months ended June 30, 2026 and 2025, the Company declared the following dividends on its common stock:

Declaration Date	Record Date	Payment Date	Per Share
March 16, 2026	March 31, 2026	April 15, 2026	\$0.16
June 15, 2026	June 30, 2026	July 15, 2026	\$0.16
March 17, 2025	March 31, 2025	April 15, 2025	\$0.16
June 16, 2025	June 30, 2025	July 14, 2025	\$0.16

Share Repurchases

In April 2026, the Company's board of directors have authorized a stock repurchase program ("Stock Repurchase Program") under which the Company may repurchase up to \$50.0 million of its outstanding Class A common stock until April 30, 2027. The Stock Repurchase Program replaces the prior repurchase program authorization which expired on April 30, 2026. Under the Stock Repurchase Program, the Company may repurchase shares in open market purchases, in privately negotiated

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transactions or otherwise. The Company has a written trading plan as part of the Share Repurchase Program that provides for share repurchases in open market transactions that is intended to comply with Rule 10b-18 under the Exchange Act. The Stock Repurchase Program will be utilized at management's discretion and in accordance with the requirements of the SEC. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate requirements and other conditions.

During the three months ended June 30, 2026, the Company repurchased 3.6 million shares of Class A common stock at a weighted average price of \$5.47 per share for an aggregate cost of \$19.5 million.

As of June 30, 2026, there was \$30.5 million remaining available to make repurchases under the Stock Repurchase Program.

On June 30, 2026, the Company repurchased 0.2 million shares of Class A common stock at a weighted average price of \$5.40 per share for an aggregate cost of \$1.4 million. In accordance with the Company's policy, this transaction will be reflected in the consolidated financial statements in July 2026 on the settlement date.

Accumulated Other Comprehensive Income (Loss)

The following tables present the changes in each component of Accumulated Other Comprehensive Income (Loss) ("AOCI") attributable to stockholders, net of immaterial tax effect. During the six months ended June 30, 2026, there was no AOCI.

Changes in Components of AOCI - Stockholders

<i>(dollars in thousands)</i>	Unrealized gain on net investment hedges	Foreign currency translation gain (loss)	Total
AOCI at December 31, 2024	\$ 18,603	\$ (24,940)	\$ (6,337)
Other comprehensive gain	—	1,831	1,831
AOCI at March 31, 2025	<u>\$ 18,603</u>	<u>\$ (23,109)</u>	<u>\$ (4,506)</u>
Other comprehensive income before reclassification	—	1,144	1,144
Amounts reclassified from AOCI	(18,603)	21,965	3,362
Net OCI activity	(18,603)	23,109	4,506
AOCI at June 30, 2025	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

11. Fair Value

Fair Value Option

The Company may elect to apply the fair value option of accounting for certain of its financial assets or liabilities due to the nature of the instrument at the time of the initial recognition of the investment. As of June 30, 2026, the Company has elected not to apply the fair value option for any other eligible financial assets or liabilities.

Fair Value of Financial Instruments

In addition to the above disclosures regarding financial assets or liabilities which are recorded at fair value, GAAP requires disclosure of fair value about all financial instruments. The following disclosure of estimated fair value of financial instruments was determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on estimated fair value.

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The following table presents the principal amount, carrying value and fair value of certain financial assets and liabilities as of June 30, 2026 and December 31, 2025 (dollars in thousands):

	June 30, 2026			December 31, 2025		
	Principal Amount	Carrying Value	Fair Value	Principal Amount	Carrying Value	Fair Value
Financial assets: ⁽¹⁾						
Loans and preferred equity held for investment, net ⁽²⁾⁽³⁾	\$ 2,899,771	\$ 2,893,663	\$ 2,850,477	\$ 2,679,909	\$ 2,678,315	\$ 2,657,083
Financial liabilities: ⁽¹⁾						
Securitization bonds payable, net	\$ 1,417,112	\$ 1,407,850	\$ 1,417,112	\$ 982,090	\$ 977,082	\$ 982,090
Mortgage and other notes payable, net	413,533	411,604	391,006	416,302	414,060	394,819
Credit facilities	926,225	926,225	926,225	1,078,098	1,078,098	1,078,098

(1) The fair value of other financial instruments not included in this table is estimated to approximate their carrying value.

(2) Excludes future funding commitments of \$145.5 million and \$112.2 million as of June 30, 2026 and December 31, 2025, respectively.

(3) Carry value excludes CECL reserves of \$98.7 million and \$87.4 million as of June 30, 2026 and December 31, 2025, respectively.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of June 30, 2026. Although management is not aware of any factors that would significantly affect fair value, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

Loans and Preferred Equity Held for Investment, Net

For loans and preferred equity held for investment, net, fair values were determined: (i) primarily by using rates currently available with similar terms and remaining maturities to estimate fair value. These measurements are determined using comparable U.S. Treasury rates as of the end of the reporting period; or (ii) in some cases, based on discounted cash flow projections or similar analysis of principal and interest expected to be collected, which includes consideration of the financial standing of the borrower or sponsor as well as operating results of the underlying collateral. Since some fair value measurements are based on unobservable inputs, they are classified as Level 3 of the fair value hierarchy.

Securitization Bonds Payable, Net

The Company's securitization bonds payable, net bear floating rates of interest. As of June 30, 2026, the Company believes the unpaid principal balance approximates fair value given the floating rate nature of the bonds and significant level of subordination within the securitization. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Mortgage and Other Notes Payable, Net

For mortgage and other notes payable, net, the Company primarily uses rates currently available with similar terms and remaining maturities to estimate fair value. These measurements are determined using comparable U.S. Treasury rates as of the end of the reporting period. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Master Repurchase Facilities

The Company has amounts outstanding under Master Repurchase Facilities. The Master Repurchase Facilities bear floating rates of interest. As of June 30, 2026, the Company believes the carrying value approximates fair value due to the short-term nature of the debt, and as a result, contractual rates should equate to market rates. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Other

The carrying values of cash and cash equivalents, restricted cash, receivables, and accrued and other liabilities approximate fair value due to their short term nature and credit risks, if any, are negligible.

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Nonrecurring Fair Values

The Company measures fair value of certain assets on a nonrecurring basis when events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Adjustments to fair value generally result from the application of lower of amortized cost or fair value accounting for assets held for sale or write-down of asset values due to impairment.

CECL

During the six months ended June 30, 2026, the Company recorded specific CECL reserves of \$3.6 million related to three multifamily loans, one office loan and one industrial loan. The specific CECL reserves were also charged off during the six months ended June 30, 2026 following resolution of the loans.

Impairment of Operating Real Estate

During the three months ended June 30, 2026, the Company recorded \$9.3 million of impairment related to two retail properties and one multifamily property. Refer to Note 4, “Real Estate, net” for further discussion.

12. Commitments and Contingencies

Lending Commitments

The Company has lending commitments to borrowers pursuant to certain loan agreements in which the borrower may submit a request for funding contingent on achieving certain criteria, which must be approved by the Company as lender, such as leasing, performance of capital expenditures and construction in progress with an approved budget. At June 30, 2026, assuming the terms to qualify for future fundings, if any, had been met, total unfunded lending commitments for loans and preferred equity held for investment were \$137.9 million for senior loans, \$1.7 million for mezzanine loans and \$5.9 million for preferred equity. At December 31, 2025, total unfunded lending commitments for loans held for investment were \$101.9 million for senior loans, \$2.1 million for mezzanine loans and \$8.2 million for preferred equity.

Ground Lease Obligation

In connection with real estate acquisitions, the Company assumed certain non-cancellable operating ground leases as lessee or sublessee with expiration dates through 2050. Rent on certain ground leases are paid directly by tenants.

At June 30, 2026 and December 31, 2025, the weighted average remaining lease term was 4.8 years and 11.8 years for ground leases, respectively.

The following table presents ground lease expense, included in property operating expense, for the three and six months ended June 30, 2026 and 2025 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease expense:				
Minimum lease expense	\$ 730	\$ 804	\$ 1,519	\$ 1,598
Variable lease expense	—	—	—	—
	<u>\$ 730</u>	<u>\$ 804</u>	<u>\$ 1,519</u>	<u>\$ 1,598</u>

The operating lease liability for ground leases was determined using a weighted average discount rate of 5.4%.

For these ground leases, the Company has elected the practical expedient to combine lease and related nonlease components as a single lease component.

Office Lease

At June 30, 2026 and December 31, 2025, the weighted average remaining lease term was 2.9 years and 3.4 years for office leases, respectively. The office leases are located in New York, New York and Los Angeles, California.

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For the three and six months ended June 30, 2026 and 2025, the following table summarizes lease expense, included in operating expense (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Corporate Offices				
Operating lease expense:				
Fixed lease expense	\$ 331	\$ 327	\$ 659	\$ 651
Variable lease expense	—	—	—	—
	<u>\$ 331</u>	<u>\$ 327</u>	<u>\$ 659</u>	<u>\$ 651</u>

Total cash paid for office leases was \$0.8 million for the six months ended June 30, 2026.

The operating lease liability for the office leases was determined using a weighted average discount rate of 2.4%.

For these office leases, the Company has elected the practical expedient to combine lease and related nonlease components as a single lease component.

Litigation and Claims

The Company may be involved in litigation and claims in the ordinary course of the business. As of June 30, 2026, the Company was not involved in any legal proceedings that are expected to have a material adverse effect on the Company's results of operations, financial position, or liquidity.

13. Segment Reporting

The Company presents its business through three operating and reportable segments described below and is how management views the business activities of the Company.

- Senior and Mezzanine Loans and Preferred Equity—CRE debt investments including senior and mezzanine loans, and preferred equity interests as well as participations in such loans.
- Net Leased and Other Real Estate—direct investments in CRE with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance, capital expenditures and real estate taxes. It also includes other real estate, currently consisting of one investment with direct ownership in commercial real estate and four additional properties that the Company acquired through foreclosure or deed-in-lieu of foreclosure and two properties that the Company consolidates as the primary beneficiary.
- Corporate and Other—includes corporate-level asset management and other fees including expenses related to the Company's secured revolving credit facility (the "Bank Credit Facility") and compensation and benefits. It also includes money market income on its cash balances and a sub-portfolio of private equity funds.

U.S. GAAP defines the Chief Operating Decision Maker ("CODM") as the person or persons who perform the function of allocating resources to and assessing the performance of segments of a public entity. The Company has identified the CODM as its Chief Executive Officer, who is responsible for making key operating decisions of the Company. The CODM reviews net income (loss) for each of the three operating segments on the Company's consolidated statements of operations to make decisions, allocate resources, and assess segment performance.

The Company primarily generates revenue from net interest income on the loan portfolio and rental and other income from its net leased, multi-tenant office and hotel assets. The Company's income is primarily derived through the difference between revenue and the cost at which the Company is able to finance its investments. The Company may also acquire investments which generate attractive returns without any leverage.

The following tables present the relevant financial information for the reportable segments for the three and six months ended June 30, 2026 and 2025 (dollars in thousands):

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	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Three Months Ended June 30, 2026				
Interest income	\$ 52,104	\$ (27)	\$ —	\$ 52,077
Interest expense	(34,318)	(13)	(517)	(34,848)
Property and other income	54	30,585	832	31,471
Property operating expense	—	(18,511)	—	(18,511)
Transaction, investment and servicing expense	(909)	(79)	(519)	(1,507)
Interest expense on real estate	—	(5,121)	—	(5,121)
Depreciation and amortization	—	(8,154)	(33)	(8,187)
Increase of current expected credit loss reserve	(13,502)	—	—	(13,502)
Impairment of operating real estate	—	(9,270)	—	(9,270)
Compensation and benefits	—	—	(8,989)	(8,989)
Operating expense	18	—	(3,176)	(3,158)
Other loss, net	—	(27)	—	(27)
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	3,447	(10,617)	(12,402)	(19,572)
Equity in earnings (loss) of unconsolidated ventures	—	—	(602)	(602)
Income tax expense	(2)	—	(8)	(10)
Net income (loss)	\$ 3,445	\$ (10,617)	\$ (13,012)	\$ (20,184)

	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Three Months Ended June 30, 2025				
Interest income	\$ 48,581	\$ 14	\$ 68	\$ 48,663
Interest expense	(31,563)	(68)	(304)	(31,935)
Property and other income	—	35,754	1,507	37,261
Property operating expense	—	(16,650)	—	(16,650)
Transaction, investment and servicing expense	(330)	(14)	(218)	(562)
Interest expense on real estate	—	(6,765)	—	(6,765)
Depreciation and amortization	—	(10,575)	(32)	(10,607)
Increase of current expected credit loss reserve	(582)	—	—	(582)
Impairment of operating real estate	—	(51,127)	—	(51,127)
Compensation and benefits	—	—	(8,194)	(8,194)
Operating expense	(2)	(1)	(2,973)	(2,976)
Other gain (loss), net	55	(3,429)	12	(3,362)
Income (loss) before income taxes	16,159	(52,861)	(10,134)	(46,836)
Income tax benefit (expense)	(106)	21,770	—	21,664
Net income (loss)	\$ 16,053	\$ (31,091)	\$ (10,134)	\$ (25,172)

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	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Six Months Ended June 30, 2026				
Interest income	\$ 101,619	\$ (27)	\$ —	\$ 101,592
Interest expense	(66,891)	(25)	(1,325)	(68,241)
Property and other income	—	63,278	3,818	67,096
Property operating expense	—	(38,589)	—	(38,589)
Transaction, investment and servicing expense	(1,566)	(109)	(664)	(2,339)
Interest expense on real estate	—	(10,213)	—	(10,213)
Depreciation and amortization	—	(16,748)	(66)	(16,814)
Increase of current expected credit loss reserve	(15,247)	—	—	(15,247)
Impairment of operating real estate	—	(9,270)	—	(9,270)
Compensation and benefits	—	—	(18,045)	(18,045)
Operating expense	29	(2)	(6,280)	(6,253)
Other loss, net	—	(31)	—	(31)
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	17,944	(11,736)	(22,562)	(16,354)
Equity in earnings (loss) of unconsolidated ventures	—	—	(602)	(602)
Income tax expense	(3)	—	(101)	(104)
Net income (loss)	\$ 17,941	\$ (11,736)	\$ (23,265)	\$ (17,060)

	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Six Months Ended June 30, 2025				
Interest income	\$ 96,572	\$ 42	\$ 135	\$ 96,749
Interest expense	(63,407)	(135)	(604)	(64,146)
Property and other income	—	62,674	4,063	66,737
Property operating expense	—	(26,616)	—	(26,616)
Transaction, investment and servicing expense	(839)	(50)	(303)	(1,192)
Interest expense on real estate	—	(13,330)	—	(13,330)
Depreciation and amortization	—	(21,094)	(65)	(21,159)
Increase of current expected credit loss reserve	(346)	—	—	(346)
Impairment of operating real estate	—	(51,127)	—	(51,127)
Compensation and benefits	—	—	(18,623)	(18,623)
Operating expense	—	(2)	(6,189)	(6,191)
Other gain (loss), net	55	(3,670)	12	(3,603)
Income (loss) before income taxes	32,035	(53,308)	(21,574)	(42,847)
Income tax benefit (expense)	(134)	21,516	—	21,382
Net income (loss)	\$ 31,901	\$ (31,792)	\$ (21,574)	\$ (21,465)

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents total assets by segment as of June 30, 2026 and December 31, 2025 (dollars in thousands):

Total Assets	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other⁽¹⁾	Total
June 30, 2026	\$ 2,892,192	\$ 789,681	\$ 65,860	\$ 3,747,733
December 31, 2025	2,689,862	800,394	74,574	3,564,830

(1) Includes cash, unallocated receivables and deferred costs and other assets, net.

Geography

Geography is generally defined as the location in which the income producing assets reside or the location in which income generating services are performed. Geography information on total income includes equity in earnings of unconsolidated ventures. Geography information on total income and long-lived assets are presented as follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total income by geography:				
United States	\$ 83,548	\$ 81,155	\$ 168,688	\$ 153,989
Norway	—	4,769	—	9,497
Total ⁽¹⁾	\$ 83,548	\$ 85,924	\$ 168,688	\$ 163,486

(1) Includes interest income and property and other income.

14. Earnings Per Share

The Company's net loss and weighted average shares outstanding for the three and six months ended June 30, 2026 and 2025 consist of the following (dollars in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss	\$ (20,184)	\$ (25,172)	\$ (17,060)	\$ (21,465)
Net loss attributable to noncontrolling interests:				
Investment Entities	1,850	2,054	3,572	3,688
Net loss attributable to BrightSpire Capital, Inc. common stockholders	\$ (18,334)	\$ (23,118)	\$ (13,488)	\$ (17,777)
Numerator:				
Dividends allocated to participating securities (non-vested shares)	\$ (568)	\$ (471)	\$ (1,135)	\$ (940)
Net loss attributable to common stockholders	\$ (18,902)	\$ (23,589)	\$ (14,623)	\$ (18,717)
Denominator:				
Weighted average shares outstanding - basic ⁽¹⁾	126,710	127,247	126,324	127,165
Weighted average shares outstanding - diluted ⁽²⁾	126,710	127,247	126,324	127,165
Net loss per common share - basic	\$ (0.15)	\$ (0.19)	\$ (0.12)	\$ (0.15)
Net loss per common share - diluted	\$ (0.15)	\$ (0.19)	\$ (0.12)	\$ (0.15)

(1) The outstanding shares used to calculate the weighted average basic shares outstanding exclude 3,545,686 and 2,945,872 of restricted stock awards as of June 30, 2026 and June 30, 2025, net of forfeitures, respectively, as those shares were issued but were not vested and therefore, not considered outstanding for purposes of computing basic net income (loss) per common share.

(2) The calculation of diluted earnings per share for the three and six months ended June 30, 2026, excludes the effect of weighted average unvested restricted shares of 3,548,112 and 3,269,184, respectively, as the effect would be antidilutive. The calculation of diluted earnings per share for the three and six months ended June 30, 2025, excludes the effect of weighted average unvested restricted shares of 2,938,780 and 2,859,189, respectively, as the effect would be antidilutive.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

15. Subsequent Events

Dividends

In July 2026, the Company paid a quarterly cash dividend of \$0.16 per share of its Class A common stock for the quarter ended June 30, 2026, to stockholders of record as of June 30, 2026.

Loan Originations

Subsequent to June 30, 2026, the Company originated three senior mortgage loans with a total commitment of \$116.9 million.

Purchase and Sale Agreement

In July 2026, the Company executed a purchase and sale agreement to sell a Fort Worth, Texas multifamily property that is expected to generate gross proceeds of \$32.5 million.

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 the accompanying notes thereto, which are included in Item 1 of this Quarterly Report, as well as the information contained in our Annual Report on Form 10-K for the year ended December 31, 2025, which is accessible on the SEC's website at www.sec.gov.

Introduction

We are an internally-managed commercial real estate ("CRE") credit real estate investment trust ("REIT") focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE debt investments. CRE debt investments primarily consist of senior mortgage loans, which is our primary investment strategy. Additionally, we may also selectively originate mezzanine loans and preferred equity investments, which may include profit participations. The mezzanine loans and preferred equity investments may be in conjunction with our origination of corresponding senior mortgages on the same properties.

We were organized in the state of Maryland on August 23, 2017 and maintain key offices in New York, New York and Los Angeles, California. We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, beginning with our taxable year ended December 31, 2018. We conduct all our activities and hold substantially all our assets and liabilities through our operating subsidiary, BrightSpire Capital Operating Company, LLC (the "OP").

Our Target Assets

Our investment strategy is to originate and selectively acquire our target assets, which consist of the following:

- **Senior Loans.** Our primary focus is originating and selectively acquiring senior loans that are backed by CRE assets. These loans are secured by a first mortgage lien on a commercial property and provide mortgage financing to a commercial property developer or owner. The loans may vary in duration, bear interest at a fixed or floating rate and amortize, if at all, over varying periods, often with a balloon payment of principal at maturity. Senior loans may include junior participations in our originated senior loans for which we have syndicated the senior participations to other investors and retained the junior participations for our portfolio. We believe these junior participations are more like the senior loans we originate than other loan types given their credit quality and risk profile.
- **Mezzanine Loans.** We may originate or acquire mezzanine loans, which are structurally subordinate to senior loans, but senior to the borrower's equity position. Generally, we will originate or acquire these loans if we believe we have the ability to protect our position and fund the first mortgage, if necessary. Mezzanine loans may be structured such that our return accrues and is added to the principal amount rather than paid on a current basis. We may also pursue equity participation opportunities in instances when the risk-reward characteristics of the investment warrant additional upside participation in the possible appreciation in value of the underlying assets securing the investment.
- **Preferred Equity.** We may make investments that are subordinate to senior and mezzanine loans, but senior to the common equity in the mortgage borrower. Preferred equity investments may be structured such that our return accrues and is added to the principal amount rather than paid on a current basis. We also may pursue equity participation opportunities in preferred equity investments, like such participations in mezzanine loans.

Our operating and reportable segments are Senior and Mezzanine Loans and Preferred Equity, and Net Leased and Other Real Estate and Corporate and Other.

The allocation of our capital among our target assets will depend on prevailing market conditions at the time we invest and may change over time in response to different prevailing market conditions. In addition, in the future, we may invest in assets other than our target assets or change our target assets. With respect to all our investments, we invest so as to maintain our qualification as a REIT for U.S. federal income tax purposes and our exclusion or exemption from regulation under the Investment Company Act of 1940, as amended (the "Investment Company Act").

We believe that events in the financial markets from time to time have created and will continue to create dislocation between price and intrinsic value in certain asset classes as well as a supply and demand imbalance of available credit to finance these assets. We believe that our in-depth understanding of CRE and real estate-related investments, in-house underwriting, asset management, special servicing and resolution capabilities, provides an extensive platform to regularly evaluate our investments and determine primary, secondary or alternative disposition strategies. This includes intermediate servicing and negotiating, restructuring of non-performing investments, foreclosure considerations, management or development of owned real estate, in each case to reposition and achieve optimal value realization for us and our stockholders. Depending on the nature of the underlying investment, we may pursue repositioning strategies through judicious capital investment in order to extract

maximum value from the investment or recognize unanticipated losses to reinvest resulting liquidity in higher-yielding performing investments.

Our Business Segments

We present our business through three operating and reportable segments:

- Senior and Mezzanine Loans and Preferred Equity—CRE debt investments including senior and mezzanine loans, and preferred equity interests as well as participations in such loans.
- Net Leased and Other Real Estate—direct investments in commercial real estate with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance, capital expenditures and real estate taxes. It also includes other real estate, currently consisting of one investment with direct ownership in commercial real estate, four additional properties that we acquired through foreclosure or deed-in-lieu of foreclosure and two properties that we consolidate as the primary beneficiary.
- Corporate and Other—includes corporate-level asset management and other fees including expenses related to our secured revolving credit facility (the “Bank Credit Facility”) and compensation and benefits. It also includes money market income on our cash balances and a sub-portfolio of private equity funds.

Significant Developments

During the three months ended June 30, 2026, and through July 28, 2026, significant developments affecting our business and results of operations of our portfolio included the following:

Capital Resources

- Declared and paid a second quarter dividend of \$0.16 per share on July 15, 2026;
- Under our Stock Repurchase Program, we have repurchased 3.8 million shares of our Class A common stock at an aggregate cost of \$21.0 million; and
- Extended our Bank 1 Master Repurchase Facility to October 2028.

Our Portfolio

- We originated 13 senior mortgage loans for a total commitment of \$435.7 million;
- We received loan repayment proceeds of \$150.7 million from eight loans;
- We continued to make progress resolving our watchlist (loans with a risk ranking of 4 or 5):
 - Received total repayment proceeds of \$97.5 million related to three risk ranked 5 loans;
- As of July 28, 2026, our watchlist (loans with a risk ranking of 4 or 5) consisted of the following (refer to “Our Portfolio” for further discussion):
 - Four loans with a risk ranking of 4 and total carrying value of \$135.9 million;
- Our general CECL reserve increased by \$12.5 million from March 31, 2026 to June 30, 2026. At June 30, 2026, our general CECL reserve for our outstanding loans and future loan funding commitments is \$99.7 million, which is 3.27% of the aggregate commitment amount of our loan portfolio;
- We recorded specific CECL reserves of \$1.0 million related to three multifamily loans that were also charged off during the three months ended June 30, 2026 following repayment of each loan. At June 30, 2026, there were no specific CECL reserves on our consolidated balance sheets;
- Classified one industrial portfolio with a carry value of \$223.1 million as real estate held for sale; we also classified one multifamily property with a carry value of \$25.3 million as real estate held for sale and recorded our share of GAAP impairment of \$3.8 million. Purchase and sale agreements have been executed on both properties and we expect both sales to close in the third quarter of 2026;
- In July 2026, executed a purchase and sale agreement to sell the Fort Worth, Texas multifamily property that is expected to close in the third quarter of 2026 and generate gross proceeds of \$32.5 million; and
- Recorded total GAAP impairment at our share of \$5.5 million on two retail properties, while deconsolidating the assets and liabilities of one following the loss of control. We previously recorded non-GAAP impairment on these properties; therefore, the undepreciated book value impact of the impairment was immaterial. Refer to “Non-GAAP Supplemental Measures” for further discussion.

Financial Results

- Generated GAAP net loss of \$18.3 million, or \$(0.15) per basic and diluted share, Distributable Earnings of \$15.8 million or \$0.12 per share and Adjusted Distributable Earnings of \$16.8 million or \$0.13 per share for the three months ended June 30, 2026. Distributable Earnings and Adjusted Distributable Earnings are non-GAAP financial measures. A reconciliation of these measures to net loss attributable to the Company's common stockholders is in the section "Non-GAAP Supplemental Financial Measures" below.

Trends Affecting Our Business

Global Markets

Commercial real estate markets continue to be influenced by elevated interest rates, reduced transaction activity, uncertainty from the Administration's tariff initiative and trade policy, ongoing geopolitical conflict in the Middle East, and renewed inflationary pressure, particularly in energy prices. The Federal Reserve held the federal funds rate steady at its June 2026 meeting, marking its fourth consecutive meeting without a change, and removed language from prior policy statements that had signaled a bias toward future rate cuts. Certain Federal Reserve officials have indicated that further increases in the federal funds rate are possible later in 2026 if inflationary pressures persist, while other officials continue to anticipate the potential for rate reductions; it is uncertain as to if, when, in which direction, how many and by how much any subsequent changes in the federal funds rate will occur. Higher borrowing costs and conservative lending practices have pressured property valuations and refinancing activity, particularly for loans originated in prior low-rate environments. To the extent certain of our borrowers are experiencing significant financial dislocation as a result of economic conditions, we have and may continue to use interest and other reserves and/or replenishment obligations of the borrower and/or guarantors to meet current interest payment obligations for a limited period.

Property fundamentals remain mixed by sector and geography. Multifamily and industrial assets have generally demonstrated more resilient performance, though rent growth has moderated in select markets. Other than in select cities such as Manhattan, NY, Dallas, TX and San Francisco, CA, office properties continue to face structural and demand-related challenges, which may adversely affect occupancy, cash flows, and valuations, particularly for older or less competitive assets. Given the continuing uncertainty in the office market, there is risk of future valuation impairment or investment loss on our loans secured by office properties. Similarly, these trends may impact our ability to manage debt covenant tests, maturity dates and/or seek suitable refinancing opportunities on certain of our office property equity investments, which may adversely impact valuation assessments and cash flow generated by such investments.

While macroeconomic conditions continue to be challenged, we cannot predict whether they will in fact improve or even intensify. Due to the inherent uncertainty of these conditions, their impact on our business is difficult to predict and quantify.

Factors Impacting Our Operating Results

Our results of operations are affected by a number of factors and depend primarily on, among other things, the ability of the borrowers of our assets to service their debt as it is due and payable, the ability of our tenants to pay rent and other amounts due under their leases, our ability to actively and effectively service any sub-performing and non-performing loans and other assets we may have from time to time in our portfolio, the market value of our assets and the supply of, and demand for, CRE senior loans, mezzanine loans, preferred equity, net leased properties and our other assets, and the level of our net operating income ("NOI"). Our net interest income, which includes the amortization of origination and exit fees, varies primarily as a result of changes in market interest rates, prepayment rates and frequency on our CRE loans and the ability of our borrowers to make scheduled interest payments. Interest rates and prepayment rates vary according to the type of investment, conditions in the financial markets, creditworthiness of our borrowers, competition and other factors, none of which can be predicted with any certainty. Our net property operating income depends on our ability to maintain the historical occupancy rates of our real estate equity investments, lease currently available space and continue to attract new tenants.

Changes in fair value of our assets

We consider and treat our assets as long-term investments. As a result, we do not expect that changes in market value will impact our operating results. However, at least on a quarterly basis, we assess both our ability and intent to hold such assets for the long-term. As part of this process, we monitor our assets for impairment. In addition, we maintain an allowance for credit losses on our financial assets in accordance with the CECL methodology, which requires us to estimate expected credit losses over the life of our loans and recognize provisions for loan losses earlier in the lending cycle. A change in our ability and/or intent to continue to hold any of our assets, which includes the inability to modify, extend or refinance existing mortgage debt on our real estate portfolio, may result in our recognizing an impairment charge, an increase in our CECL reserves or realizing losses upon the sale of such investments.

Changes in market interest rates

With respect to our business operations, increases in interest rates, in general, may over time cause:

- the value of our fixed-rate investments to decrease;
- prepayments on certain assets in our portfolio to slow, thereby slowing the amortization of origination and exit fees;
- coupons on our floating and adjustable-rate mortgage loans to reset, although on a delayed basis, to higher interest rates;
- interest rate caps required by our borrowers to increase in cost;
- borrowers' unwillingness to purchase new interest rate caps at loan maturity to qualify for an extension;
- financial hardship to our borrowers, whose ability to service their debt as it is due and payable and to pass maturity extension tests may be materially adversely impacted, resulting in foreclosures;
- to the extent we use leverage to finance our assets, the interest expense associated with our borrowings to increase; and
- to the extent we enter into interest rate swap agreements as part of our hedging strategy, the value of these agreements to increase.

Conversely, decreases in interest rates, in general, may over time cause:

- the value of the fixed-rate assets in our portfolio to increase;
- prepayments on certain assets in our portfolio to increase, thereby accelerating the amortization of origination and exit fees;
- to the extent we enter into interest rate swap agreements as part of our hedging strategy, the value of these agreements to decrease;
- coupons on our floating and adjustable-rate mortgage loans to reset, although on a delayed basis, to lower interest rates; and
- to the extent we use leverage to finance our assets, the interest expense associated with our borrowings to decrease.

Credit risk

We are subject to varying degrees of credit risk in connection with our target assets. We seek to mitigate this risk by seeking to acquire high quality assets, at appropriate prices given anticipated and unanticipated losses and by employing a comprehensive review and asset selection process and by careful ongoing monitoring of acquired assets. Nevertheless, unanticipated credit losses could occur, which could adversely impact our operating results.

Size of investment portfolio

The size of our portfolio, as measured by the aggregate principal balance of our commercial mortgage loans, other commercial real estate-related debt investments and the other assets we own, is also a key revenue driver. Generally, as the size of our portfolio grows, the amount of interest income we earn increases, but the amount of our expenses also increases to the extent that we incur additional interest expense to finance our assets.

Our Portfolio

As of June 30, 2026, our portfolio consisted of 120 investments representing approximately \$3.6 billion in carrying value (based on our share of ownership and excluding cash, cash equivalents and certain other assets). Our senior and mezzanine loans and preferred equity consisted of 106 investments with a weighted average cash coupon of 3.3% and a weighted average all-in unlevered yield of 7.2%. Our net leased and other real estate consisted of approximately 4.5 million total square feet of space and total second quarter 2026 NOI of that portfolio was approximately \$11.8 million. Refer to “Non-GAAP Supplemental Financial Measures” below for further information on NOI.

As of June 30, 2026, our portfolio consisted of the following investments (dollars in thousands):

	Count ⁽¹⁾	Carrying value (Consolidated)	Carrying value (at BRSP share) ⁽²⁾	Net carrying value (Consolidated) ⁽³⁾	Net carrying value (at BRSP share) ⁽⁴⁾
Our Portfolio					
Senior loans	95	\$ 2,862,404	\$ 2,862,404	\$ 639,649	\$ 639,649
Mezzanine loans	1	15,105	15,105	15,105	15,105
Preferred equity	10	16,154	16,154	16,154	16,154
Subtotal	106	2,893,663	2,893,663	670,908	670,908
Net leased real estate	6	305,193	305,193	21,219	21,219
Other real estate	7	397,900	393,585	217,759	218,243
Private equity interests	1	1,414	1,414	1,414	1,414
Total	120	\$ 3,598,170	\$ 3,593,855	\$ 911,300	\$ 911,784

(1) Count for net leased real estate and other real estate represents number of investments.

(2) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2026.

(3) Net carrying value represents carrying value less any associated financing as of June 30, 2026.

(4) Net carrying value at our share represents the proportionate carrying value based on asset ownership less any associated financing based on ownership as of June 30, 2026.

Underwriting Process

We use an investment and underwriting process that has been developed by our senior management team leveraging their extensive commercial real estate expertise over many years and real estate cycles. The underwriting process focuses on some or all of the following factors designed to ensure each investment is evaluated appropriately: (i) macroeconomic conditions that may influence operating performance; (ii) fundamental analysis of underlying real estate, including tenant rosters, lease terms, zoning, necessary licensing, operating costs and the asset’s overall competitive position in its market; (iii) real estate market factors that may influence the economic performance of the investment, including leasing conditions and overall competition; (iv) the operating expertise and financial strength and reputation of a tenant, operator, partner or borrower; (v) the cash flow in place and projected to be in place over the term of the investment and potential return; (vi) the appropriateness of the business plan and estimated costs associated with tenant buildout, repositioning or capital improvements; (vii) an internal and third-party valuation of a property, investment basis relative to the competitive set and the ability to liquidate an investment through a sale or refinancing; (viii) review of third-party reports including appraisals, engineering and environmental reports; (ix) physical inspections of properties and markets; (x) the overall legal structure of the investment, contractual implications and the lenders’ rights; and (xi) the tax and accounting impact.

Loan Risk Rankings

In connection with developing the CECL reserve for our loans and preferred equity held for investment, we determine the risk ranking of each loan and preferred equity investment as a key credit quality indicator. The risk rankings are based on a variety of factors, including, without limitation, underlying real estate performance and asset value, values of comparable properties, durability and quality of property cash flows, borrower/sponsor experience and financial wherewithal, and the existence of a risk-mitigating loan structure. Additional key considerations include loan-to-value ratios, debt service coverage ratios, loan structure, real estate and credit market dynamics, and risk of default or principal loss. Based on a five-point scale, our loans and preferred equity held for investment are rated “1” through “5,” from less risk to greater risk, and the ratings are updated quarterly. At the time of origination or purchase, loans and preferred equity held for investment are ranked as a “3” and will move accordingly going forward based on the ratings which 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 high 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.

At June 30, 2026, our weighted average risk ranking decreased to 3.0 compared to 3.1 at March 31, 2026. During the second quarter of 2026, we had the following risk ranking activity for risk ranked 4 and 5 assets:

- Three multifamily loans with risk rankings of 5 were repaid;
- Downgrades: One multifamily loan and one office loan were downgraded to a risk ranking of 4 from a risk ranking of 3.

Senior and Mezzanine Loans and Preferred Equity

The following tables provide a summary of our senior and mezzanine loans and preferred equity based on our internal risk rankings, collateral property type and geographic distribution as of June 30, 2026 (dollars in thousands):

Risk Ranking	Count	Carrying Value (at BRSP share) ⁽¹⁾				% of Total
		Senior loans	Mezzanine loans	Preferred equity	Total	
3	100	\$ 2,729,568	\$ 15,105	\$ 13,088	\$ 2,757,761	95.3 %
4 ⁽²⁾	6	132,836	—	3,066	135,902	4.7 %
	106	\$ 2,862,404	\$ 15,105	\$ 16,154	\$ 2,893,663	100.0 %

Weighted average risk ranking	3.0
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(1) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2026.

(2) Count includes two preferred equity investments where we are also the senior lender.

Collateral property type	Count	Carrying value (at BRSP share) ⁽¹⁾				% of Total
		Senior loans	Mezzanine loans	Preferred equity	Total	
Multifamily	78	\$ 2,000,669	\$ —	\$ 13,404	\$ 2,014,073	69.6 %
Office	19	563,204	15,105	2,750	581,059	20.1 %
Other (Mixed-use) ⁽²⁾	6	222,617	—	—	222,617	7.7 %
Industrial	2	51,456	—	—	51,456	1.8 %
Hotel	1	24,458	—	—	24,458	0.8 %
Total	106	\$ 2,862,404	\$ 15,105	\$ 16,154	\$ 2,893,663	100.0 %

(1) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2026.

(2) Other includes commercial and residential development assets.

Region	Count	Carrying value (at BRSP share) ⁽¹⁾				% of Total
		Senior loans	Mezzanine loans	Preferred equity	Total	
US West	35	\$ 1,051,708	\$ —	\$ 591	\$ 1,052,299	36.4 %
US Southwest	46	1,031,646	—	15,563	1,047,209	36.2 %
US Northeast	9	326,750	15,105	—	341,855	11.8 %
US Southeast	12	321,840	—	—	321,840	11.1 %
US Midwest	4	130,460	—	—	130,460	4.5 %
Total	106	\$ 2,862,404	\$ 15,105	\$ 16,154	\$ 2,893,663	100.0 %

(1) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2026.

The following table provides asset level detail for our senior and mezzanine loans and preferred equity as of June 30, 2026 (dollars in thousands):

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Multifamily											
Loan 1	Senior	12/12/2025	Los Angeles, CA	\$ 70,200	\$ 70,800	Floating	2.4%	6.3%	1/9/2031	76%	3
Loan 2	Senior	5/17/2022	Las Vegas, NV	56,643	54,865	Floating	2.0%	5.7%	6/9/2027	74%	4
Loan 3	Senior	12/10/2025	St. Louis, MO	52,595	53,000	Floating	2.5%	6.6%	1/9/2031	68%	3
Loan 4	Senior	5/26/2021	Las Vegas, NV	48,225	47,380	Floating	3.0%	6.6%	6/9/2028	80%	3
Loan 5	Senior	5/29/2026	Cypress, TX	47,067	47,579	Floating	2.3%	6.4%	6/9/2031	75%	3
Loan 6	Senior	3/17/2026	San Diego, CA	46,581	47,000	Floating	2.4%	6.5%	4/9/2031	65%	3
Loan 7	Senior	3/16/2026	Sunnyvale, CA	45,630	46,094	Floating	2.4%	6.3%	4/9/2031	68%	3
Loan 8	Senior	1/8/2026	San Bernadino, CA	41,928	42,300	Floating	2.7%	6.7%	2/9/2031	71%	3
Loan 9	Senior	7/15/2021	Jersey City, NJ	41,886	41,779	Floating	3.1%	6.8%	8/9/2026	66%	3
Loan 10	Senior	11/6/2025	Mesa, AZ	41,468	41,839	Floating	2.6%	6.6%	11/9/2030	68%	3
Subtotal top 10 multifamily				\$ 492,223	\$ 492,636	17% of total loans					
Loan 11	Senior	3/31/2022	Louisville, KY	\$ 41,206	\$ 41,095	Floating	2.8%	6.5%	4/9/2027	72%	3
Loan 12	Senior	12/30/2025	Madison, AL	41,142	41,500	Floating	2.5%	6.5%	1/9/2031	75%	3
Loan 13	Senior	7/15/2021	Dallas, TX	40,338	40,338	Floating	3.2%	6.9%	8/9/2026	77%	3
Loan 14	Senior	3/31/2022	Long Beach, CA	40,139	40,114	Floating	3.4%	7.3%	4/9/2027	74%	3
Loan 15	Senior	1/8/2026	Tucson, AZ	39,634	40,047	Floating	2.6%	6.5%	1/9/2031	74%	3
Loan 16	Senior	7/12/2022	Irving, TX	38,466	38,379	Floating	3.6%	7.3%	8/9/2027	73%	3
Loan 17	Senior	12/21/2020	Austin, TX	37,000	37,000	Floating	3.1%	6.8%	1/9/2029	54%	3
Loan 18	Senior	1/12/2022	Los Angeles, CA	36,550	36,550	Floating	3.4%	7.0%	2/9/2027	65%	3
Loan 19	Senior	5/15/2026	Las Vegas, NV	34,909	35,250	Floating	2.4%	6.5%	6/9/2031	61%	3
Loan 20	Senior	5/21/2026	Tucson, AZ	33,782	34,177	Floating	2.5%	6.6%	6/9/2031	70%	3
Subtotal top 20 multifamily				\$ 875,389	\$ 877,086	30% of total loans					
Loan 21	Senior	7/29/2021	Phoenix, AZ	\$ 33,325	\$ 33,325	Floating	3.4%	7.0%	8/9/2026	75%	3

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Loan 22	Senior	2/20/2025	Las Vegas, NV	32,889	33,000	Floating	3.4%	7.5%	3/9/2030	59%	3
Loan 23	Senior	12/23/2025	Jackson, TN	32,717	33,000	Floating	3.0%	7.0%	1/9/2031	62%	3
Loan 24	Senior	10/14/2025	New Braunfels, TX	32,118	32,340	Floating	2.6%	6.7%	11/9/2030	68%	3
Loan 25	Senior	4/29/2021	Las Vegas, NV	31,678	31,678	Floating	3.2%	6.9%	5/9/2027	76%	3
Loan 26	Senior	2/17/2022	Long Beach, CA	31,392	31,372	Floating	3.4%	7.3%	3/9/2027	67%	3
Loan 27	Senior	4/15/2022	Mesa, AZ	30,160	30,160	Floating	3.4%	7.0%	5/9/2027	75%	3
Loan 28	Senior	2/13/2025	Las Vegas, NV	29,676	29,773	Floating	2.7%	6.8%	3/9/2030	70%	3
Loan 29	Senior	9/18/2025	Nashville, TN	29,383	29,616	Floating	2.6%	6.6%	10/9/2030	68%	3
Loan 30	Senior	8/31/2021	Glendale, AZ	28,889	28,802	Floating	3.3%	6.9%	3/9/2027	75%	3
Loan 31	Senior	4/23/2026	Raleigh, NC	28,731	29,043	Floating	2.8%	6.8%	5/9/2031	72%	3
Loan 32	Senior	5/7/2026	Austin, TX	28,096	28,416	Floating	2.6%	6.5%	5/9/2031	74%	3
Loan 33	Senior	9/26/2025	Nashville, TN	27,816	28,000	Floating	2.7%	6.8%	10/9/2030	65%	3
Loan 34	Senior	1/22/2026	Costa Mesa, CA	27,771	28,000	Floating	2.4%	6.5%	2/9/2031	63%	3
Loan 35	Senior	5/27/2021	Houston, TX	27,600	27,600	Floating	3.1%	6.8%	7/9/2026	67%	3
Loan 36	Senior	4/28/2026	Birmingham, AL	27,597	27,928	Floating	2.8%	6.9%	5/9/2031	67%	3
Loan 37	Senior	12/21/2021	Phoenix, AZ	25,596	25,596	Floating	3.6%	7.3%	1/9/2027	75%	3
Loan 38	Senior	7/12/2022	Irving, TX	25,491	25,433	Floating	3.6%	7.3%	8/9/2027	72%	3
Loan 39	Senior	2/25/2025	Denver, CO	25,416	25,416	Floating	3.3%	7.4%	3/9/2028	68%	3
Loan 40	Senior	3/8/2022	Glendale, AZ	25,046	25,046	Floating	3.5%	7.1%	3/9/2027	73%	3
Loan 41	Senior	11/4/2025	Santa Rosa, CA	24,790	25,028	Floating	2.8%	6.8%	12/9/2030	74%	3
Loan 42	Senior	3/31/2022	Phoenix, AZ	24,001	24,001	Floating	3.7%	7.3%	4/9/2027	75%	3
Loan 43	Senior	11/4/2021	Austin, TX	23,590	23,529	Floating	3.4%	7.0%	11/9/2026	71%	4
Loan 44	Senior	12/10/2024	Seattle, WA	23,282	23,346	Floating	2.8%	6.9%	1/9/2030	65%	3
Loan 45	Senior	6/22/2021	Phoenix, AZ	22,292	22,292	Floating	3.3%	6.9%	7/9/2026	75%	3
Loan 46	Senior	8/14/2025	Dallas, TX	22,158	22,309	Floating	3.0%	7.1%	9/9/2030	59%	3
Loan 47	Senior	5/8/2026	Dallas, TX	21,814	22,050	Floating	2.4%	6.4%	5/9/2031	69%	3
Loan 48	Senior	7/1/2021	Aurora, CO	21,342	21,305	Floating	3.2%	6.9%	7/9/2028	73%	3

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Loan 49	Senior	12/19/2025	Shakopee, MN	21,334	21,500	Floating	2.5%	6.6%	1/9/2031	65%	3
Loan 50	Senior	1/12/2022	Austin, TX	20,276	20,276	Floating	3.4%	7.0%	2/9/2027	75%	3
Loan 51	Senior	12/21/2021	Gresham, OR	20,235	20,235	Floating	2.8%	6.4%	7/9/2028	74%	3
Loan 52	Senior	8/6/2021	La Mesa, CA	19,787	19,787	Floating	2.8%	6.4%	8/9/2028	70%	3
Loan 53	Senior	10/18/2024	Garland, TX	19,782	19,920	Floating	3.7%	7.6%	11/9/2029	70%	3
Loan 54	Senior	9/1/2021	Bellevue, WA	19,308	19,308	Floating	3.4%	7.1%	9/9/2026	64%	3
Loan 55	Senior	7/14/2021	Salt Lake City, UT	18,830	18,783	Floating	2.8%	6.4%	8/9/2028	73%	3
Loan 56	Senior	11/20/2025	Whittier, CA	17,684	17,815	Floating	2.5%	6.6%	12/9/2030	59%	3
Loan 57	Senior	10/23/2025	Huntsville, AL	17,571	17,700	Floating	2.8%	6.9%	11/9/2030	55%	3
Loan 58	Senior	5/5/2022	Charlotte, NC	17,250	17,250	Floating	3.5%	7.2%	5/9/2028	61%	3
Loan 59	Senior	9/16/2025	Glendale, AZ	16,981	17,118	Floating	2.6%	6.6%	10/9/2030	73%	3
Loan 60	Senior	6/25/2026	Phoenix, AZ	15,759	15,932	Floating	2.9%	7.0%	7/9/2031	73%	3
Loan 61	Senior	1/10/2025	Lebanon, TN	15,750	15,750	Floating	3.6%	7.3%	2/9/2030	71%	3
Loan 62	Senior	5/27/2026	San Francisco, CA	15,664	15,900	Floating	2.6%	6.7%	6/9/2031	64%	3
Loan 63	Senior	9/18/2025	Mobile, AL	15,592	15,716	Floating	2.8%	6.8%	10/9/2030	73%	3
Loan 64	Senior	5/5/2025	Dallas, TX	13,682	13,750	Floating	2.9%	7.0%	5/9/2030	65%	3
Loan 65	Senior	8/19/2025	Phoenix, AZ	13,666	13,771	Floating	2.7%	6.7%	9/9/2030	75%	3
Loan 66	Senior	7/3/2025	Northridge, CA	13,179	13,250	Floating	3.3%	7.4%	7/3/2030	74%	3
Loan 67	Senior	11/22/2024	Garland, TX	12,728	12,809	Floating	3.5%	7.4%	12/9/2029	63%	3
Loan 68	Senior	11/20/2025	Hoboken, NJ	12,408	12,500	Floating	2.4%	6.5%	12/9/2030	61%	3
Loan 69	Senior	3/8/2022	Glendale, AZ	11,664	11,664	Floating	3.5%	7.1%	3/9/2027	73%	3
Loan 70	Senior	12/19/2025	Mesa, AZ	11,494	11,605	Floating	2.8%	6.8%	1/9/2031	70%	3
Loan 71 ⁽⁶⁾	Preferred	5/9/2025	Phoenix, AZ	2,267	2,267	Fixed	n/a ⁽⁶⁾	15.0%	4/9/2027	n/a	3
Loan 72 ⁽⁶⁾	Preferred	5/9/2025	Mesa, AZ	2,247	2,247	Fixed	n/a ⁽⁶⁾	15.0%	5/9/2027	n/a	3
Loan 73 ⁽⁶⁾	Preferred	5/9/2025	Glendale, AZ	2,150	2,150	Fixed	n/a ⁽⁶⁾	14.0%	3/9/2027	n/a	3
Loan 74 ⁽⁶⁾	Preferred	5/9/2025	Phoenix, AZ	1,849	1,849	Fixed	n/a ⁽⁶⁾	14.0%	1/9/2027	n/a	3

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Loan 75 ⁽⁶⁾	Preferred	5/9/2025	Phoenix, AZ	1,771	1,771	Fixed	n/a ⁽⁶⁾	15.0%	8/9/2026	n/a	3
Loan 76 ⁽⁶⁾	Preferred	5/9/2025	Phoenix, AZ	1,580	1,580	Fixed	n/a ⁽⁶⁾	15.0%	7/9/2026	n/a	3
Loan 77 ⁽⁷⁾	Preferred	12/23/2025	Austin, TX	907	907	Fixed	n/a ⁽⁷⁾	15.0%	11/9/2026	n/a	4
Loan 78 ⁽⁷⁾	Preferred	2/18/2026	Austin, TX	633	633	Fixed	n/a ⁽⁷⁾	15.0%	2/9/2027	n/a	3
Total/Weighted average multifamily loans				\$ 2,014,073	\$ 2,020,233	70% of total loans	2.9%	6.8%	2.9 years		3.0

Office											
Loan 79	Senior	1/19/2021	Phoenix, AZ	\$ 77,400	\$ 76,997	Floating	3.7%	7.3%	8/9/2026	70%	3
Loan 80	Senior	8/28/2018	San Jose, CA	73,571	73,571	Floating	4.9%	8.5%	2/28/2027	69%	3
Loan 81	Senior	2/13/2019	Baltimore, MD	58,606	58,606	Floating	3.6%	7.3%	2/9/2027	74%	3
Loan 82	Senior	11/17/2021	Dallas, TX	41,533	41,533	Floating	4.0%	7.6%	12/9/2026	61%	4
Loan 83	Senior	5/23/2022	Plano, TX	38,633	38,524	Floating	4.3%	7.9%	6/9/2027	64%	3
Loan 84	Senior	4/27/2022	Plano, TX	38,542	38,438	Floating	4.1%	7.8%	5/9/2027	70%	3
Loan 85	Senior	4/7/2022	San Jose, CA	32,413	32,406	Floating	4.2%	8.1%	4/9/2027	70%	3
Loan 86	Senior	10/21/2021	Blue Bell, PA	30,123	30,123	Floating	3.8%	7.4%	4/9/2027	67%	3
Loan 87	Senior	3/31/2022	Blue Bell, PA	29,406	29,406	Floating	4.2%	7.8%	4/9/2027	59%	3
Loan 88	Senior	2/26/2019	Charlotte, NC	27,084	27,084	Floating	4.3%	7.9%	7/9/2026	56%	3
Subtotal top 10 office loans				\$ 447,311	\$ 446,688	15% of total loans					

Loan 89	Senior	12/7/2018	Carlsbad, CA	26,698	26,320	Floating	3.9%	7.5%	12/9/2026	74%	3
Loan 90	Senior	7/30/2021	Denver, CO	23,828	23,828	Floating	5.0%	8.7%	8/9/2026	72%	3
Loan 91	Senior	8/27/2019	San Francisco, CA	22,716	22,716	Floating	2.9%	6.6%	9/9/2026	74%	3
Loan 92	Senior	10/13/2021	Burbank, CA	18,216	18,216	Floating	4.0%	7.7%	11/9/2026	65%	3
Loan 93 ⁽⁸⁾	Mezzanine	2/13/2023	Baltimore, MD	15,105	15,105	n/a ⁽⁸⁾	n/a ⁽⁸⁾	n/a ⁽⁸⁾	2/9/2027	84% - 85%	3

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Loan 94	Senior	11/10/2021	Richardson, TX	13,362	13,320	Floating	4.1%	7.8%	12/9/2026	71%	3
Loan 95	Senior	10/29/2020	Denver, CO	11,073	11,073	Floating	3.7%	7.4%	11/9/2026	64%	4
Loan 96 ⁽⁹⁾	Preferred	12/12/2025	Dallas, TX	2,159	2,159	Fixed	n/a ⁽⁹⁾	15.0%	12/9/2026	n/a	4
Loan 97 ⁽¹⁰⁾	Preferred	9/9/2025	San Francisco, CA	591	591	Fixed	n/a ⁽¹⁰⁾	20.0%	9/9/2026	n/a	3
Total/Weighted average office loans				\$ 581,059	\$ 580,016	20% of total loans	3.9%	7.6%	0.5 years		3.1
Other (Mixed-use)											
Loan 98	Senior	10/24/2019	Brooklyn, NY	\$ 79,308	\$ 79,308	Floating	4.2%	7.8%	11/9/2026	66%	3
Loan 99	Senior	1/13/2022	New York, NY	46,090	46,090	Floating	3.5%	7.2%	2/9/2027	67%	3
Loan 100	Senior	5/3/2022	Brooklyn, NY	28,923	28,923	Floating	4.4%	8.0%	11/9/2028	68%	3
Loan 101	Senior	4/3/2024	South Pasadena, CA	27,337	27,337	Fixed	20.0%	20.0%	9/9/2026	84%	3
Loan 102	Senior	10/8/2025	Venice, CA	25,071	25,253	Floating	4.8%	8.9%	10/9/2030	67%	3
Loan 103	Senior	8/31/2021	Los Angeles, CA	15,888	15,888	Floating	4.6%	8.3%	9/9/2026	66%	3
Total/Weighted average other (mixed-use) loans				\$ 222,617	\$ 222,799		6.1%	9.3%	1.1 years		3.0
Industrial											
Loan 104	Senior	3/25/2026	Oklahoma City, OK	\$ 32,073	\$ 32,398	Floating	2.8%	6.9%	4/9/2031	56%	3
Loan 105	Senior	5/4/2026	Wilmer, TX	\$ 19,383	\$ 19,625	Floating	2.7%	6.6%	5/9/2031	44%	3
Total/Weighted average industrial loans				\$ 51,456	\$ 52,023		2.7%	6.8%	4.8 years		3.0
Hotel											
Loan 106	Senior	3/12/2026	Chicago, IL	\$ 24,458	\$ 24,700	Floating	3.2%	7.3%	4/9/2031	50%	3
Total/Weighted average hotel loans				\$ 24,458	\$ 24,700		3.2%	7.3%	4.8 years		3.0
Total/Weighted average senior and mezzanine loans and preferred equity - Our Portfolio				<u>\$ 2,893,663</u>	<u>\$ 2,899,771</u>		3.3%	7.2%	2.3 years		3.0

(1) Represents carrying values at our share as of June 30, 2026 and excludes general CECL reserves.

(2) Represents the stated coupon rate for loans; for floating rate loans, does not include Secured Overnight Financing Rate (“SOFR”), which was 3.65% as of June 30, 2026.

- (3) In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment-in-kind interest income and the accrual of origination and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of June 30, 2026 for weighted average calculations.
- (4) Senior loans reflect the initial loan amount divided by the as-is appraised value as of the date the loan was originated. Mezzanine loans include attachment loan-to-value and detachment loan-to-value, respectively. Attachment loan-to-value reflects initial funding of loans senior to our position divided by the as-is appraised value as of the date the loan was originated. Detachment loan-to-value reflects the cumulative initial funding of our loan and the loans senior to our position divided by the as-is appraised value as of the date the loan was originated.
- (5) On a quarterly basis, our senior and mezzanine loans are rated "1" through "5," from less risk to greater risk. Represents risk ranking as of June 30, 2026.
- (6) Loans 71-76 have payment-in-kind provisions and accrue interest at 14%.
- (7) Loans 77-78 have payment-in-kind provisions and accrue interest at 15%.
- (8) Loan 93 was placed on nonaccrual status in April 2024; as such, no income is being recognized.
- (9) Loan 96 has a payment-in-kind provision and accrues interest at 15%.
- (10) Loan 97 has a payment-in-kind provision and accrues interest at 20%.

At June 30, 2026, our general CECL reserve for our outstanding loans and future loan funding commitments is \$99.7 million, which is 3.27% of the aggregate commitment amount of our loan portfolio. This represents an increase of \$12.5 million from \$87.2 million or 3.06% of the aggregate commitment amount of our loan portfolio at March 31, 2026. The increase in our general CECL reserves was primarily driven by macroeconomic forecasts and specific inputs on certain multifamily and office loans utilized in our general CECL model.

Net Leased and Other Real Estate

We have six direct investments in CRE with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance, capital expenditures and real estate taxes. Additionally, we have one other real estate investment through a joint venture with one partner. We also own four properties included in other real estate that were acquired through deeds-in-lieu of foreclosure and foreclosure and consolidated two properties after being deemed the primary beneficiary of the variable interest entity holding it.

During the six months ended June 30, 2026, purchase and sale agreements were executed for one industrial portfolio and one multifamily property for a gross sale price of \$300.0 million and \$26.0 million, respectively. Both the industrial portfolio and multifamily property were classified as held for sale as of June 30, 2026. As part of the sale of the industrial portfolio, the purchaser will assume the \$200.0 million mortgage note payable. As of June 30, 2026, the carrying value for the industrial portfolio is \$223.1 million and the multifamily property is \$25.3 million. We expect both sales to close in the third quarter of 2026.

As of June 30, 2026, \$698.8 million or 19.4% of our assets were invested in net leased and other real estate properties. The following table presents our net leased and other real estate investments as of June 30, 2026 (dollars in thousands):

	Count ⁽¹⁾	Carrying Value ⁽²⁾	NOI for the three months ended June 30, 2026 ⁽³⁾
Net leased real estate	6	\$ 305,193	\$ 7,694
Other real estate	7	393,585	4,107
Total/Weighted average net leased and other real estate	13	\$ 698,778	\$ 11,801

(1) Count represents the number of investments.

(2) Represents carrying values at our share as of June 30, 2026; includes real estate tangible assets, deferred leasing costs and other intangible assets.

(3) Refer to "Non-GAAP Supplemental Financial Measures" for further information on NOI.

The following table provides asset-level detail of our net leased and other real estate as of June 30, 2026:

	Collateral type	City, State	Number of properties	Rentable square feet ("RSF") / units/keys ⁽¹⁾	Weighted average % leased ⁽²⁾	Weighted average lease term (yrs) ⁽³⁾	Undepreciated net book value ⁽⁴⁾	SL Rent Receivable ⁽⁵⁾	Principal amount of debt ⁽⁶⁾	Final debt maturity date
Net leased real estate										
Net lease 1 ⁽⁷⁾	Industrial	Various - U.S.	2	2,787,343 RSF	100%	12.1	\$ 92,156	\$ 14,201	\$ 200,000	Sep-33
Net lease 2 ⁽⁸⁾	Office	Aurora, CO	1	183,529 RSF	100%	1.4	27,034	257	27,585	Aug-26
Net lease 3	Office	Indianapolis, IN	1	338,000 RSF	100%	4.5	18,987	595	20,398	Oct-27
Net lease 4 ⁽⁹⁾ ₍₁₀₎₍₁₁₎	Retail	Various - U.S.	6	269,600 RSF	100%	3.2	—	51	26,693	Nov-26 & Mar-28
Net lease 5 ⁽⁹⁾	Retail	Keene, NH	1	45,471 RSF	100%	2.6	—	30	6,354	Nov-26
Net lease 6	Retail	South Portland, ME	1	52,900 RSF	100%	5.6	4,730	101	—	—
Net lease 7 ⁽⁹⁾ ₍₁₁₎	n/a	n/a	—	n/a	n/a	n/a	—	—	2,945	Nov-26
Total/Weighted average net leased real estate			12	3,676,843 RSF	100%	9.6	\$ 142,907	\$ 15,235	\$ 283,975	
Other real estate										
Other real estate 1 ⁽¹²⁾	Hotel	San Jose, CA	1	541 Keys	71%	n/a	\$ 143,916	\$ —	\$ —	—
Other real estate 2 ⁽⁹⁾⁽¹³⁾	Office	Creve Coeur, MO	7	847,604 RSF	80%	3.4	—	2,848	91,169	Dec-28
Other real estate 3 ⁽¹²⁾	Multifamily	Dallas, TX	1	624 Units	58%	n/a	44,791	—	—	—
Other real estate 4 ⁽¹²⁾	Multifamily/Pre-dev ⁽¹⁴⁾	Santa Clara, CA	1	n/a	n/a	n/a	6,169	—	33,591	Jul-28
Other real estate 5	Multifamily	Arlington, TX	1	436 Units	74%	n/a	39,383	—	—	—
Other real estate 6 ⁽¹²⁾	Multifamily	Fort Worth, TX	1	354 Units	90%	n/a	37,022	—	—	—
Other real estate 7 ⁽⁷⁾⁽⁹⁾	Multifamily	Mesa, AZ	1	285 Units	93%	n/a	25,285	—	—	—
Total/Weighted average other real estate			13	n/a	75%	3.4	\$ 296,566	\$ 2,848	\$ 124,760	
Total net leased and other real estate			25							

(1) Rentable square feet based on carrying value at our share as of June 30, 2026.

(2) Represents the percent leased as of June 30, 2026. Weighted average calculation based on carrying value at our share as of June 30, 2026.

(3) Based on in-place leases (defined as occupied and paying leases) as of June 30, 2026, and assumes that no renewal options are exercised. Weighted average calculation based on carrying value at our share as of June 30, 2026.

(4) Represents undepreciated book value at our share net of associated principal amounts of debt at our share as of June 30, 2026. Undepreciated book value per share is a non-GAAP financial measure. Refer to "Undepreciated Book Value Per Share" in "Non-GAAP Supplemental Measures" for further information.

(5) Represents straight line rent receivable as of June 30, 2026. This is included in "Receivables, net" on our consolidated balance sheet.

(6) Represents principal amount of debt at our share as of June 30, 2026.

(7) Net lease 1 and Other real estate 7 are classified as held for sale as of June 30, 2026. We expect both sales to close during the third quarter of 2026.

(8) The mortgage payable collateralized by Net lease 2 matures in August 2026. We are currently negotiating an extension with our lender.

(9) Represents a property where we previously recorded impairment. For Net lease 4, three individual properties were impaired.

(10) Net lease 4 consists of two separate mortgage notes.

(11) During the second quarter of 2026, we received notice that we were in default on the mortgage notes payable cross-collateralized by four properties included in Net Lease 4 and Net Lease 7. As a result, we impaired one property collateralizing Net Lease 4 and deconsolidated the property collateralizing Net Lease 7.

(12) Property was acquired through foreclosure or deed-in-lieu of foreclosure.

(13) The current maturity date is December 2027, with a one-year extension available, subject to satisfaction of certain customary conditions set forth in the governing documents.

(14) Represents a multifamily construction/development project.

Results of Operations

The following table summarizes our portfolio results of operations for the three months ended June 30, 2026 and March 31, 2026, (dollars in thousands):

	Three Months Ended June 30,	Three Months Ended March 31,	Q2 '26 vs Q1 '26	Increase (Decrease)
	2026	2026	Change	%
Net interest income				
Interest income	\$ 52,077	\$ 49,515	\$ 2,562	5.2 %
Interest expense	(34,848)	(33,394)	(1,454)	4.4 %
Net interest income	17,229	16,121	1,108	6.9 %
Property and other income				
Property operating income	30,432	32,654	(2,222)	(6.8)%
Other income	1,039	2,971	(1,932)	(65.0)%
Total property and other income	31,471	35,625	(4,154)	(11.7)%
Expenses				
Property operating expense	18,511	20,078	(1,567)	(7.8)%
Transaction, investment and servicing expense	1,507	832	675	81.1 %
Interest expense on real estate	5,121	5,091	30	0.6 %
Depreciation and amortization	8,187	8,627	(440)	(5.1)%
Increase of current expected credit loss reserve	13,502	1,746	11,756	673.3 %
Impairment of operating real estate	9,270	—	9,270	100.0 %
Compensation and benefits	8,989	9,056	(67)	(0.7)%
Operating expense	3,158	3,095	63	2.0 %
Total expenses	68,245	48,525	19,720	40.6 %
Other income				
Other loss, net	(27)	(4)	(23)	575.0 %
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	(19,572)	3,217	(22,789)	(708.4)%
Equity in earnings (loss) of unconsolidated ventures	(602)	—	(602)	(100.0)%
Income tax expense	(10)	(94)	84	(89.4)%
Net income (loss)	<u>\$ (20,184)</u>	<u>\$ 3,123</u>	<u>\$ (23,307)</u>	<u>(746.3)%</u>

Comparison of Three Months Ended June 30, 2026 and Three Months Ended March 31, 2026

Net Interest Income

Interest income

Interest income increased by \$2.6 million to \$52.1 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The increase was primarily due to \$4.7 million related to loan originations offset by \$2.2 million related to loan repayments.

Interest expense

Interest expense increased by \$1.5 million to \$34.8 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The increase was primarily due to \$2.0 million related to the financing of newly originated loans and \$1.0 million related to the net impact of the BRSP 2026-FL3 issuance and the unwinding of the BRSP 2021-FL1 securitization trust. This was partially offset by \$1.2 million from paydowns on our Master Repurchase Facilities.

Property and other income*Property operating income*

Property operating income decreased by \$2.2 million to \$30.4 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The decrease was primarily driven by \$1.6 million in lower revenue from a hotel property and \$0.3 million in lower reimbursement income from an office property.

Other income

Other income decreased by \$1.9 million to \$1.0 million during the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The decrease was primarily due to \$2.2 million of interest income on a one-time tax refund that was recognized in the first quarter of 2026.

Expenses*Property operating expense*

Property operating expense decreased by \$1.6 million to \$18.5 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The decrease was primarily driven by \$0.5 million in lower expenses from a hotel property, \$0.5 million lower tax expense from an office property and \$0.3 million from an office property sold in 2025.

Transaction, investment and servicing expense

Transaction, investment and servicing expense increased by \$0.7 million to \$1.5 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The increase was primarily due to higher franchise tax expense of \$0.4 million and higher deal-level expenses of \$0.3 million during the three months ended June 30, 2026.

Interest expense on real estate

Interest expense on real estate increased by a de minimis amount to \$5.1 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026.

Depreciation and amortization

Depreciation and amortization expense decreased by \$0.4 million to \$8.2 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The decrease was primarily driven by fully amortizing intangible assets.

Increase of current expected credit loss reserve

During the three months ended June 30, 2026, we recorded an increase in CECL reserves of \$13.5 million. The increase in our CECL reserves was primarily due to a net increase in general reserves of \$12.5 million driven by macroeconomic forecasts and specific inputs on certain multifamily and office loans utilized in our general CECL model. We also recorded \$1.0 million of specific reserves related to three multifamily loans that were resolved in the second quarter of 2026, all of which were charged off during the three months ended June 30, 2026.

During the three months ended March 31, 2026, we recorded an increase in CECL reserves of \$1.7 million. The increase in our CECL reserves was driven by a net increase in specific reserves of \$2.6 million partially offset by a net decrease in general CECL reserves of \$0.9 million. The increase in specific reserves was primarily related to \$2.8 million from one multifamily loan that was resolved in April 2026. The reserves for the multifamily loan were charged off during the three months ended three months ended March 31, 2026.

Impairment of operating real estate

During the three months ended June 30, 2026, we recorded impairment of \$5.5 million related to two retail properties, one of which was deconsolidated following the loss of control over the property. We also recorded \$3.8 million related to a multifamily property classified as real estate held for sale.

During the three months ended March 31, 2026, we did not record any impairment.

Compensation and benefits

Compensation and benefits decreased by \$0.1 million to \$9.0 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The decrease was driven by lower 401(k) and payroll tax expense of \$0.6 million offset by higher stock compensation expense of \$0.5 million due to the full quarter impact of our first quarter share grants.

Operating expense

Operating expense increased by a de minimis amount to \$3.2 million for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026.

Other income

Other gain (loss), net

We recorded a de minimis other loss, net during the three months ended June 30, 2026 and three months ended March 31, 2026.

Equity in earnings (loss) of unconsolidated ventures

We recorded equity in earnings (loss) of \$0.6 million during the three months ended June 30, 2026 related to the fair value loss on one investment held in an unconsolidated venture. There was no equity in earnings (loss) recognized during the three months ended March 31, 2026.

Income tax expense

Income tax expense decreased by \$0.1 million to a de minimis amount for the three months ended June 30, 2026, as compared to the three months ended March 31, 2026. The decrease was related to lower taxable income during the period.

The following table summarizes our portfolio results of operations for the six months ended June 30, 2026 and June 30, 2025 (dollars in thousands):

	Six Months Ended June 30,	Six Months Ended June 30,	YTD 2026 vs YTD 2025	Increase (Decrease)
	2026	2025	Amount	%
Net interest income				
Interest income	\$ 101,592	\$ 96,749	\$ 4,843	5.0 %
Interest expense	(68,241)	(64,146)	(4,095)	6.4 %
Net interest income	33,351	32,603	748	2.3 %
Property and other income				
Property operating income	63,086	62,526	560	0.9 %
Other income	4,010	4,211	(201)	(4.8)%
Total property and other income	67,096	66,737	359	0.5 %
Expenses				
Property operating expense	38,589	26,616	11,973	45.0 %
Transaction, investment and servicing expense	2,339	1,192	1,147	96.2 %
Interest expense on real estate	10,213	13,330	(3,117)	(23.4)%
Depreciation and amortization	16,814	21,159	(4,345)	(20.5)%
Increase of CECL reserve	15,247	346	14,901	4306.6 %
Impairment of operating real estate	9,270	51,127	(41,857)	(81.9)%
Compensation and benefits	18,045	18,623	(578)	(3.1)%
Operating expense	6,253	6,191	62	1.0 %
Total expenses	116,770	138,584	(21,814)	(15.7)%
Other income				
Other loss, net	(31)	(3,603)	3,572	(99.1)%
Loss before equity in earnings of unconsolidated ventures and income taxes	(16,354)	(42,847)	26,493	(61.8)%
Equity in earnings (loss) of unconsolidated ventures	(602)	—	(602)	(100.0)%
Income tax benefit (expense)	(104)	21,382	(21,486)	(100.5)%
Net loss	<u>\$ (17,060)</u>	<u>\$ (21,465)</u>	<u>\$ 4,405</u>	<u>(20.5)%</u>

Comparison of Six Months Ended June 30, 2026 and Six Months Ended June 30, 2025

Net Interest Income

Interest income

Interest income increased by \$4.8 million to \$101.6 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The increase was primarily due to \$29.1 million in loan originations. This was partially offset by \$15.5 million related to loan repayments, \$5.0 million from loans now classified as real estate and \$4.9 million due to lower interest rates.

Interest expense

Interest expense increased by \$4.1 million to \$68.2 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The increase was primarily due to \$7.4 million related to the net impact of the BRSP 2026-FL3 issuance and the unwinding of the BRSP 2021-FL1 securitization trust following the redemption of all outstanding securities thereunder, \$5.8 million related to financing on new originations and \$0.7 million relating to draws on the Bank Credit Facility. This was partially offset by \$6.6 million related to lower repayments and \$2.6 million related to lower interest rates.

Property and other income*Property operating income*

Property operating income increased by \$0.6 million to \$63.1 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The increase was primarily due to \$20.9 million from properties acquired during 2025 and 2026 and \$0.6 million of higher rental income from an office and a multifamily property, partially offset by \$16.6 million from three subsidiaries deconsolidated during 2025 and 2026 and \$4.3 million from properties sold during 2025 and 2026.

Other income

Other income decreased by \$0.2 million to \$4.0 million during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The decrease was primarily due to lower money market interest of \$3.2 million partially offset by \$2.4 million of interest income on a one-time tax refund that was recognized in the first quarter of 2026 and higher miscellaneous refunds of \$0.6 million related to resolved investments.

Expenses*Property operating expense*

Property operating expense increased by \$12.0 million to \$38.6 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The increase was primarily due to \$19.7 million from properties acquired during 2025 and 2026, partially offset by \$4.3 million from three subsidiaries deconsolidated during 2025 and 2026 and \$2.7 million from properties sold during 2025 and 2026.

Transaction, investment and servicing expense

Transaction, investment and servicing expense increased by \$1.1 million to \$2.3 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The increase was primarily due to higher deal-level expenses incurred during the six months ended June 30, 2026.

Interest expense on real estate

Interest expense on real estate decreased by \$3.1 million to \$10.2 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. This decrease was primarily due to \$4.0 million from three subsidiaries deconsolidated during 2025 and 2026, partially offset by \$0.9 million from one property acquired in 2025.

Depreciation and amortization

Depreciation and amortization expense decreased by \$4.3 million to \$16.8 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The decrease was primarily due to \$5.0 million from three subsidiaries deconsolidated during 2025 and 2026, \$2.9 million from fully amortized in-place leases at two multifamily properties, \$1.2 million from properties sold during 2025 and first quarter of 2026 and \$0.5 million from fully depreciated improvements at three operating real estate properties, partially offset by \$5.6 million from properties acquired during 2025 and the first quarter of 2026.

Increase of current expected credit loss reserve

During the six months ended June 30, 2026, we recorded an increase in CECL reserves of \$15.2 million. The increase in our CECL reserves was driven by a net increase in general reserves of \$11.6 million and a net increase in specific CECL reserves of \$3.6 million. The increase in general reserves was driven by macroeconomic forecasts and specific inputs on certain multifamily and office loans utilized in our general CECL model. The increase in specific reserves was primarily related to three multifamily loans that were resolved in the second quarter of 2026, all of which were charged off during the six months ended June 30, 2026.

During the six months ended June 30, 2025, we recorded an increase in CECL reserves of \$0.3 million. The increase in our CECL reserves was driven by a net increase in specific CECL reserves of \$28.7 million offset by a net decrease in general reserves of \$28.4 million. The increase in specific CECL reserves was attributable to two multifamily loans and one hotel loan, all of which were charged off during the six months ended June 30, 2025.

Impairment of operating real estate

During the six months ended June 30, 2026, we recorded impairment of \$5.5 million to two retail properties, one of which was deconsolidated following the loss of control over the property. We also recorded \$3.8 million related to a multifamily property classified as real estate held for sale.

During the six months ended June 30, 2025, we recorded \$51.1 million of impairment related to our Norwegian net lease office campus and our Pennsylvania office property. We deconsolidated the assets and liabilities of the Norwegian net lease office campus during the six months ended June 30, 2025 and deconsolidated the assets and liabilities of our Pennsylvania office during the third quarter of 2025.

Compensation and benefits

Compensation and benefits decreased by \$0.6 million to \$18.0 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, primarily due to lower stock compensation expense.

Operating expense

Operating expense increased by a de minimis amount to \$6.3 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

Other income (loss)

Other loss, net

Other loss, net decreased by \$3.6 million for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The decrease is related to the reclassification of \$22.0 million of foreign currency translation loss offset by \$18.6 million of designated hedge gains from accumulated other comprehensive income following the resolution of our Norwegian net lease office campus in the second quarter of 2025.

Equity in earnings (loss) of unconsolidated ventures

We recorded equity in earnings (loss) of \$0.6 million during the six months ended June 30, 2026 related to the fair value loss on one investment held in an unconsolidated venture. There was no equity in earnings (loss) recognized during the six months ended June 30, 2025.

Income tax benefit (expense)

We recorded income tax expense of \$0.1 million during the six months ended June 30, 2026 and we recorded an income tax benefit of \$21.4 million during the six months ended June 30, 2025. The tax benefit was primarily due to a \$21.8 million deferred tax liability write-off when an investment subsidiary reached a maturity default on its bond financing collateralized by our Norwegian net lease office campus. Following the maturity default, the lenders exercised remedies and took control by equity pledge of the underlying investment subsidiary.

Non-GAAP Supplemental Financial Measures

Distributable Earnings

We present Distributable Earnings, which is a non-GAAP supplemental financial measure of our performance. We believe that Distributable Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with GAAP, and this metric is a useful indicator for investors in evaluating and comparing our operating performance to our peers and our ability to pay dividends. We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, beginning with our taxable year ended December 31, 2018. As a REIT, we are required to distribute substantially all of our taxable income, and we believe that dividends are one of the principal reasons investors invest in credit or commercial mortgage REITs such as our company. Over time, Distributable Earnings has been a useful indicator of our dividends per share and we consider that measure in determining the dividend, if any, to be paid. This supplemental financial measure also helps us to evaluate our performance, excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current portfolio and operations.

We define Distributable Earnings as GAAP net income (loss) attributable to our common stockholders (or, without duplication, the owners of the common equity of our direct subsidiaries, such as our OP) and excluding (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with our formation or other strategic transactions, (iii) acquisition costs from successful acquisitions, (iv) gains or losses from sales of real estate property and impairment write-downs of depreciable real estate, including unconsolidated joint ventures and preferred equity investments, (v) general CECL reserves, (vi) depreciation and amortization, (vii) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, or in net income, (viii) one-time events pursuant to changes in GAAP and (ix) certain material non-cash income or expense items that in the judgment of management should not be included in Distributable Earnings. For clauses (viii) and (ix), such exclusions shall only be applied after approval by a majority of our independent directors. Distributable Earnings include specific CECL reserves.

Additionally, we define Adjusted Distributable Earnings as Distributable Earnings excluding (i) realized gains and losses on asset sales, (ii) fair value adjustments, which represent mark-to-market adjustments to investments in unconsolidated ventures based on an exit price, defined as the estimated price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, (iii) unrealized gains or losses, (iv) specific CECL reserves and (v) one-time gains or losses that in the judgement of management should not be included in Adjusted Distributable Earnings. We believe Adjusted Distributable Earnings is a useful indicator for investors to further evaluate and compare our operating performance to our peers and our ability to pay dividends, net of the impact of any gains or losses on assets sales or fair value adjustments, as described above.

Distributable Earnings and Adjusted Distributable Earnings do not represent net income or cash generated from operating activities and should not be considered as an alternative to GAAP net income or an indication of our cash flows from operating activities determined in accordance with GAAP, a measure of our liquidity, or an indication of funds available to fund our cash needs. In addition, our methodology for calculating Distributable Earnings and Adjusted Distributable Earnings may differ from methodologies employed by other companies to calculate the same or similar non-GAAP supplemental financial measures, and accordingly, our reported Distributable Earnings and Adjusted Distributable Earnings may not be comparable to the Distributable Earnings and Adjusted Distributable Earnings reported by other companies.

The following tables present a reconciliation of net income attributable to our common stockholders to Distributable Earnings and Adjusted Distributable Earnings attributable to our common stockholders (dollars and share amounts in thousands, except per share data) for the three months ended June 30, 2026 and March 31, 2026 and the three months ended June 30, 2025 and March 31, 2025:

	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026
Net income (loss) attributable to BrightSpire Capital, Inc. common stockholders	\$ (18,334)	\$ 4,845
Net income (loss) per common share - basic	\$ (0.15)	\$ 0.03
Net income (loss) per common share - diluted	\$ (0.15)	\$ 0.03
Adjustments:		
Non-cash equity compensation expense	3,443	2,918
Depreciation and amortization	8,340	8,763
Net unrealized loss (gain):		
Impairment of operating real estate, net and unconsolidated ventures	9,872	—
General CECL reserves	12,515	(889)
Loss on sales of real estate, preferred equity and investments in unconsolidated joint ventures	25	4
Adjustments related to noncontrolling interests	(67)	(73)
Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 15,794	\$ 15,568
Distributable Earnings per share ⁽¹⁾	\$ 0.12	\$ 0.12
Adjustments:		
Specific CECL reserves	\$ 987	\$ 2,634
Adjusted Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 16,781	\$ 18,202
Adjusted Distributable Earnings per share ⁽¹⁾	\$ 0.13	\$ 0.14
Weighted average number of shares of Class A common stock ⁽¹⁾	130,258	128,921

(1) We calculate Distributable Earnings per share, and Adjusted Distributable Earnings per share, non-GAAP financial measures, based on a weighted-average number of common shares.

	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025
Net income (loss) attributable to BrightSpire Capital, Inc. common stockholders	\$ (23,118)	\$ 5,342
Net income (loss) per common share - basic	\$ (0.19)	\$ 0.04
Net income (loss) per common share - diluted	\$ (0.19)	\$ 0.04
Adjustments:		
Non-cash equity compensation expense	2,913	4,213
Depreciation and amortization	10,676	10,748
Net unrealized loss (gain):		
Impairment of operating real estate, net of associated income tax benefit	28,820	—
Other unrealized loss on investments	3,361	2
General CECL reserves	(18,900)	(9,018)
Loss on sales of real estate, preferred equity and investments in unconsolidated joint ventures	—	239
Adjustments related to noncontrolling interests	(358)	(172)
Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 3,394	\$ 11,354
Distributable Earnings per share ⁽¹⁾	\$ 0.03	\$ 0.09
Adjustments:		
Specific CECL reserves	\$ 19,482	\$ 8,782
Adjusted Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 22,876	\$ 20,136
Adjusted Distributable Earnings per share ⁽¹⁾	\$ 0.18	\$ 0.16
Weighted average number of shares of Class A common stock ⁽¹⁾	130,186	129,860

(1) We calculate Distributable Earnings per share, and Adjusted Distributable Earnings per share, non-GAAP financial measures, based on a weighted-average number of common shares.

Undepreciated Book Value Per Share

We believe that presenting Undepreciated Book Value per share is a more useful and consistent measure of the value of our current portfolio and operations for our investors as it enhances the comparability to our peers who do not hold similar real estate investments. Undepreciated Book Value per share excludes our share of accumulated depreciation and amortization on real estate investments (including related intangible assets and liabilities) and as of the quarter ended June 30, 2024, includes non-GAAP impairment of real estate and any related foreign currency translation. Non-GAAP impairment of real estate is a non-GAAP measure that reflects our share of a property's carrying value on certain net leased and other real estate office properties whose non-recourse mortgages have matured or who have been placed in a cash flow sweep by their lender. Our ability to refinance at their maturity dates is burdened by the current interest rate environment, lenders' aversion to finance or refinance office properties and/or associated improvements or paydowns potentially demanded at such properties. Loan maturity defaults can and have led to foreclosures. Cash flow sweeps restrict our ability to utilize earnings generated by a property. As such, we believe it is prudent to recognize impairments and exclude our share of the carrying value related to these properties.

The following table calculates our GAAP book value per share and Undepreciated Book Value per share (\$ in thousands, except per share data):

	June 30, 2026	December 31, 2025
Stockholders' equity excluding noncontrolling interests in investment entities	\$ 862,980	\$ 938,432
Accumulated depreciation and amortization	191,236	180,937
Non-GAAP impairment of real estate	(26,736)	(33,617)
Undepreciated Book Value	\$ 1,027,480	\$ 1,085,752
GAAP book value per share	\$ 6.81	\$ 7.30
Accumulated depreciation and amortization per share	1.51	1.41
Non-GAAP impairment of real estate	(0.21)	(0.26)
Undepreciated Book Value per share ⁽¹⁾	\$ 8.10	\$ 8.44
Total outstanding shares - Class A common stock	126,790	128,627

(1) Per share data may differ due to rounding.

	June 30, 2026	December 31, 2025
Impairment attributable to BrightSpire Capital, Inc.	\$ 9,270	\$ 61,620
Adjustments:		
Current year non-GAAP impairment of operating real estate	(6,881)	(100,961)
Non-GAAP impairment as of prior fiscal year-end	33,617	134,578
Impairment attributable to BrightSpire Capital, Inc.	(9,270)	(61,620)
Non-GAAP impairment of real estate	\$ 26,736	\$ 33,617

NOI

We believe NOI to be a useful measure of operating performance of our net leased and other real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI excludes historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjustments for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company's properties, NOI provides a measure of operating performance independent of the Company's capital structure and indebtedness. However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company's properties, and transaction costs and administrative costs, may limit the usefulness of NOI. NOI may fail to capture significant trends in these components of GAAP net income (loss) which further limits its usefulness.

NOI should not be considered as an alternative to net income (loss), determined in accordance with GAAP, as an indicator of operating performance. In addition, our methodology for calculating NOI involves subjective judgment and discretion and may differ from the methodologies used by other companies, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

The following tables present a reconciliation of net income on our net leased and other real estate portfolios attributable to our common stockholders to NOI attributable to our common stockholders (dollars in thousands) for the six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026
Net income (loss) attributable to BrightSpire Capital, Inc. common stockholders	\$ (18,334)	\$ 4,845
Adjustments:		
Net (income) loss attributable to non-net leased and other real estate portfolios ⁽¹⁾	9,567	(4,218)
Net loss attributable to noncontrolling interests in investment entities	(1,850)	(1,722)
Amortization of above-and below-market lease intangibles	3	(12)
Net interest expense	39	12
Interest expense on real estate	5,121	5,091
Other income	(153)	(38)
Transaction, investment and servicing expense	79	29
Depreciation and amortization	8,154	8,594
Impairment of operating real estate	9,270	—
Operating expense	1	3
Other (gain) loss on investments, net	27	(19)
NOI attributable to noncontrolling interest in investment entities	(123)	(122)
Total NOI attributable to BrightSpire Capital, Inc. common stockholders	<u>\$ 11,801</u>	<u>\$ 12,443</u>

(1) Net income attributable to non-net leased and other real estate portfolios includes net (income) loss on our senior and mezzanine loans and preferred equity and corporate and other business segments.

	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025
Net income (loss) attributable to BrightSpire Capital, Inc. common stockholders	\$ (23,118)	\$ 5,342
Adjustments:		
Net (income) loss attributable to non-net leased and other real estate portfolios ⁽¹⁾	(5,917)	(6,287)
Net loss attributable to noncontrolling interests in investment entities	(2,054)	(1,634)
Amortization of above- and below-market lease intangibles	1	59
Net interest expense	53	39
Interest expense on real estate	6,765	7,940
Other income	(86)	(34)
Transaction, investment and servicing expense	14	38
Depreciation and amortization	10,575	10,519
Impairment of operating real estate	51,127	—
Operating expense	1	1
Other loss on investments, net	3,428	742
Income tax (benefit) expense	(21,770)	254
NOI attributable to noncontrolling interest in investment entities	(277)	(267)
Total NOI, at share	<u>\$ 18,742</u>	<u>\$ 16,712</u>

(1) Net income attributable to non-net leased and other real estate portfolios includes net (income) loss on our senior and mezzanine loans and preferred equity and corporate and other business segments.

Liquidity and Capital Resources

Overview

Our material cash commitments include commitments to repay borrowings, finance our assets and operations, meet future funding obligations, make distributions to our stockholders and fund other general business needs. We use significant cash to make investments, meet commitments to existing investments, repay the principal of and interest on our borrowings and pay other financing costs, make distributions to our stockholders and fund our operations.

Our primary sources of liquidity include cash on hand, cash generated from our operating activities and cash generated from asset sales and investment maturities. However, subject to maintaining our qualification as a REIT and our Investment Company Act exclusion, we may use several sources to finance our business, including bank credit facilities (including term loans and revolving facilities), Master Repurchase Facilities and securitizations, as described below. In addition to our current sources of liquidity, there may be opportunities from time to time to access liquidity through public offerings of debt and equity securities. We have sufficient sources of liquidity to meet our material cash commitments for the next 12 months and the foreseeable future.

Financing Strategy

We have a multi-pronged financing strategy that includes an up to \$120.0 million secured revolving credit facility, up to approximately \$2.4 billion in secured revolving repurchase facilities, \$1.4 billion in non-recourse securitization financing, \$379.9 million in commercial mortgages and \$33.6 million in other asset-level financing structures, in each case, as of June 30, 2026.

In addition, we may use other forms of financing, including warehouse facilities, public and private secured and unsecured debt issuances and equity or equity-related securities issuances by us or our subsidiaries. We may also finance a portion of our investments through the syndication of one or more interests in a whole loan. We will seek to match the nature and duration of the financing with the underlying asset's cash flow, including using hedges, as appropriate.

Debt-to-Equity Ratio

The following table presents our debt-to-equity ratio:

	June 30, 2026	December 31, 2025
Debt-to-equity ratio ⁽¹⁾⁽²⁾	3.1x	2.6x

(1) Represents (i) total consolidated outstanding secured debt less cash and cash equivalents of \$68.2 million and \$66.8 million at June 30, 2026 and December 31, 2025, respectively to (ii) total equity, in each case, at period end.

(2) Excluding the impact of accumulated depreciation and amortization on real estate investments and including the impact of non-GAAP impairment of real estate, the debt-to-equity ratio was 2.7x and 2.3x at June 30, 2026 and December 31, 2025, respectively.

Potential Sources of Liquidity

As discussed in greater detail above under “Trends Affecting our Business,” and “Factors Impacting Our Operating Results” overall market uncertainty coupled with rising inflation and high interest rates have tempered the loan financing markets recently. A high interest rate environment will result in increased interest expense on our variable rate debt that is not hedged and may result in disruptions to our borrowers’ and tenants’ ability to finance their activities, which would similarly adversely impact their ability to make their monthly mortgage payments and meet their loan obligations. Additionally, due to the current market conditions, warehouse lenders may take a more conservative stance by increasing funding costs, which may lead to margin calls.

Our primary sources of liquidity include borrowings available under our credit facilities, Master Repurchase Facilities and monthly mortgage payments from our borrowers.

Bank Credit Facilities

We use bank credit facilities (including term loans and revolving facilities) to finance our business. These financings may be collateralized or non-collateralized and may involve one or more lenders. Credit facilities typically have maturities ranging from two to five years and may accrue interest at either fixed or floating rates.

The OP (together with certain subsidiaries of the OP from time-to-time party thereto as borrowers, collectively, the “Borrowers”) is party to an Amended and Restated Credit Agreement (as amended to date, the “Amended Credit Agreement”) with JPMorgan Chase Bank, N.A., as administrative agent (the “Administrative Agent”), and the several lenders from time to time party thereto (the “Lenders”). The Amended Credit Agreement provides for a revolving credit facility in the aggregate principal amount of up to \$120.0 million, of which up to \$25.0 million is available as letters of credit.

Loans under the Amended Credit Agreement may be advanced in U.S. dollars and certain foreign currencies, including euros, pounds sterling and Swiss francs.

The Amended Credit Agreement also includes an option for the Borrowers to increase the maximum available principal amount to up to \$180.0 million, subject to one or more new or existing Lenders agreeing to provide such additional loan commitments and satisfaction of other customary conditions.

Advances under the Amended Credit Agreement accrue interest at a per annum rate equal to, at the applicable Borrower's election, either (x) a Term SOFR rate plus a margin of 2.25%, or (y) a base rate equal to the highest of (i) the Wall Street Journal's prime rate, (ii) the federal funds rate plus 0.50% and (iii) the Term SOFR rate plus 1.00%, plus a margin of 1.25%. An unused commitment fee at a rate of 0.25% or 0.35%, per annum, depending on the amount of facility utilization, applies to unutilized borrowing capacity under the Amended Credit Agreement. Amounts owed under the Amended Credit Agreement may be prepaid at any time without premium or penalty, subject to customary breakage costs in the case of borrowings with respect to which a Term SOFR rate election is in effect.

The maximum amount available for borrowing at any time under the Amended Credit Agreement is limited to a borrowing base valuation of certain investment assets, with the valuation of such investment assets generally determined according to a percentage of adjusted net book value. As of June 30, 2026, the borrowing base valuation is sufficient to permit borrowings of up to the entire \$120.0 million commitment. If any borrowing is outstanding for more than 180 days after its initial draw, the borrowing base valuation will be reduced by 50% until all outstanding borrowings are repaid in full. The ability to borrow new amounts under the Amended Credit Agreement terminates and any outstanding revolving loans will mature on December 8, 2028.

The obligations of the Borrowers under the Amended Credit Agreement are guaranteed pursuant to a Guarantee and Collateral Agreement by substantially all material wholly owned subsidiaries of the OP (the "Guarantors") in favor of the Administrative Agent (the "Guarantee and Collateral Agreement") and, subject to certain exceptions, secured by a pledge of substantially all equity interests owned by the Borrowers and the Guarantors, as well as by a security interest in deposit accounts of the Borrowers and the Guarantors (as such terms are defined in the Guarantee and Collateral Agreement) in which the proceeds of investment asset distributions are maintained.

The Amended Credit Agreement contains various affirmative and negative covenants, including, among other things, the obligation of the Company to maintain REIT status and be listed on the New York Stock Exchange or any other U.S. national or international securities exchange, and limitations on debt, liens and restricted payments. In addition, the Amended Credit Agreement includes the following financial covenants applicable to the OP and its consolidated subsidiaries: (a) minimum consolidated tangible net worth of the OP to be greater than or equal to the sum of (i) \$900,000,000 and (ii) 70% of the net cash proceeds received by the OP from any offering of its common equity after December 9, 2025 and of the net cash proceeds from any offering by the Company of its common equity to the extent such proceeds are contributed to the OP, excluding any such proceeds that are contributed to the OP within ninety (90) days of receipt and applied to acquire capital stock of the OP; (b) the OP's EBITDA plus lease expenses to fixed charges for any period of four consecutive fiscal quarters not less than 1.40 to 1.00; (c) the OP's minimum interest coverage ratio to be not less than 3.00 to 1.00; and (d) the OP's ratio of consolidated total debt to consolidated total assets must not exceed 0.80 to 1.00. The Amended Credit Agreement also includes customary events of default, including, among other things, failure to make payments when due, breach of covenants or representations, cross default to material indebtedness, material judgment defaults, bankruptcy matters involving any Borrower or any Guarantor and certain change of control events. The occurrence of an event of default will limit the ability of the OP and its subsidiaries to make distributions and may result in the termination of the credit facility, acceleration of repayment obligations and the exercise of remedies by the Lenders with respect to the collateral.

As of June 30, 2026, the Company was in compliance with all of its financial covenants under the Amended Credit Agreement.

Master Repurchase Facilities

Currently, our primary sources of financing the origination of first mortgage loans and senior loan participations secured by senior loan investments are our repurchase agreements with multiple global financial institutions (each, a "Master Repurchase Facility" and collectively, the "Master Repurchase Facilities"). The Master Repurchase Facilities, effectively allow us to borrow against loans that we own in an amount generally equal to (i) the market value of such loans multiplied by (ii) the applicable advance rate. Under these agreements, we sell our loans to a counterparty and agree to repurchase the same loans from the counterparty at a price equal to the original sales price plus an interest factor. During the term of a repurchase agreement, we receive the principal and interest on the related loans and pay interest to the lender under the master repurchase agreement. We intend to maintain formal relationships with multiple counterparties to obtain master repurchase financing.

The following table presents a summary of our Master Repurchase Facilities and Bank Credit Facility as of June 30, 2026 (dollars in thousands):

	Maximum Facility Size	Current Borrowings	Weighted Average Final Maturity (Years)	Weighted Average Interest Rate ⁽¹⁾
Master Repurchase Facilities				
Bank 1	\$ 600,000	\$ 309,227	2.3	SOFR + 2.26%
Bank 2	600,000	—	3.8	n/a
Bank 3	500,000	230,839	3.9	SOFR + 1.74%
Bank 4	400,000	175,143	3.3	SOFR + 1.49%
Bank 5	250,000	141,016	4.7	SOFR + 2.00%
Total Master Repurchase Facilities	2,350,000	856,225		
Bank Credit Facility	120,000	70,000	2.4	SOFR + 2.25%
Total Facilities	\$ 2,470,000	\$ 926,225		

(1) All facilities utilize Term SOFR at June 30, 2026.

The following table presents the quarterly average unpaid principal balance (“UPB”), end of period UPB and the maximum UPB at any month-end related to our Master Repurchase Facilities and Bank Credit Facility (dollars in thousands):

Quarter Ended	Quarterly Average UPB	End of Period UPB	Maximum UPB at Any Month-End
June 30, 2026	\$ 814,276	\$ 856,225	\$ 926,225
March 31, 2026	925,213	772,327	1,190,049
December 31, 2025	928,385	1,078,098	1,078,098
September 30, 2025	784,202	778,671	823,583
June 30, 2025	761,613	789,729	791,532
March 31, 2025	759,339	733,494	818,603

The increase in our end of period UPB from March 31, 2026 to June 30, 2026 was driven by financing draws.

Securitizations

We may seek to utilize non-recourse long-term securitizations of our investments in mortgage loans, especially loan originations, to the extent consistent with the maintenance of our REIT qualification and exclusion from the Investment Company Act in order to generate cash for funding new investments. This would involve conveying a pool of assets to a special purpose vehicle (or the issuing entity), which would issue one or more classes of non-recourse notes pursuant to the terms of an indenture. The notes would be secured by the pool of assets. In exchange for the transfer of assets to the issuing entity, we would receive the cash proceeds on the sale of non-recourse notes and a 100% interest in the equity of the issuing entity. The securitization of our portfolio investments might magnify our exposure to losses on those portfolio investments because any equity interest we retain in the issuing entity would be subordinate to the notes issued to investors and we would, therefore, absorb all of the losses sustained with respect to a securitized pool of assets before the owners of the notes experience any losses.

BRSP 2021-FL1

On February 19, 2026, we redeemed the outstanding securities under the securitization vehicle operated through wholly-owned subsidiaries, BRSP 2021-FL1, Ltd and BRSP 2021-FL1, LLC (collectively, “BRSP 2021-FL1”) including the investment grade notes issued thereunder, at a redemption price of \$310.7 million. The 17 senior loan investments, with an aggregate unpaid principal balance of \$440.8 million, held by BRSP 2021-FL1 were refinanced by the issuance of securities under BRSP 2026-FL3 and with existing Master Repurchase Facilities.

BRSP 2024-FL2

BRSP 2024-FL2 is a \$675.0 million securitization vehicle operated through wholly-owned subsidiaries, BRSP 2024-FL2, Ltd. and BRSP 2024-FL2, LLC (collectively, “BRSP 2024-FL2”), which have issued \$583.9 million of investment grade notes (the “2024-FL2 Notes”).

BRSP 2024-FL2 includes a two-year reinvestment feature that allows us to contribute existing or newly originated loan investments in exchange for proceeds from repayments of loans held in BRSP 2024-FL2, subject to the satisfaction of certain conditions set forth in the indenture. At June 30, 2026, we had \$675.0 million of unpaid principal balance of CRE debt investments and other assets financed with BRSP 2024-FL2. As of June 30, 2026, the securitization reflects an advance rate of 86.5% at a weighted average cost of funds of Term SOFR plus 2.47% (before transaction costs), and is collateralized by a pool of 27 senior loan investments.

Additionally, BRSP 2024-FL2 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. We did not fail any note protection tests during the six months ended June 30, 2026. While we continue to closely monitor all loan investments contributed to BRSP 2024-FL2, a deterioration in the performance of an underlying loan could negatively impact its liquidity position.

BRSP 2026-FL3

In February 2026, we executed a \$955.0 million securitization transaction through wholly-owned subsidiaries, BRSP 2026-FL3, Ltd. and BRSP 2026-FL3, LLC (collectively, “BRSP 2026-FL3”), which resulted in the sale of \$833.2 million of investment grade notes (the “2026-FL3 Notes”).

BRSP 2026-FL3 includes a six-month ramp-up acquisition period that allows us to contribute existing or newly originated loan investments in exchange for \$98.3 million in unused proceeds held in BRSP 2026-FL3, subject to the satisfaction of certain conditions set forth in the indenture. At June 30, 2026, the unused proceeds have been fully utilized. BRSP 2026-FL3 also includes a 30-month reinvestment feature that allows us to contribute existing or newly originated loan investments in exchange for proceeds from repayments of loans held in BRSP 2026-FL3, subject to the satisfaction of certain conditions set forth in the indenture.

At June 30, 2026, we had \$955.0 million of unpaid principal balance of CRE debt investments financed with BRSP 2026-FL3. As of June 30, 2026, the securitization reflects an advance rate of 87.3% at a weighted average cost of funds of Term SOFR plus 1.69% (before transaction costs), and is collateralized by a pool of 32 senior loan investments.

Additionally, BRSP 2026-FL3 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. We did not fail any note protection tests during the six months ended June 30, 2026. While we continue to closely monitor all loan investments contributed to BRSP 2026-FL3, a deterioration in the performance of an underlying loan could negatively impact its liquidity position.

Other potential sources of financing

In the future, we may also use other sources of financing to fund the acquisition of our target assets, including secured and unsecured forms of borrowing and selective wind-down and dispositions of assets. We may also seek to raise equity capital or issue debt securities in order to fund our future investments.

Liquidity Needs

In addition to our loan origination activity and general operating expenses, our primary liquidity needs include interest and principal payments under our Bank Credit Facility, securitization bonds, and secured debt. Information concerning our contractual obligations and commitments to make future payments, including our commitments to repay borrowings, is included in the following table as of June 30, 2026. This table excludes our obligations that are not fixed and determinable (dollars in thousands):

	Payments Due by Period				
	Total	Less than a Year	1-3 Years	3-5 Years	More than 5 Years
Bank credit facility ⁽¹⁾	\$ 78,263	\$ 4,132	\$ 74,131	\$ —	\$ —
Secured debt ⁽²⁾	1,423,371	624,427	558,689	19,080	221,175
Securitization bonds payable ⁽³⁾	1,560,013	778,225	766,361	15,427	—
Ground lease obligations ⁽⁴⁾	10,561	2,169	4,707	2,838	847
Office leases	3,733	1,196	2,247	290	—
	\$ 3,075,941	\$ 1,410,149	\$ 1,406,135	\$ 37,635	\$ 222,022
Lending commitments ⁽⁵⁾	145,503				
Total	\$ 3,221,444				

- (1) Future interest payments were estimated based on the applicable index at June 30, 2026 and unused commitment fee of 0.25% per annum, assuming principal is repaid on the current maturity date of January 2027.
- (2) Amounts include minimum principal and interest obligations through the initial maturity date of the collateral assets. Interest on floating rate debt was determined based on Term SOFR at June 30, 2026.
- (3) The timing of future principal payments was estimated based on expected future cash flows of underlying collateral loans. Repayments are estimated to be earlier than contractual maturity only if proceeds from underlying loans are repaid by the borrowers.
- (4) The amounts represent minimum future base rent commitments through initial expiration dates of the respective noncancellable operating ground leases, excluding any contingent rent payments. Rents paid under ground leases are recoverable from tenants.
- (5) Future lending commitments may be subject to certain conditions that borrowers must meet to qualify for such fundings. Commitment amount assumes future fundings meet the terms to qualify for such fundings.

Share Repurchases

In April 2026, our board of directors authorized a stock repurchase program (“Stock Repurchase Program”) under which we may repurchase up to \$50.0 million of our outstanding Class A common stock until April 30, 2027. The Stock Repurchase Program replaced the prior stock repurchase program authorization which expired on April 30, 2026. Under the Stock Repurchase Program, we may repurchase shares in open market purchases, in privately negotiated transactions or otherwise. We have a written trading plan as part of the Share Repurchase Program that provides for share repurchases in open market transactions that is intended to comply with Rule 10b-18 under the Exchange Act. The Stock Repurchase Program will be utilized at our discretion and in accordance with the requirements of the SEC. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate requirements and other conditions.

During the six months ended June 30, 2026, the Company repurchased 3.6 million shares of Class A common stock at a weighted average price of \$5.47 per share for an aggregate cost of \$19.5 million. As of June 30, 2026, there was \$30.5 million remaining available to make repurchases under the prior stock repurchase program.

Cash Flows

The following presents a summary of our consolidated statements of cash flows for the six months ended June 30, 2026 and 2025 (dollars in thousands):

Cash flow provided by (used in):	Six Months Ended June 30,		
	2026	2025	Change
Operating activities	\$ 40,341	\$ 27,927	\$ 12,414
Investing activities	(247,315)	(68,169)	(179,146)
Financing activities	202,859	(158,592)	361,451

Operating Activities

Cash inflows from operating activities are generated primarily through interest received from loans and preferred equity held for investment, and property operating income from our real estate portfolio. This is partially offset by payment of interest expenses for master repurchase and credit facilities and mortgages payable, and operating expenses supporting our various lines

of business, including property management and operations, loan servicing and workout of loans in default, investment transaction costs, as well as general administrative costs.

Our operating activities provided net cash inflows of \$40.3 million and \$27.9 million for the six months ended June 30, 2026 and 2025, respectively. Net cash provided by operating activities increased for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to a one-time tax refund received during the six months ended June 30, 2026.

We believe cash flows from operations, available cash balances and our ability to generate cash through short and long-term borrowings are sufficient to fund our operating liquidity needs.

Investing Activities

Investing activities include cash outlays for disbursements on new and/or existing loans, which are partially offset by repayments of loans held for investment.

Investing activities used net cash of \$247.3 million for the six months ended June 30, 2026. Net cash used in investing activities during the six months ended June 30, 2026 resulted primarily from origination and fundings on our loans and preferred equity held for investment, net of \$559.5 million, partially offset by repayments on loans and preferred equity held for investment, net of \$293.0 million and proceeds from the sale of real estate of \$25.8 million.

Investing activities used net cash inflows of \$68.2 million for the six months ended June 30, 2025. Net cash used in investing activities for the six months ended June 30, 2025 resulted primarily from origination and fundings on our loans and preferred equity held for investment, net of \$210.7 million partially offset by repayments on loans and preferred equity held for investment, net of \$146.4 million.

Financing Activities

We finance our investing activities largely through borrowings secured by our investments along with capital from third party investors. We also have the ability to raise capital in the public markets through issuances of common stock, as well as draws upon our corporate credit facility and master repurchase facilities, to finance our investing and operating activities. Accordingly, we incur cash outlays for payments on third party debt and dividends to our common stockholders.

Financing activities generated net cash of \$202.9 million for the six months ended June 30, 2026, which resulted primarily from borrowings from master repurchase and credit facilities of \$937.0 million and borrowings from securitization bonds of \$833.2 million, partially offset by repayment of master repurchase and credit facilities of \$1.1 billion, repayment of securitization bonds of \$398.2 million and distributions paid on common stock of \$42.7 million.

Financing activities used net cash of \$158.6 million for the six months ended June 30, 2025, which resulted primarily from repayment of master repurchase and credit facilities of \$111.7 million and repayment of securitization bonds of \$106.0 million, distributions paid on common stock of \$41.6 million partially offset by borrowings from master repurchase and credit facilities of \$116.2 million.

Our Investment Strategy

Our objective is to generate consistent and attractive risk-adjusted returns to our stockholders. We seek to achieve this objective primarily through cash distributions and the preservation of invested capital. We believe our investment strategy provides flexibility through economic cycles to achieve attractive risk-adjusted returns. This approach is driven by a disciplined investment strategy, focused on:

- leveraging long standing relationships, our organizational structure and the experience of our team;
- the underlying real estate and market dynamics to identify investments with attractive risk-return profiles;
- primarily originating and structuring CRE senior loans and selective investments in mezzanine loans and preferred equity with attractive return profiles relative to the underlying value and financial operating performance of the real estate collateral, given the strength and quality of the sponsorship;
- structuring transactions with a prudent amount of leverage, if any, given the risk of the underlying asset's cash flows, attempting to match the structure and duration of the financing with the underlying asset's cash flows, including through the use of hedges, as appropriate; and
- operating our net leased real estate investments in an efficient and profitable manner, enhancing property value through proactive capital improvements and leasing strategies, and pursuing sale transactions to capture appreciation.

The period for which we intend to hold our investments will vary depending on the type of asset, interest rates, investment performance, micro and macro real estate environment, capital markets and credit availability, among other factors. We generally expect to hold debt investments until the stated maturity and equity investments in accordance with each investment's

proposed business plan. We may sell all or a partial ownership interest in an investment before the end of the expected holding period if we believe that market conditions have maximized its value to us, or the sale of the asset would otherwise be in the best interests of our stockholders.

Our investment strategy is flexible, enabling us to adapt to shifts in economic, real estate and capital market conditions and to exploit market inefficiencies. We may expand or change our investment strategy or target assets over time in response to opportunities available in different economic and capital market conditions. This flexibility in our investment strategy allows us to employ a customized, solutions-oriented approach, which we believe is attractive to borrowers and tenants. We believe that our diverse portfolio, our ability to originate, acquire and manage our target assets and the flexibility of our investment strategy positions us to capitalize on market inefficiencies and generate attractive long-term risk-adjusted returns for our stockholders through a variety of market conditions and economic cycles.

Underwriting, Asset and Risk Management

We closely monitor our portfolio and actively manage risks associated with, among other things, our assets and interest rates. Prior to investing in any particular asset, the underwriting team, in conjunction with third party providers, undertakes a rigorous asset-level due diligence process, involving intensive data collection and analysis, to ensure that we understand fully the state of the market and the risk-reward profile of the asset. Beginning in 2021, our investment and portfolio management and risk assessment practices diligence the sustainability and other standards of our business counterparties, including borrowers, sponsors and that of our investment assets and underlying collateral, which may include sustainability initiatives, recycling, energy efficiency and water management, volunteer and charitable efforts, anti-money laundering and know-your-client policies, and engagement and belonging practices in workforce leadership, composition and hiring practices. Prior to making a final investment decision, we focus on portfolio diversification to determine whether a target asset will cause our portfolio to be too heavily concentrated with, or cause too much risk exposure to, any one borrower, real estate sector, geographic region, source of cash flow for payment or other geopolitical issues. If we determine that a proposed acquisition presents excessive concentration risk, we may determine not to acquire an otherwise attractive asset.

For each asset that we acquire, our asset management team engages in active management of the asset, the intensity of which depends on the attendant risks. The asset manager works collaboratively with the underwriting team to formulate a strategic plan for the particular asset, which includes evaluating the underlying collateral and updating valuation assumptions to reflect changes in the real estate market and the general economy. This plan also generally outlines several strategies for the asset to extract the maximum amount of value from each asset under a variety of market conditions. Such strategies may vary depending on the type of asset, the availability of refinancing options, recourse and maturity, but may include, among others, the restructuring of non-performing or sub-performing loans, the negotiation of discounted payoffs or other modification of the terms governing a loan, and the foreclosure and management of assets underlying non-performing loans in order to reposition them for profitable disposition. We continuously track the progress of an asset against the original business plan to ensure that the attendant risks of continuing to own the asset do not outweigh the associated rewards. Under these circumstances, certain assets will require intensified asset management in order to achieve optimal value realization.

Our asset management team engages in a proactive and comprehensive on-going review of the credit quality of each asset it manages. In particular, for debt investments on at least an annual basis, the asset management team will evaluate the financial wherewithal of individual borrowers to meet contractual obligations as well as review the financial stability of the assets securing such debt investments. Further, there is ongoing review of borrower covenant compliance including the ability of borrowers to meet certain negotiated debt service coverage ratios and debt yield tests. For equity investments, the asset management team, with the assistance of third-party property managers, monitors and reviews key metrics such as occupancy, same-store sales, tenant payment rates, property budgets and capital expenditures. If through this analysis of credit quality, the asset management team encounters declines in credit quality not in accordance with the original business plan, the team evaluates the risks and determines what changes, if any, are required to the business plan to ensure that the attendant risks of continuing to hold the investment do not outweigh the associated rewards.

In addition, the audit committee of our board of directors, in consultation with management, periodically reviews our policies with respect to risk assessment and risk management, including key risks to which we are subject, including credit risk, liquidity risk and market risk, and the steps that management has taken to monitor and control such risks.

Inflation

Virtually all of our assets and liabilities are interest rate sensitive in nature. As a result, interest rates and other factors influence our performance significantly more than inflation does. A change in interest rates may correlate with the inflation rate. Substantially all of the leases at our multifamily properties allow for monthly or annual rent increases which provide us with the opportunity to achieve increases, where justified by the market, as each lease matures. Such types of leases generally minimize the risks of inflation on our multifamily properties.

Refer to Item 3, “Quantitative and Qualitative Disclosures About Market Risk” for additional details.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. There have been no material changes to our critical accounting estimates described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Recent Accounting Updates

For recent accounting updates, refer to Note 2, “Summary of Significant Accounting Policies” in our accompanying consolidated financial statements included in Part I, Item 1, “Financial Statements.”

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our primary market risks are interest rate risk, prepayment risk, extension risk, credit risk, real estate market risk, capital market risk and foreign currency risk, either directly through the assets held or indirectly through investments in unconsolidated ventures.

Interest Rate Risk

Interest rate risk relates to the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, international conflicts, inflation and other factors beyond our control. Credit curve spread risk is highly sensitive to the dynamics of the markets for loans and securities we hold. Excessive supply of these assets combined with reduced demand will cause the market to require a higher yield. This demand for higher yield will cause the market to use a higher spread over the U.S. Treasury securities yield curve, or other benchmark interest rates, to value these assets.

As U.S. Treasury securities are priced to a higher yield and/or the spread to U.S. Treasuries used to price the assets increases, the price at which we could sell some of our fixed rate financial assets may decline. Conversely, as U.S. Treasury securities are priced to a lower yield and/or the spread to U.S. Treasuries used to price the assets decreases, the value of our fixed rate financial assets may increase. Fluctuations in SOFR may affect the amount of interest income we earn on our floating rate borrowings and interest expense we incur on borrowings indexed to SOFR, including under credit facilities and investment-level financing.

We have utilized, and in the future may utilize, a variety of financial instruments on some of our investments, including interest rate swaps, caps, floors and other interest rate exchange contracts, in order to limit the effects of fluctuations in interest rates on our operations. The use of these types of derivatives to hedge interest-earning assets and/or interest-bearing liabilities carries certain risks, including the risk that losses on a hedge position will reduce the funds available for distribution and that such losses may exceed the amount invested in such instruments. A hedge may not perform its intended purpose of offsetting losses of rising interest rates. Moreover, with respect to certain of the instruments used as hedges, there is exposure to the risk that the counterparties may cease making markets and quoting prices in such instruments, which may inhibit the ability to enter into an offsetting transaction with respect to an open position. Our profitability may be adversely affected during any period as a result of changing interest rates. At June 30, 2026, we held no derivative instruments.

As of June 30, 2026, a hypothetical 100 basis point increase or decrease in the applicable interest rate benchmark on our loan portfolio would increase or decrease interest income by \$0.2 million annually, net of interest expense.

See the “Factors Impacting Our Operating Results” section in “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for further discussion on interest rates.

Prepayment risk

Prepayment risk is the risk that principal will be repaid at a different rate than anticipated, resulting in a less than expected return on an investment. As prepayments of principal are received, any premiums paid on such assets are amortized against interest income, while any discounts on such assets are accreted into interest income. Therefore, an increase in prepayment rates has the following impact: (i) accelerates amortization of purchase premiums, which reduces interest income earned on the assets; and conversely, (ii) accelerates accretion of purchase discounts, which increases interest income earned on the assets.

Extension risk

The weighted average life of assets is projected based on assumptions regarding the rate at which borrowers will prepay or extend their mortgages. If prepayment rates decrease or extension options are exercised by borrowers at a rate that deviates significantly from projections, the life of fixed rate assets could extend beyond the term of the secured debt agreements. This in turn could negatively impact liquidity to the extent that assets may have to be sold and losses may be incurred as a result.

Credit risk

Investment in loans held for investment is subject to a high degree of credit risk through exposure to loss from loan defaults. Default rates are subject to a wide variety of factors, including, but not limited to, borrower financial condition, property performance, property management, supply/demand factors, construction trends, consumer behavior, regional economics, interest rates, the strength of the U.S. economy and other factors beyond our control. All loans are subject to a certain probability of default. We manage credit risk through the underwriting process, acquiring investments at the appropriate discount to face value, if any, and establishing loss assumptions. We carefully monitor performance of all loans, including those held through joint venture investments, as well as the external factors that may affect their value.

We are also subject to the credit risk of the tenants in our properties, including business closures, occupancy levels, meeting rent or other expense obligations, lease concessions, and sustainability standards and practices among other factors. We seek to undertake a rigorous credit evaluation of the tenants prior to acquiring properties. This analysis includes an extensive due diligence investigation of the tenants' businesses, as well as an assessment of the strategic importance of the underlying real estate to the respective tenants' core business operations. Where appropriate, we may seek to augment the tenants' commitment to the properties by structuring various credit enhancement mechanisms into the underlying leases. These mechanisms could include security deposit requirements or guarantees from entities that are deemed credit worthy.

Our in-depth understanding of CRE and real estate-related investments, and in-house underwriting, asset management and resolution capabilities, provides us and management with a sophisticated full-service platform to regularly evaluate our investments and determine primary, secondary or alternative strategies to manage the credit risks described above. This includes intermediate servicing and complex and creative negotiating, restructuring of non-performing investments, foreclosure considerations, intense management or development of owned real estate, in each case to manage the risks faced to achieve value realization events in our interests and our stockholders. Solutions considered may include defensive loan or lease modifications, temporary interest or rent deferrals or forbearances, converting current interest payment obligations to payment-in-kind, repurposing reserves and/or covenant waivers. Depending on the nature of the underlying investment and credit risk, we may pursue repositioning strategies through judicious capital investment in order to extract value from the investment or limit losses.

There can be no assurance that the measures we take will be sufficient to address or mitigate the impact of credit risk on our future operating results, liquidity and financial condition.

Real estate market risk

We are exposed to the risks generally associated with the commercial real estate market. The market values of commercial real estate are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional, and local economic conditions, as well as changes or weakness in specific industry segments, and other macroeconomic factors beyond our control which have and may continue to affect occupancy rates, capitalization rates and absorption rates. This in turn could impact the performance of tenants and borrowers. We seek to manage these risks through our underwriting due diligence and asset management processes and the solutions-oriented process described above.

Capital markets risk

We are exposed to risks related to the debt capital markets, specifically the ability to finance our business through borrowings under secured revolving repurchase facilities, secured and unsecured warehouse facilities or other debt instruments. We seek to mitigate these risks by monitoring the debt capital markets to inform our decisions on the amount, timing and terms of our borrowings.

Our Master Repurchase Facilities are partial recourse, and margin call provisions do not permit valuation adjustments based on capital markets events; rather they are limited to collateral-specific credit marks generally determined on a commercially reasonable basis. For the six months ended June 30, 2026, and through July 28, 2026, we have not received any margin calls under our Master Repurchase Facilities.

We have amended our Bank Credit Facility and Master Repurchase Facilities to adjust certain covenants (such as the tangible net worth covenant), reduce advance rates on certain financed assets, obtain margin call holidays and permitted modification flexibilities, in an effort to mitigate the risk of future compliance issues, including margin calls, under our financing arrangements.

Foreign Currency Risk

We previously had foreign currency rate exposures related to our prior foreign currency-denominated investments held by our foreign subsidiaries. Changes in foreign currency rates could have adversely affected the fair values and earning of our non-U.S. holdings. We generally mitigated this foreign currency risk by utilizing currency instruments to hedge our prior net investments in our foreign subsidiaries. The type of hedging instruments that we employed on our foreign subsidiary investments were put options.

We had no foreign exchange contracts in place at June 30, 2026. The maturity dates of the prior instruments approximated the projected dates of related cash flows for specific investments. Termination or maturity of currency hedging instruments may have resulted in an obligation for payment to or from the counterparty to the hedging agreement. We were exposed to credit loss in the event of non-performance by counterparties for these contracts. To manage this risk, we selected major international banks and financial institutions as counterparties and performed a quarterly review of the financial health and stability of our trading counterparties. No counterparty defaulted on its obligations when we held foreign exchange contracts.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in our Exchange Act reports 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.

As required by Rule 13a-15(b) under the Exchange Act, our management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2026, our disclosure controls and procedures were effective at providing reasonable assurance regarding the reliability of the information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—Other Information

Item 1. Legal Proceedings

The Company is not currently subject to any material legal proceedings. We anticipate that we may from time to time be involved in legal actions arising in the ordinary course of business, the outcome of which we would not expect to have a material adverse effect on our financial position, results of operations or cash flow.

Item 1A. Risk Factors

An investment in our common stock involves a high degree of risk. You should carefully consider the risks included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 before deciding to purchase shares of our common stock. If any of the events, contingencies, circumstances or conditions described in the risks therein actually occurs, they could have a material adverse effect in our business, results of operations and financial conditions or cause our stock price to decline.

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

There were no sales of unregistered securities of our Company during the six months ended June 30, 2026.

Purchases of Equity Securities by Issuer

The following table summarizes the repurchase of common stock for the three months ended June 30, 2026 (in thousands, except per share data):

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs ⁽¹⁾
April 1 - 30, 2026	—	\$ —	—	\$ —
May 1 - 31, 2026	—	—	—	—
June 1 - 30, 2026 ⁽²⁾	3,576	5.47	3,576	30,453
Total	3,576	\$ 5.47	3,576	\$ 30,453

(1) In April 2025, the Company's board of directors authorized the prior stock repurchase program under which the Company may repurchase up to \$50.0 million of its outstanding Class A common stock until April 30, 2026. A new Stock Repurchase Program was entered into in April 2026 under which the Company may repurchase up to \$50.0 million of its outstanding Class A common stock until April 30, 2027.

(2) Excludes 265,811 shares which were repurchased in June 2026 and settled in July 2026, in accordance with the Company's policy.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits
EXHIBIT INDEX

Exhibit Number	Description of Exhibit
2.1	Agreement for Purchase and Sale of Real Estate, dated June 12, 2026, by and among ALTOAZ001 LLC and ALTRCA001 LLC, the Purchasers, and CLNC NNN Alberts AZ, LLC and CLNC NNN Alberts CA, LLC, the Sellers (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K (No.001-38377) filed on June 12, 2026
3.1	Articles of Amendment and Restatement of BrightSpire Capital, Inc., as amended (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (No. 001-38377) for the quarter ended June 30, 2021 filed on August 5, 2021)
3.2	Fifth Amended and Restated Bylaws of BrightSpire Capital, Inc., as amended (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q (No. 001-38377) for the quarter ended March 31, 2023 filed on May 3, 2023)
10.1*	Twelfth Omnibus Amendment to Transaction Documents, dated as of June 30, 2026, among BrightSpire Capital Operating Company, LLC (formerly known as Credit RE Operating Company, LLC, Guarantor), BrightSpire Credit 1, LLC (formerly known as CLNC Credit 1, LLC, "Credit 1"), BrightSpire Credit 2, LLC, (formerly known as CLNC Credit 2, LLC, "Credit 2"; together with Credit 1, collectively, "Seller") and Morgan Stanley Bank, N.A. a national banking association ("Buyer")
10.2†	Second Amendment to the BrightSpire Capital, Inc. 2022 Equity Incentive Plan, effective as of May 13, 2026 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (No. 001-38377) filed on May 13, 2026
10.3†	First Amendment to the Second Amended Employment Agreement by and between Michael Mazzei and BrightSpire Capital US, LLC, dated as of May 19, 2026 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (No. 001-38377) filed on May 19, 2026
31.1*	Certification by the Chief Executive Officer pursuant to 17 CFR 240.13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer pursuant to 17 CFR 240.13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification by the Chief Executive Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification by the Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

† Denotes a management contract or compensatory plan, contract or arrangement.

SIGNATURES

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

Dated: July 29, 2026

BRIGHTSPIRE CAPITAL, INC.

By: /s/ Michael J. Mazzei
Michael J. Mazzei
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Frank V. Saracino
Frank V. Saracino
Chief Financial Officer
(Principal Accounting Officer)

TWELFTH OMNIBUS AMENDMENT TO TRANSACTION DOCUMENTS

This TWELFTH OMNIBUS AMENDMENT TO TRANSACTION DOCUMENTS, dated as of June 30, 2026 (this “Amendment”), by and among BRIGHTSPIRE CAPITAL OPERATING COMPANY, LLC, a Delaware limited liability company (formerly known as “CREDIT RE OPERATING COMPANY, LLC”, “Guarantor”), BRIGHTSPIRE CREDIT 1, LLC, a Delaware limited liability company (formerly known as CLNC Credit 1, LLC, “Credit 1”), BRIGHTSPIRE CREDIT 2, LLC, a Delaware limited liability company (formerly known as CLNC Credit 2, LLC, “Credit 2”; together with Credit 1, collectively, “Seller”) and MORGAN STANLEY BANK, N.A., 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 hereinafter defined).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Second Amended and Restated Master Repurchase and Securities Contract Agreement, dated as of April 23, 2019, as amended by that certain First Omnibus Amendment, dated as of February 14, 2020, as further amended by that certain Second Omnibus Amendment, dated as of March 27, 2020, as further amended by that certain Third Omnibus Amendment, dated as of May 7, 2020, as further amended by that certain Fourth Omnibus Amendment, dated as of February 22, 2021, as further amended by that certain Fifth Omnibus Amendment, dated as of April 14, 2021, as further amended by that certain Sixth Omnibus Amendment, dated as of April 20, 2021, as further amended by that certain Sixth Omnibus Amendment[sic], dated as of January 24, 2022, as further amended by that certain Seventh Omnibus Amendment[sic], dated as of January 28, 2022, as further amended by that certain Eighth Omnibus Amendment[sic], dated as of July 11, 2022, as further amended by that certain Ninth Omnibus Amendment to Transaction Documents and Release Agreement[sic], dated as of September 15, 2023, as further amended by that certain Tenth Omnibus Amendment to Transaction Documents, dated as of August 22, 2024, and as further amended by that certain Eleventh Omnibus Amendment to Transaction Documents, dated as of December 17, 2025 (as may be further amended, modified and/or restated, the “Repurchase Agreement”), among Seller and Buyer;

WHEREAS, Guarantor guaranteed the obligations of Seller under the Repurchase Agreement and the other Transaction Documents pursuant to that certain Amended and Restated Guaranty Agreement, dated as of April 20, 2018, as amended by that certain Third Omnibus Amendment, dated as of May 7, 2020, and as further amended by that certain Fifth Omnibus Amendment, dated as of April 14, 2021, as further amended by that certain Sixth Omnibus Amendment[sic], dated as of January 24, 2022, as further amended by that certain Seventh Omnibus Amendment[sic], dated as of January 28, 2022, and as further amended by that certain Ninth Omnibus Amendment to Transaction Documents and Release Agreement[sic], dated as of September 15, 2023, and as further amended by that certain Eleventh Omnibus Amendment to Transaction Documents, dated as of December 17, 2025 (as amended, modified and/or restated, the “Guaranty”), from Guarantor to Buyer; and

WHEREAS, Seller, Guarantor and Buyer wish to amend and modify the Repurchase Agreement upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Guarantor and Buyer hereby agree that the Repurchase Agreement shall be amended and modified as follows:

1. Amendment of Repurchase Agreement. The Repurchase Agreement is hereby amended in its entirety in the form attached as Annex A hereto. Language being inserted into the applicable section of the Repurchase Agreement is evidenced on Annex A by **underlined text**. Language being deleted from the applicable section of the Repurchase Agreement is evidenced on Annex A by ~~strike-through text~~.
2. Effectiveness. The effectiveness of this Amendment is subject to receipt by Buyer of the following:
 - a. Amendment. This Amendment, duly executed and delivered by Seller, Guarantor and Buyer.
 - b. Good Standing. Certificates of existence and good standing and/or qualification to engage in business for Seller and Guarantor.
 - c. Responsible Officer Certificate. A signed certificate from a Responsible Officer of Seller and Guarantor certifying that the representations and warranties set forth in Section 4 hereof shall be true and correct.
3. Amendment of Transaction Documents. From and after the date hereof, all references in the Repurchase Agreement and the other Transaction Documents to the Repurchase Agreement and the Guaranty shall be deemed to refer to the Repurchase Agreement and the Guaranty as amended and modified by this Amendment and as same may be further amended, modified and/or restated.
4. Reaffirmation of Representations and Warranties. Guarantor and Seller each hereby represents and warrants to Buyer that, as of the date hereof, (i) it has the power to execute, deliver and perform its respective obligations under this Amendment, (ii) this Amendment has been duly executed and delivered by it for good and valuable consideration, and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles, (iii) Seller is not in default under the Repurchase Agreement or any of the other Transaction Documents beyond any applicable notice and cure periods, and there are no defenses, offsets or counterclaims against

Seller's obligations under the Repurchase Agreement or the other Transaction Documents, (iv) Guarantor is not in default under the Guaranty beyond any applicable notice and cure periods, and there are no defenses, offsets or counterclaims against its obligations under the Guaranty, (v) neither the execution and delivery of this Amendment, nor the consummation by it of the transactions contemplated by this Amendment, nor compliance by it with the terms, conditions and provisions of this Amendment will conflict with or result in a breach of any of the terms, conditions or provisions of (A) its organizational documents, (B) any contractual obligation to which it is now a party or the rights under which have been assigned to it or the obligations under which have been assumed by it or to which its assets are subject or constitute a default thereunder, or result thereunder in the creation or imposition of any lien upon any of its assets, other than pursuant to this Amendment, (C) any judgment or order, writ, injunction, decree or demand of any court applicable to it, or (D) any applicable Requirement of Law, in the case of clauses (B)-(D) above, to the extent that such conflict or breach is reasonably likely to result in a Material Adverse Effect, (vi) no Margin Deficit exists, (vii) all representations and warranties in the Repurchase Agreement are true, correct, complete and accurate in all respects as of the date hereof (except as may be set forth in any Exceptions Report), and (viii) no amendments have been made to the organizational documents of Seller or Guarantor since June 23, 2019 other than (a) that certain Second Amended and Restated Limited Liability Company Agreement of Credit 1 dated as of June 28, 2021, (b) that certain Second Amended and Restated Limited Liability Company Agreement of Guarantor dated as of June 24, 2021, (c) that certain Certificate of Amendment to Certificate of Formation of Guarantor dated as of June 24, 2021, (d) that certain Certificate of Amendment to Certificate of Formation of Credit 1 dated as of June 28, 2021 and (e) that certain Certificate of Amendment to Certificate of Formation of Credit 2 dated as of June 28, 2021. Guarantor hereby represents and warrants to Buyer that all of the representations and warranties set forth in Article III of the Guaranty remain true and correct as of the date hereof.

5. Counterparts. This Amendment may be executed by each of the parties hereto in any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by electronic transmission shall be effective as delivery of a manually executed original counterpart thereof.
6. **GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK**

WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

7. Expenses. Seller hereby acknowledges and agrees that Seller shall be responsible for all reasonable out-of-pocket costs and expenses of Buyer in connection with documenting and consummating the modifications contemplated by this Amendment, including, but not limited to, the reasonable fees and expenses of Buyer's external legal counsel.
8. Reaffirmation of Guaranty. Guarantor acknowledges and agrees that, except as modified hereby, the Guaranty remains unmodified and in full force and effect and enforceable in accordance with its terms.
9. Repurchase Agreement, Guaranty and Transaction Documents in Full Force and Effect. Except as expressly amended hereby, Seller and Guarantor acknowledge and agree that all of the terms, covenants and conditions of the Repurchase Agreement and the Transaction Documents remain unmodified and in full force and effect and are hereby ratified and confirmed in all respects.
10. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives.
11. Further Agreements. Seller and Guarantor agree to execute and deliver such additional documents, instruments or agreements as may be reasonably requested by Buyer and as may be necessary or appropriate from time to time to effectuate the purposes of this Amendment.
12. Entire Agreement. This Amendment constitutes the entire agreement among the parties hereto with respect to the subject matter herein and supersedes any prior understanding, agreements, or representations by or among the parties hereto.
13. Section Headings. The section headings herein are for convenience of reference only and shall not affect in any way the interpretation of any of the provisions hereof.

[NO FURTHER TEXT ON THIS PAGE]

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:

MORGAN STANLEY BANK, N.A.

By: /s/ Anthony Preisano_____

Name: Anthony Preisano

Title: Managing Director

[Signatures continue on the next page]

[BRSP/MS - Signature Page to Twelfth Omnibus Amendment]

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.

GUARANTOR:

BRIGHTSPIRE CAPITAL OPERATING COMPANY, LLC,

By: /s/ David A. Palamé

Name: David A. Palamé

Title: Vice President

[BRSP/MS - Signature Page to Twelfth Omnibus Amendment]

**ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST SET FORTH ABOVE:**

SELLER:

BRIGHTSPIRE CREDIT 1, LLC,
a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palame
Title: Vice President

BRIGHTSPIRE CREDIT 2, LLC,
a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

[BRSP/MS - Signature Page to Twelfth Omnibus Amendment]

ANNEX A

[See attached]

SECOND AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT

among

MORGAN STANLEY BANK, N.A.

as Buyer

and

MS LOAN NT-I, LLC, MS LOAN NT-II, LLC, BRIGHTSPIRE CREDIT 1, LLC AND BRIGHTSPIRE CREDIT 2, LLC

collectively, as Seller

April 23, 2019

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EXHIBIT II-1 Form of Power of Attorney to Buyer

EXHIBIT II-2 Form of Power of Attorney to Seller

EXHIBIT III-1 Representations and Warranties Regarding each Purchased Asset that is a Mortgage Loan

EXHIBIT III-2 Representations and Warranties Regarding each Purchased Asset that is a Mezzanine Loan

EXHIBIT IV Form of Bailee Agreement

EXHIBIT V Authorized Representatives of Seller

EXHIBIT VI [Reserved]

ANNEXES

ANNEX I Names and Addresses for Communications Between Parties

ANNEX II Wiring Instructions

SECOND AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT AGREEMENT

This Second Amended and Restated Master Repurchase and Securities Contract Agreement (this “Agreement”) is dated as of April 23, 2019 and is made by and among MORGAN STANLEY BANK, N.A., as buyer (“Buyer”) and MS LOAN NT-I, LLC, a Delaware limited liability company (“NT-I”), MS LOAN NT-II, LLC, a Delaware limited liability company (“NT-II”), BRIGHTSPIRE CREDIT 1, LLC, a Delaware limited liability company (“Credit 1”), BRIGHTSPIRE CREDIT 2, LLC, a Delaware limited liability company (“Credit 2” and together with NT-I, NT-II and Credit 1, individually or collectively, as the context may require, “Seller”).

WHEREAS, NT-II, as seller, and Buyer, as buyer, entered into that certain Master Repurchase and Securities Contract Agreement (as amended to the date hereof, the “NT-II MRA”) as of June 5, 2015;

WHEREAS, NT-I, as seller, and Buyer, as buyer, entered into that certain Master Repurchase and Securities Contract Agreement (as amended to the date hereof, the “NT-I MRA”) as of October 13, 2015; and

WHEREAS, pursuant to that certain Amended and Restated Master Repurchase and Securities Contract Agreement (the “First A&R MRA”), dated as of April 20, 2018 (the “Original Closing Date”), NT-I, NT-II and Buyer amended, restated and consolidated the NT-I MRA and the NT-II MRA, and each of Credit 1 and Credit 2 joined the First A&R MRA as a Seller;

WHEREAS, Seller and Buyer desire to amend and restate the First A&R MRA pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the covenants, agreements, representations and warranties set forth in this Agreement, the parties hereto hereby covenant, agree, represent and warrant as follows:

1. APPLICABILITY

From time to time the parties hereto may enter into transactions in which Seller agrees to transfer to Buyer one or more Eligible Assets, on a servicing-released basis, against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Eligible Assets at a date certain (or such earlier date, in accordance with the terms hereof), against the transfer of funds by Seller to Buyer. Each such transaction involving the transfer of an Eligible Asset from Seller to Buyer shall be referred to herein as a “Transaction” and, unless otherwise agreed in writing, shall be governed by this Agreement.

2. DEFINITIONS

Capitalized terms in this Agreement shall have the respective meanings set forth below:

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“AB Mortgage Loan” shall mean a Mortgage Loan evidenced by two or more senior and subordinate Mortgage Notes.

“Accelerated Repurchase Date” shall have the meaning specified in Section 14(b)(i) of this Agreement.

“Acceptable Attorney”: (i) Ropes & Gray LLP or (ii) any other attorney- at-law or law firm reasonably acceptable to Buyer and as identified to the Custodian in the Purchased Asset File Checklist, or notary (if required in the relevant jurisdiction) that has, in the case of each of (i) or (ii) herein, delivered at Seller’s request a Bailee Agreement.

“Act of Insolvency” shall mean, with respect to any Person, (a) the filing of a decree or order for relief by a court having jurisdiction over 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, administration 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 sixty (60) 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, administration 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 or otherwise in writing of the inability of such Person to pay its debts or discharge its financial obligations generally as they become due or mature, (g) the failure by such Person generally to pay its debts as they become due, (h) the taking of any action by any Governmental Authority or agency or any Person, agency or entity acting or purporting to act under Governmental Authority to condemn, seize or appropriate, or to assume custody or control of, all or any substantial part of the property of such Person, or shall have taken any action to displace the management of such Person or to curtail its authority in the conduct of a material portion of the business of such Person, or (i) the taking of action by such Person in furtherance of any of the foregoing.

“Affiliate” shall mean, (a) when used with respect to Seller, Guarantor or Sponsor, each of Manager, Sponsor or Sponsor’s Subsidiaries or (b) when used with respect to any other specified Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, such Person.

“Affiliated Hedge Counterparty” shall mean Morgan Stanley Bank, N.A., or any Affiliate thereof, in its capacity as a party to any Hedging Transaction with Seller.

“Aggregate Repurchase Price” shall mean, as of any date of determination, the aggregate Repurchase Price (excluding any accrued and unpaid Price Differential) of all Purchased Assets outstanding as of such date.

“Agreement” shall have the meaning specified in the introductory paragraph hereto.

“Applicable Spread” shall have the meaning specified in the Fee Letter.

“Appraisal” shall mean an appraisal of any Eligible Property prepared by a licensed Independent Appraiser approved by Buyer in its reasonable discretion, in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, in compliance with the requirements of Title 11 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

“Asset Base Component” shall mean, as of any date of determination, with respect to each Purchased Asset, the product of (a) its then current Market Value, multiplied by (b) the Maximum Purchase Percentage applicable to such Purchased Asset as set forth in the related Confirmation.

“Assignment of Leases” shall mean, with respect to any Purchased Asset that is a Mortgage Loan, any assignment of leases, rents and profits or equivalent instrument, whether contained in the related Mortgage or executed separately, assigning to the holder or holders of such Mortgage all of the related Mortgagor’s interest in the leases, rents and profits derived from the ownership, operation, leasing or disposition of all or a portion of the related Mortgaged Property as security for repayment of such Purchased Asset.

“Assignment of Mortgage” shall mean, with respect to any Purchased Asset that is a Mortgage Loan, an assignment of the mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related property is located to reflect the assignment and pledge of the Mortgage, subject to the terms of this Agreement.

“Available Borrowing Capacity” means, on any date of determination, the total unrestricted borrowing capacity which may be drawn (taking into account required reserves and discounts) upon by the Guarantor and its Subsidiaries under any credit facilities (excluding repurchase agreements or note on note facilities), but with respect to any such credit facility, solely to the extent that such available borrowing capacity is committed by the related lender.

“Available Tenor” means, as of any date of determination and with respect to the then- current Benchmark, any tenor for such Benchmark or payment period for price differential calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of a Pricing Period pursuant to this Agreement as of such date.

“Bailee” shall mean an Acceptable Attorney or any such third party as Buyer and Seller shall mutually approve in their sole discretion.

“Bailee Agreement” shall mean a Bailee Agreement among Seller, Buyer and Bailee in the form of Exhibit IV hereto or as otherwise agreed to by Buyer and Seller.

“Bailee Delivery Failure” shall have the meaning specified in the Bailee Agreement.

“Bankruptcy Code” shall mean Title 11 of the United States Code, as amended, modified or replaced from time to time.

“Benchmark” means, initially, Term SOFR; provided that, if a Benchmark Transition Event and the Benchmark Replacement Date with respect thereto have occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent such Benchmark Replacement has replaced such Benchmark pursuant to Section 3(k).

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Buyer on the applicable Benchmark Replacement Date:

- 1) the sum of: (a) either of (i) Compounded SOFR or (ii) Daily Simple SOFR, as selected by the Buyer to be the then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for the applicable loan market and (b) the applicable Benchmark Replacement Adjustment;
- 2) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment; or
- 3) the sum of: (a) the alternate rate of interest that has been selected by the Buyer as the replacement for the then-current Benchmark for the applicable Corresponding Tenor in accordance with any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated secured financings or securitizations relating to the relevant asset class, as applicable at such time and (b) the Benchmark Replacement Adjustment;

provided that, in each case, the alternative selected shall be consistent with the alternative selected by the Buyer in its commercial real estate mortgage loan repurchase facilities with similarly situated counterparties. If at any time the Benchmark Replacement as determined pursuant to this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement.

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by Buyer as of the Benchmark Replacement Date:

- 1) 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, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or
- 2) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Buyer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated secured financing or securitization transactions relating to the relevant asset class, as applicable at such time;

provided that, in each case, the alternative selected shall be consistent with the alternative selected by the Buyer in its commercial real estate mortgage loan repurchase facilities with similarly situated counterparties.

“Benchmark Replacement Conforming Changes” means, with respect to the use or administration of Term SOFR or any Benchmark Replacement, any technical, administrative or operational changes (including but not limited to changes to the definition of “Business Day”, the definition of “Pricing Period,” timing and frequency of determining rates and making payments of price differential, timing of Transaction requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that, after consultation with Seller, the Buyer decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Buyer in a manner substantially consistent with market practice for repurchase facilities or similar structured finance arrangements involving counterparties of similar size, credit quality and market reputation as the Seller (or, if the Buyer decides that adoption of any portion of such market practice is not administratively feasible or if the Buyer determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Buyer determines is reasonably necessary in connection with the administration of this Agreement); provided that the technical, administrative or operational changes shall be consistent with the technical, administrative or operational changes selected by the Buyer in its commercial real estate mortgage loan repurchase facilities with similarly situated counterparties.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark or if the then current Benchmark is Term SOFR, with respect to the Term SOFR Reference Rate:

- 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 (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

- 2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- 1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- 2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), 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 (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that

will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

- 3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Business Day” shall mean any day other than (i) a Saturday or Sunday and (ii) a day on which the New York Stock Exchange, the Federal Reserve Bank of New York, the Custodian or Buyer is authorized or obligated by law or executive order to be closed.

“Buyer” shall have the meaning specified in the introductory paragraph hereto.

“Capital Expenditures” means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

“Capital Lease Obligations” means, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

“Capital Stock” means, with respect to any Person, all of the shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock or share capital of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock or share capital of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“Cash Equivalents” means, as of any date of determination (i) marketable securities (a) issued or the principal and interest of which are directly and unconditionally guaranteed by the

United States or (b) issued by any agency of the United States, the obligations of which are backed by the full faith and credit of the United States and (ii) time deposits, certificates of deposit, money market accounts or banker's acceptances of any investment grade rated commercial bank, in each case with respect to clauses (i) and (ii) which mature within ninety (90) days after such date of determination.

“Cause” shall mean, with respect to an Independent Director, any of the following: (i) acts or omissions by such Independent Director that constitute willful disregard of, or bad faith or gross negligence with respect to, the Independent Director's duties with respect to Seller's obligations under this Agreement, (ii) such Independent Director 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, (iii) such Independent Director is unable to perform his or her duties as Independent Director due to death, disability or incapacity, or (iv) such Independent Director no longer meets the definition of “Independent Director” in Section 2 of this Agreement.

“Change of Control” shall mean any of the following events shall have occurred without the prior written approval of Buyer: at any time: (i) prior to an internalization of management by Guarantor, Manager or any Affiliate thereof (as replacement manager) shall cease to be the manager or advisor of Guarantor; (ii) any “person” or “group” (within the meaning of Section 13(d) or 14(d) of the 1934 Act) (other than Affiliates of Sponsor) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the beneficial owner, directly or indirectly, of 49% or more of the total voting power of all classes of ownership interests of Guarantor, Sponsor or Manager, entitled to vote generally in the election of the directors (or the applicable equivalent) of any such Person; (iii) Sponsor shall cease to own, of record and beneficially, directly or indirectly 51% or more of the ownership interests of Guarantor and Control Guarantor; (iv) Guarantor shall cease to own, of record and beneficially, directly or indirectly, 100% or more of the ownership interests of Seller and Control Seller; (v) prior to an internalization of management by Guarantor, CLNS shall cease to Control Manager or any Affiliate thereof (as replacement manager); or (vi) the first day on which a majority of the members of the board of directors of the Sponsor are not Continuing Directors. Notwithstanding the foregoing, Buyer shall not be deemed to approve or to have approved any internalization of management by Sponsor or Guarantor as a result of this definition or any other provision herein, other than to the extent approved pursuant to Section 12(t) of this Agreement.

“CLNS” shall mean Colony NorthStar, Inc., a Maryland corporation.

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

“Collection Period” shall mean, with respect to any Remittance Date in any month for any Purchased Assets, the period beginning on the Remittance Date for such Purchased Asset in the preceding month to and including the calendar day immediately preceding such Remittance Date.

“Colony” shall mean, Colony Capital Operating Company, LLC, a Delaware limited liability company.

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

- 1) the rate or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- 2) if, and to the extent that, the Buyer determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Buyer giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated secured financing or securitization transactions relating to the relevant asset class, as applicable at such time.

“Concentration Limit” shall mean, (a) with respect to any New Asset, the original Purchase Price of such New Asset does not exceed 40% of the Facility Amount and (b) at all times, the aggregate Purchase Price of all Purchased Assets that are secured by hospitality and retail properties, together with the aggregate amount of unfunded Future Advance Purchases that Buyer has agreed to make, subject to the satisfaction of the conditions set forth in the applicable Confirmation with respect to such Purchased Assets, does not exceed 20% of the Facility Amount (or such higher limit as may be approved by Buyer in its sole discretion).

“Confirmation” shall have the meaning specified in Section 3(d) of this Agreement.

“Consolidated EBITDA” means, with respect to any Person for any period, Core Earnings plus an amount which, in the determination of Core Earnings for such period, has been deducted (and not added back) for, without duplication, (i) Consolidated Interest Expense, (ii) provisions for taxes based on income of such Person and its Consolidated Subsidiaries (provided that Consolidated EBITDA shall, solely with respect to the Consolidated EBITDA attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount), and (iii) preferred dividends.

“Consolidated Group Pro Rata Share” means, with respect to any Non Wholly-Owned Consolidated Affiliate, the percentage interest held by the Guarantor and its Wholly Owned Subsidiaries, in the aggregate, in such Non Wholly-Owned Consolidated Affiliate determined by calculating the percentage of Capital Stock of such Non Wholly-Owned Consolidated Affiliate owned by the Guarantor and its Wholly Owned Subsidiaries.

“Consolidated Interest Expense” means, with respect to any Person for any period, total interest expense (including that attributable to Capital Lease Obligations) of such Person and its Consolidated Subsidiaries for such period with respect to all outstanding Indebtedness of such Person and its Consolidated Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP); provided that Consolidated Interest Expense shall, with respect to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the total cash interest expense (determined in accordance with GAAP) of such Non Wholly-Owned Consolidated Affiliate for such period.

“Consolidated Leverage Ratio” means, with respect to any Person on any date of determination, the ratio of (a) Consolidated Total Debt on such day to (b) Total Asset Value as of such date.

“Consolidated Subsidiaries” means, with respect to any Person, all Subsidiaries of such Person which are consolidated with such Person for financial reporting purposes under GAAP.

“Consolidated Tangible Net Worth” means, for any Person on any date of determination, all amounts that would, in conformity with GAAP, be included on a consolidated balance sheet of such Person and its Consolidated Subsidiaries under stockholders’ equity at such date *plus* (i) accumulated depreciation and (ii) amortization of real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate, in each case, of such Person and its Consolidated Subsidiaries on such date (provided that the amounts described in the foregoing clauses (i) and (ii) shall, solely with respect to any such amount attributable to any Non Wholly- Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount) *minus* the Intangible Assets of such Person and its Consolidated Subsidiaries on such date (provided that any such amount deducted with respect to deferred financing costs shall, solely with respect to any such amount attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount).

“Consolidated Total Debt” means, with respect to any Person on any date of determination, the aggregate principal amount of all Indebtedness of the such Person and its Consolidated Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP; provided that Consolidated Total Debt shall (i) exclude any Indebtedness attributable to a Specified GAAP Reportable B Loan Transaction, (ii) exclude all Permitted Non-Recourse CLO Indebtedness and (iii) solely with respect to the Indebtedness of any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such Indebtedness.

“Continuing Directors” means, as of any date of determination, any member of the board of directors who (i) was a member of the board of directors of Sponsor on January 31, 2018, or

(ii) directors whose election or nomination was approved by individuals referred to in the foregoing clause (i) constituting at the time of such election or nomination at least a majority of the board of directors, or (iii) directors whose election or nomination was approved by individuals referred to in the foregoing clauses (i) and/or (ii) constituting at the time of such election or nomination at least a majority of the board of directors.

“Control” shall mean, with respect to any Person, the possession of the direct or indirect 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” and “Controlled” and “under common Control” have correlative meanings.

“Controlled Account” shall have the meaning specified in Section 5(a) of this Agreement.

“Controlled Account Agreement” shall mean, individually or collectively as the context may require, each controlled account agreement executed by Buyer, Seller and Depository Bank (and any successor thereto or replacement thereof executed by Buyer, Seller and Depository Bank) with respect to the Controlled Account, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Core Earnings” means, with respect to any Person for any period, net income determined in accordance with GAAP of such Person and its consolidated subsidiaries and excluding (but only to the extent included in determining net income for such period) (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with the formation of the Sponsor and the offering in connection therewith, including the initial underwriting discounts and commissions, (iii) acquisition costs from successful acquisitions (other than acquisitions made in the ordinary course of business), (iv) real property depreciation and amortization, (v) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, (vi) extraordinary or non-recurring gains or losses and (vii) one-time expenses, charges or gains relating to changes in GAAP; provided that Core Earnings shall, solely with respect to the Core Earnings attributable to any Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of such attributable amount.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or a price differential payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Custodial Agreement” shall mean the Second Amended and Restated Custodial Agreement, dated as of the date hereof, entered into by and among Custodian, Seller and Buyer, as the same may be amended, supplemented or otherwise modified from time to time.

“Custodian” shall mean Wells Fargo Bank, N.A., or any successor custodian appointed by Buyer and reasonably acceptable to Seller, or appointed by Buyer in Buyer’s sole discretion during the continuance of an Event of Default.

“Customary Recourse Exceptions” means, with respect to any Non-Recourse Indebtedness, exclusions from the exculpation provisions with respect to such Non-Recourse Indebtedness such as fraud, misapplication of cash, voluntary bankruptcy, environmental claims, breach of representations and warranties, failure to pay taxes and insurance, as applicable, and other circumstances customarily excluded by institutional lenders from exculpation provisions and/or included in separate indemnification agreements in non-recourse financings of commercial real estate.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Buyer in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans at such times; provided that, if the Buyer decides that any such convention is not administratively feasible, then the Buyer may establish another convention in its reasonable discretion.

“Debt Yield Ratio” shall mean, with respect to any Eligible Property directly or indirectly securing a New Asset, the quotient (expressed as a percentage) of (i) net operating income for the trailing 12-month period for the most recently ended fiscal quarter, divided by (ii) the total amount of indebtedness secured directly or indirectly by such Eligible Property that is senior to or *pari passu* with such New Asset.

“Default” shall mean any event that, with the giving of notice, the passage of the applicable cure period, or both, would constitute an Event of Default.

“Defaulted Asset” shall mean any Purchased Asset as to which (i) there is a material breach beyond any applicable notice and cure period of a representation or warranty by Seller under Exhibit III attached hereto (without regard to any knowledge qualifier therein) other than permitted exceptions in the applicable Exception Report, (ii) a default has occurred and is continuing beyond any applicable notice and cure period under the related Purchased Asset Documents in the payment when due of any scheduled payment of interest or principal or any other amounts due under the Purchased Asset Documents, (iii) the occurrence and continuance of any other material non-monetary “event of default” as defined under the related Purchased Asset Documents, (iv) to the extent that the related Transaction is deemed to be a loan under federal, state or the local law of the applicable jurisdiction, Buyer ceases to have a first priority perfected security interest in the related Purchased Asset, (v) a Significant Modification has been made without the consent of Buyer pursuant to this Agreement, (vi) the related Purchased Asset File or any portion thereof is subject to a continuing Bailee Delivery Failure or has been released from the possession of Custodian under the Custodial Agreement to anyone other than Buyer or any Affiliate of Buyer except in accordance with the terms of the Custodial Agreement or (vii) upon the occurrence of any Act of Insolvency with respect to any co-participant or any other person having an interest in such Purchased Asset or any related Mortgaged Property and such person acts as the “lead lender,” “administrative agent,” “payment agent” or in any similar role, including, without limitation, if such person collects payments or administers such Purchased Asset.

“Depository Bank” shall mean Wells Fargo Bank, N.A., or any successor depository bank appointed by Buyer and reasonably acceptable to Seller, or appointed by Buyer in Buyer’s sole discretion during the continuance of an Event of Default.

“Diligence Fees” shall mean fees, costs and expenses payable by Seller to Buyer in respect of Buyer’s reasonable, out-of-pocket fees, costs and expenses (other than legal expenses) incurred in connection with its review of the Diligence Materials hereunder and Buyer’s continuing due diligence reviews of Purchased Assets pursuant to Section 21 or otherwise hereunder; provided, however, that, so long as no Event of Default is continuing, such fees, costs and expenses (other than the cost of appraisals and legal expenses) of Buyer shall not exceed \$10,000 per annum without the prior written consent of Seller.

“Diligence Materials” shall mean, with respect to any New Asset, the related Preliminary Due Diligence Package together with the related Supplemental Due Diligence Package.

“Disclosing Party” shall have the meaning specified in Section 27(a) hereof.

“Draft Appraisal” shall mean a short form appraisal, “letter opinion of value”, or any other form of draft appraisal reasonably acceptable to Buyer.

“Early Repurchase Date” shall have the meaning specified in Section 3(h) of this Agreement.

“Eligible Assets” shall mean loan assets which, as of the related Purchase Date, are either (i) performing Mortgage Loans, Participation Interests or Mezzanine Loans, in each case denominated in U.S. Dollars (provided that such Mezzanine Loan was originated in connection with a Mortgage Loan that is an Eligible Asset and that Seller is simultaneously pledging to Buyer hereunder) (A) acceptable to Buyer in the exercise of its sole good faith discretion as evidenced by Buyer’s delivery of an executed Confirmation, (B) secured directly by one or more Eligible Properties, (C) which have a term equal to or less than ten (10) years (assuming exercise of all extension options), (D) as to which the applicable representations and warranties set forth in Exhibit III are true and correct as of the applicable Purchase Date unless otherwise disclosed in the Exception Report delivered to Buyer on or prior to such Purchase Date, (E) that do not require any Hedging Transaction or have a Hedging Transaction acceptable to Buyer in Buyer’s sole good faith discretion, (F) that have a maximum LTV not in excess of 80%, (G) that have an original principal balance of not less than \$5,000,000, (H) that is not a Defaulted Asset and (I) that are not subject to restrictions on transfer of lender’s interest therein (other than customary “qualified transferee” requirements) and (ii) such other commercial mortgage loan debt instruments acceptable to Buyer in Buyer’s sole good faith discretion; in each case, acceptable to Buyer in Buyer’s sole good faith discretion on a case-by-case basis as evidenced by Buyer’s delivery of an executed Confirmation.

“Eligible Property” shall mean a property that is (i) a multifamily, office, retail, industrial, hospitality, self-storage, such other property type acceptable to Buyer in the exercise

of its sole discretion or any combination thereof and (ii) located in the United States (or any territory thereof).

“ERISA” shall mean 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” shall mean any corporation or trade or business (whether or not incorporated) that is a member of any group of organizations described in (i) Section 414(b) or (c) of the Code or Section 4001(b) of ERISA of which Seller is a member at any relevant time or (ii) solely for purposes of the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which Seller is a member.

“Event of Default” shall have the meaning specified in Section 14(a).

“Exception Report” shall have the meaning specified in Section 3(c)(viii).

“Excluded Taxes” shall mean 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 Transaction located in, the jurisdiction imposing such Tax (or any political subdivision thereof), or (ii) that are Other Connection Taxes, (b) withholding Taxes imposed on amounts payable to or for the account of Buyer or an assignee pursuant to a law in effect as of the date on which such Person (i) becomes a party to this Agreement, (ii) changes the office from which it books the Transactions or (iii) where Buyer is treated as a partnership for tax purposes and the tax status of a partner in such partnership is determinative of the obligation to pay Taxes, the later of the date on which Buyer acquired its applicable interest hereunder or the date on which the affected partner becomes a partner of Buyer, except to the extent that, pursuant to Section 3(p), the sum payable to such Person’s assignor immediately before such Person became a party to this Agreement or to such Person immediately before it changed the office from which it books the Transaction was increased in respect of such Taxes, (c) Taxes attributable to Buyer’s failure to comply with Section 3(q) of this Agreement and (d) any withholding Taxes imposed under FATCA.

“Exit Fee” shall have the meaning specified in the Fee Letter.

“Extension Fee” shall have the meaning specified in the Fee Letter.

“Executive Order 13224” shall mean Executive Order 13224 “On Terrorist Financing: Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism”, effective September 24, 2001.

“Facility Amount” shall mean \$600,000,000 subject to any reduction in accordance with Section 9(b) hereof.

“Facility Termination Date” shall mean October 20, 2028.

“FATCA” shall mean 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), together in each case with any current or future regulations, guidance or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any law or agreement implementing an intergovernmental approach thereto.

“FATF” shall mean the Financial Action Task Force on Money Laundering.

“FCA Regulations” has the meaning set forth in Section 24(j).

“FDIA” shall mean the Federal Deposit Insurance Act, as amended.

“FDICIA” shall mean Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991.

“Federal Funds Rate” means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve Bank of New York arranged by federal funds brokers on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations at approximately 10:00 a.m. (New York time) on such day on such transactions received by Buyer from three federal funds brokers of recognized standing selected by Buyer in its reasonable discretion.

“Fee Letter” shall mean that certain Second Amended and Restated Fee Letter, dated as of the date hereof, between Buyer and Seller, as the same may be amended, supplemented or otherwise modified from time to time.

“Filings” shall have the meaning specified in Section 6(b) of this Agreement.

“Final Approval” shall have the meaning specified in Section 3(c) of this Agreement.

“Financial Covenant Compliance Certificate” shall mean, with respect to any Person, an Officer’s Certificate to be delivered, subject to Section 3(e)(iii) of this Agreement, within forty- five (45) days after the end of the first three (3) fiscal quarters and within ninety (90) days after the end of each fiscal year confirming that as of the fiscal quarter most recently ended, such Person shall have maintained:

(a) Minimum Liquidity. Liquidity at any time of not less than the lower of (i) Fifty Million Dollars (\$50,000,000.00) and (ii) the greater of (A) Ten Million Dollars (\$10,000,000.00) and (B) five percent (5%) of Guarantor's Recourse Indebtedness;

(b) Minimum Tangible Net Worth. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) \$900,000,000.00 plus (ii) seventy percent (70%) of the net cash proceeds thereafter received by the Guarantor (x) from any offering by the Guarantor of its common equity and (y) from any offering by the Sponsor of its common equity to the extent such net cash proceeds are contributed to the Guarantor, excluding any such net cash proceeds that are contributed to the Guarantor within ninety (90) days of receipt of such net cash proceeds and applied to purchase, redeem or otherwise acquire Capital Stock issued by the Guarantor (or any direct or indirect parent thereof).

(c) Maximum Consolidated Leverage Ratio. The Consolidated Leverage Ratio at any time of not greater than 0.75 to 1.00; and

(d) Minimum Interest Coverage Ratio. As of any date of determination, the ratio of (i) Consolidated EBITDA for the period of twelve (12) consecutive months ended on such date (if such date is the last day of a fiscal quarter) or the fiscal quarter most recently ended prior to such date (if such date is not the last day of a fiscal quarter) to (ii) Consolidated Interest Expense for such period of not less than 1.4 to 1.

"First Mortgage A-Note" shall mean (i) a senior Mortgage Note in an AB Mortgage Loan or (ii) a senior *pari passu* Mortgage Note in a Split Mortgage Loan.

"Fixed Charges" shall mean, with respect to any Person at any time, the amount of interest paid in cash with respect to Indebtedness as shown on such Person's consolidated statement of cash flow in accordance with GAAP.

"Floor" means zero basis points (0.0%).

"Future Advance Asset" shall mean any Purchased Asset with respect to which there exists a continuing obligation on the part of the holder of the Purchased Asset after the related closing date of such Purchased Asset to provide additional funding to the Underlying Borrower upon the terms and conditions in the applicable Purchased Asset Documents.

"Future Advance Purchase" shall have the meaning specified in Section 3(g) of this Agreement.

"GAAP" shall mean United States generally accepted accounting principles consistently applied as in effect from time to time.

"GLB Act" shall have the meaning specified in Section 27(b) hereof.

"GLB Indemnified Party" shall have the meaning specified in Section 27(b) hereof.

“Governmental Authority” shall mean any national or federal government, any state, regional, local or other political subdivision thereof with jurisdiction and any Person with jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Guarantee” means, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which the Guarantee is made and (b) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation or maximum amount for which such Person may be liable is not stated or determinable, in which case the amount of such Guarantee shall be such Person’s maximum reasonably anticipated liability in respect thereof as determined by such Person in accordance with GAAP. The terms “Guarantee” and “Guaranteed” used as verbs shall have correlative meanings.

“Guarantor” shall mean BrightSpire Capital Operating Company, LLC, a Delaware limited liability company.

“Guaranty” shall mean that certain Amended and Restated Guaranty Agreement, dated as of April 20, 2018, made by Guarantor in favor of Buyer as the same may be amended, supplemented or otherwise modified from time to time.

“Hedging Transactions” shall mean, with respect to any or all of the Purchased Assets, any short sale of U.S. Treasury Securities or mortgage-related securities, futures contract (including currency futures) or options contract or any interest rate swap, cap or collar agreement or similar arrangements providing for protection against fluctuations in interest rates or the exchange of nominal interest obligations, either generally or under specific contingencies, entered into by Seller, or by the underlying obligor with respect to any Purchased Asset and pledged to Seller as collateral for such Purchased Asset, with one or more counterparties that is an Affiliated Hedge Counterparty or a Qualified Hedge Counterparty or, with respect to any Hedging Transaction pledged to Seller as additional collateral for a Purchased Asset, complies with such other rating requirement applicable to such Hedging Transaction set forth in the related Purchased Asset Documents or which is otherwise reasonably acceptable to Buyer; provided that Seller shall not grant or permit any liens, security interests, charges, or encumbrances with respect to any such Hedging Transactions for the benefit of any Person other than Buyer.

“Income” shall mean, with respect to any Purchased Asset at any time, any payment or other cash distribution thereon of principal, interest, dividends, fees, reimbursements or proceeds

thereof (including sales proceeds) or other cash distributions thereon (including casualty or condemnation proceeds); provided that in no event shall Income include any escrow or reserve payment made by the related Underlying Borrower that is required to be reserved or escrowed pursuant to the applicable Purchased Asset Documents; provided further that if Servicer has the right to deduct fees or other amounts from such amounts collected by Servicer in accordance with the Servicing Agreement, the amount of such fees shall not be included in Income.

“Indebtedness” means, as to any Person at a particular time, without duplication, the following to the extent they are included as indebtedness or liabilities in accordance with GAAP:

(a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person);

(b) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within sixty (60) days of the date the respective goods are delivered or the respective services are rendered;

(c) Indebtedness of others secured by a lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person;

(d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person;

(e) Capital Lease Obligations of such Person;

(f) obligations of such Person under repurchase agreements, sale/buy-back agreements or like arrangements;

(g) Indebtedness of others Guaranteed by such Person;

(h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person;

(i) Indebtedness of general partnerships of which such Person is a general partner; and

(j) all net liabilities or obligations under any interest rate swap, interest rate cap, interest rate floor, interest rate collar or other hedging instrument or agreement.

“Indemnified Amounts” shall have the meaning specified in Section 20(a) of this Agreement.

“Indemnified Parties” shall have the meaning specified in Section 20(a) of this Agreement.

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

“Independent Appraiser” shall mean an independent professional real estate appraiser who is a member in good standing of the American Appraisal Institute, and, if the state in which the subject Eligible Property is located certifies or licenses appraisers, is certified or licensed in such state.

“Independent Director” shall mean, with respect to any corporation or limited liability company, an individual who: (a) is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, Lord Securities Corporation, Puglisi & Associates or, if none of those companies is then providing professional independent directors, another nationally-recognized company reasonably approved by Buyer, in each case that is not an Affiliate of such corporation or limited liability company and that provides professional independent directors and other corporate services in the ordinary course of its business; (b) is duly appointed as a member of the board of directors of such corporation or as an independent manager, member of the board of managers, or special member of such limited liability company; and (c) is not, and has never been, and will not while serving as Independent Director be (i) a member (other than an independent, non-economic “springing” member or special member), partner, equityholder, manager (other than in its capacity as independent manager), director, officer or employee of such corporation or limited liability company or any of its equityholders or affiliates (other than an affiliate that is not in the direct chain of ownership of such corporation or limited liability company and that is a Single-Purpose Entity, provided that the fees such individual earns from serving as an Independent Director of such affiliates in any given year constitute in the aggregate less than 5% of such individual’s annual income for that year); (ii) a creditor, supplier or service provider (including provider of professional services) to such corporation or limited liability company or any of its equityholders or affiliates (other than a nationally recognized company that routinely provides professional independent managers or directors and that also provides lien search and other similar services to such corporation or limited liability company or any of its equityholders or affiliates in the ordinary course of business); (iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or (iv) a Person that controls (whether directly, indirectly or otherwise) any of (i) or (ii) above.

“Index Rate” shall mean the Benchmark.

“Insolvency Law” shall mean 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.

“Insured Closing Letter and Escrow Instructions” shall mean a letter addressed to Seller from the title insurance underwriter (or any agent thereof) or any other Person acting as an agent for each Table Funded Purchased Asset and related escrow instructions, which letter and instructions shall be in form and substance reasonably acceptable to Buyer and Seller.

“Intangible Assets” means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges (including deferred financing costs), unamortized debt discount and capitalized research and development costs; provided, however, that Intangible Assets shall not include real estate intangibles such as in-place lease value, above and below market lease value and deferred leasing costs which are purchase price allocations determined upon the acquisition of real estate.

“Internalization Agreement” means that certain Termination Agreement, dated as of April 4, 2021, by and among Sponsor, Guarantor, Manager and Colony Capital Investment Advisors, LLC.

“Internalization Date” means the “Closing Date,” as such term is defined in the Internalization Agreement.

“Last Endorsee” shall have the meaning specified in Section 7(b)(i) of this Agreement.

“Liquidity” means, for any Person and its Consolidated Subsidiaries, the sum of (a) cash and Cash Equivalents and (b) Available Borrowing Capacity.

“LLC Certificate” shall mean, with respect to any Purchased Asset that is a Mezzanine Loan, the certificate or certificates evidencing 100% of the related Capital Stock.

“LTV” shall mean, with respect to any Purchased Asset, the ratio of the aggregate outstanding debt (which shall include such Purchased Asset and all debt senior to or *pari passu* with such Purchased Asset) secured, directly or indirectly, by the related Eligible Property or Properties, to the aggregate “as-is” market value of such Eligible Property or Eligible Properties as determined by Buyer in Buyer’s sole good faith discretion.

“Manager” shall mean CLNC Manager, LLC, a Delaware limited liability company, and any replacement manager permitted pursuant to the terms of this Agreement.

“Margin Credit Event” shall mean, with respect to any Purchased Asset, the date upon which material changes (i.e., changes that adversely impact the value of the Purchased Asset other than to a *de minimis* extent, and in any event, relative to Buyer’s initial underwriting or the most recent determination of Market Value) relative to underwriting in terms of the performance or condition of (i) the relevant Mortgaged Property, (ii) the Underlying Borrower (or its sponsor(s)) in relation to such Purchased Asset or (iii) the commercial real estate market in the relevant jurisdiction relating to the relevant Mortgaged Property, taken in the aggregate, exist with respect to such Purchased Asset as determined by Buyer in Buyer’s sole good faith

discretion and in any event, without regard to fluctuations in current interest rates and interest rate spreads.

“Margin Deficit” shall have the meaning specified in Section 4(a) of this Agreement.

“Margin Excess” shall have the meaning specified in Section 4(b) of this Agreement.

“Margin Percentage” shall mean, with respect to any Purchased Asset, the applicable Margin Percentage specified in the applicable Confirmation.

“Market Value” shall mean, with respect to any Purchased Asset as of any date, the market value of such Purchased Asset (including future advances with respect to such Purchased Asset which have been funded as of such date) on such date, as determined by Buyer in Buyer’s sole good faith discretion (using customary factors utilized by Buyer in its ordinary course, which may include an agreed-upon market-recognized third-party source) based solely on, with respect to a Purchased Asset, material changes relative to Buyer’s initial underwriting or most recent determination of market value in terms of the performance or condition of: (a) the relevant Mortgaged Property, (b) the Underlying Borrower (or its sponsor(s)) in relation to such Purchased Asset or (c) the commercial real estate market in the relevant jurisdiction relating to the related Mortgaged Property, taken in the aggregate, and in any event without regard to fluctuations in current interest rates and interest rate spreads. For purposes of Buyer’s determination (i) the Market Value of a Purchased Asset may be determined by reference to an Appraisal, discounted cash flow analysis or any other method selected by Buyer in Buyer’s sole good faith discretion, (ii) any amounts or claims secured by the related Eligible Property or Properties ranking senior to or *pari passu* with the lien of a Purchased Asset may be deducted from the Market Value of such Purchased Asset, (iii) the Market Value of any Purchased Asset may be zero if such Purchased Asset is determined not to be an Eligible Asset by Buyer in Buyer’s sole good faith discretion, (iv) Buyer may consider (A) the representations and warranties set forth in Exhibit III (including a breach thereof), and exceptions thereto in its determination of the Market Value of a Purchased Asset and (B) whether such Purchased Asset is a Defaulted Asset and (v) for the avoidance of doubt, Buyer may reduce the Market Value of a Purchased Asset for any actual risks (including risk of delay) posed by any liens or claims on the related Eligible Property or Properties other than Permitted Encumbrances. Seller shall reasonably cooperate with Buyer in its determination of the Market Value of each Purchased Asset (including, without limitation, providing all information and documentation in the possession of Seller regarding such item of underlying collateral or otherwise reasonably required by Buyer).

“Material Adverse Effect” shall mean a material adverse effect on (i) the property, business, operations or financial condition of Guarantor and/or Seller, taken as a whole, (ii) the ability of the Guarantor and Seller to perform its obligations under any of the Transaction Documents to which it is party, (iii) the validity or enforceability of any of the Transaction Documents or (iv) the rights and remedies of Buyer under any of the Transaction Documents.

“Maximum Asset Exposure Threshold” shall mean, with respect to any Purchased Asset, the Maximum Purchase Percentage, multiplied by the LTV of such Purchased Asset shall not exceed (x) 63.75% for any Purchased Asset secured by a multifamily property and (y) 60% for all other Purchased Assets, unless otherwise permitted by Buyer in Buyer’s sole discretion.

“Maximum Purchase Percentage” shall mean, with respect to any Purchased Asset, the “Maximum Purchase Price Percentage” specified in Schedule 1 (or as otherwise specified in the applicable Confirmation).

“Mezzanine Borrower” shall mean, with respect to any Mezzanine Loan, the obligor on the related Mezzanine Note, the pledgor under the related Mezzanine Pledge Agreement and the owner of the related Capital Stock.

“Mezzanine Loan” shall mean any fixed or floating whole mezzanine loan secured, in whole or in part, by a first priority pledge of, or security interest in, the Capital Stock in one or more entities holding a direct or indirect beneficial interest in an entity owning (or having a ground lease interest in) an Eligible Property. For the avoidance of doubt, no Mezzanine Loan will be an Eligible Asset unless the related Mortgage Loan is also an Eligible Loan Asset.

“Mezzanine Note” shall mean, with respect to a Mezzanine Loan, a note or other evidence of indebtedness of a Mezzanine Loan.

“Mezzanine Pledge” the security interest created by a Mezzanine Pledge Agreement.

“Mezzanine Pledge Agreement” shall mean, with respect to any Purchased Asset that is a Mezzanine Loan, the pledge and security agreement creating a valid and enforceable lien on the related Capital Stock.

“Monthly Statement” shall mean, for each calendar month during which this Agreement shall be in effect, Seller’s or Servicer’s, as applicable, reconciliation in arrears of beginning balances, interest and principal paid to date and ending balances for each Purchased Asset, together with a written report describing (i) any developments or events with respect to such Purchased Asset since the prior Monthly Statement that are reasonably likely to have a material adverse effect on the Market Value of such Purchased Asset, (ii) any Defaults or potential Defaults of which Seller has knowledge, (iii) any and all written modifications to any Purchased Asset Documents since the prior Monthly Statement, (iv) loan status, collection performance and any delinquency and loss experience with respect to each Purchased Asset, (v) an update as to the expected disposition or sale of the Purchased Assets and (vi) such other information as Buyer may reasonably request with respect to Seller, any Purchased Asset, Underlying Borrower or Mortgaged Property, which report shall be delivered to Buyer for each calendar month during the term of this Agreement within fifteen (15) days following the end of such calendar month.

“Moody’s” shall mean Moody’s Investors Service, Inc.

“Mortgage” shall mean with respect to any Purchased Asset, the mortgage, deed of trust, deed to secure debt or other instruments, creating a valid and enforceable first lien on or a first priority ownership interest in a Mortgaged Property.

“Mortgage Loan” shall mean (i) a whole commercial mortgage loan or (ii) a First Mortgage A- Note, in each case secured by a Mortgage and evidenced by a Mortgage Note and all other Purchased Asset Documents, all right, title and interest of Seller in and to any Mortgaged Property covered by the related Mortgage and all related Servicing Rights.

“Mortgage Note” shall mean, (x) with respect to a Mortgage Loan, a note or other evidence of indebtedness of a Mortgagor secured by the applicable Mortgage and (y) with respect to a Participation Interest, a Participation Certificate evidencing such Participation Interest.

“Mortgaged Property” shall mean the real property or properties securing repayment of the debt evidenced by a Mortgage Note (or Mortgage Notes, in the case of an AB Mortgage Loan or Split Mortgage Loan).

“Mortgagor” shall mean the obligor on a Mortgage Note, the grantor of the related Mortgage and the owner of the related Mortgaged Property, as applicable.

“New Asset” shall mean an Eligible Asset that Seller proposes to sell to Buyer pursuant to a Transaction.

“Non-Recourse Indebtedness” means, Indebtedness that is not Recourse Indebtedness.

“Non Wholly-Owned Consolidated Affiliate” means each Consolidated Subsidiary of the Guarantor in which less than 100% of each class of the Capital Stock (other than directors’ qualifying shares, if applicable) of such Consolidated Subsidiary are at the time owned, directly or indirectly, by the Guarantor.

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

“Officer’s Certificate” shall mean, as to any Person, a certificate of the chief executive officer, the chief financial officer, the president, any vice president or the secretary of such Person.

“Other Connection Taxes” shall mean Taxes imposed as a result of a present or former connection between such Buyer and the jurisdiction imposing such Tax (other than connections arising from such 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 Transaction Document, or sold or assigned an interest in any Transaction or any Transaction Document).

“Other Taxes” shall mean any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes (including, without limitation, United Kingdom stamp duty and stamp duty reserve tax) that may arise from any payment made under any Transaction Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Transaction Document.

“Participation Certificate” shall mean a participation certificate which evidences the outstanding balance of a Participation Interest.

“Participation Interest” shall mean a senior or senior *pari passu* participation interest in a performing Mortgage Loan.

“Permitted Encumbrances” shall mean (a) liens for real property Taxes, ground rents, water charges, sewer rates and assessments not yet due and payable; (b) liens arising by operation of law (such as materialmen’s, mechanics’, carriers’, workmen’s, repairmen’s and similar liens) arising in the ordinary course of business which are (i) discharged by payment, bonding or otherwise or (ii) being contested in good faith by the related Mortgagor in accordance with the related Purchased Asset Documents; (c) covenants, conditions and restrictions, rights of way, easements and other matters of public record, which do not individually or in the aggregate, in the reasonable judgment of Seller, materially interfere with (i) the current use of the related Mortgaged Property, (ii) the security intended to be provided by the related Mortgage, (iii) the underlying obligor’s ability to pay its obligations when they become due or (iv) the value of the related Mortgaged Property; (d) liens and encumbrances set forth in the related Title Policy; and (e) rights of existing or future tenants as tenants only pursuant to leases.

“Permitted Non-Recourse CLO Indebtedness” means Indebtedness that is (i) incurred by a Subsidiary of Guarantor in the form of asset-backed securities commonly referred to as “collateralized loan obligations” or “collateralized debt obligations” and (ii) is Non-Recourse Indebtedness.

“Person” means, any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

“Plan” shall mean an employee benefit or other plan established or maintained during the five- year period ended prior to the date of this Agreement or to which Seller or any ERISA Affiliate makes, is obligated to make or has, within the five-year period ended prior to the date of this Agreement, 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.

“Plan Assets” shall mean assets of any (i) employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, (ii) plan (as defined in Section 4975(e)(1) of the Code) subject to Section 4975 of the Code, or (iii) governmental plan (as defined in Section 3(32) of ERISA) subject to any other federal, state or local laws, rules or regulations substantially similar to Title I of ERISA or Section 4975 of the Code.

“Portfolio Exposure Threshold” shall mean that the product of (i) the actual weighted- average aggregate Purchase Percentage of all Purchased Assets, *multiplied by* (ii) the weighted average LTV for all Purchased Assets does not exceed 57.5%, unless otherwise permitted by Buyer in Buyer’s sole discretion.

“Preliminary Approval” shall have the meaning specified in Section 3(b) of this Agreement.

“Preliminary Due Diligence Package” shall mean, with respect to any New Asset, the following due diligence information, to the extent applicable and to the extent in the possession of Seller or otherwise available, relating to such New Asset to be provided by Seller to Buyer pursuant to this Agreement:

(a) Seller’s internal credit committee or investment committee memorandum, among other things, outlining the proposed transaction, including potential transaction benefits and all material underwriting risks and issues identified by Seller, anticipated exit strategies and underwriting models;

(b) current rent roll and roll over schedule, if applicable;

(c) cash flow pro-forma, plus historical information, if available;

(d) flood certification (or the equivalent in the applicable jurisdiction);

(e) maps and photos, if available;

(f) interest coverage ratios and Debt Yield Ratio;

(g) description of the Mortgaged Property, along with a description of the Mortgagor and sponsor (including their experience with other projects, ownership structure and financial statements);

(h) loan-to-value ratio;

(i) Seller’s or any Affiliate’s relationship with the Underlying Borrower or any affiliate;

(j) material third party reports, to the extent available and applicable, including: (i) engineering and structural reports, each in form and prepared by consultants acceptable to Buyer; (ii) current Appraisal; (iii) Phase I environmental report (including asbestos and lead paint report) and, if applicable, Phase II or other follow-up environmental report if recommended in Phase I, each in form and prepared by consultants acceptable to Buyer; (iv) seismic reports, each in form and prepared by consultants acceptable to Buyer; (v) operations and maintenance plan with respect to asbestos containing materials, each in form and prepared by consultants acceptable to Buyer; and (vi) the servicing data tape;

(k) copies of documents evidencing such New Asset, or current drafts thereof, including, without limitation, underlying debt and security documents, guaranties, Underlying Borrower's organizational documents, loan and collateral pledge agreements, and intercreditor agreements, as applicable;

(l) insurance certificates or other evidence of insurance coverage evidencing the insurance required to be maintained with respect to any Eligible Property or Properties pursuant to Section 3(c)(iv) hereof (including evidence of terrorism insurance coverage and such other customary insurance coverage satisfactory to Buyer);

(m) analyses and reports with respect to such other matters concerning the New Asset as Buyer may in its reasonable discretion require; and

(n) reports of UCC, tax lien, judgment and litigation searches as requested by Buyer, conducted by search firms reasonably acceptable to Buyer with respect to the Purchased Asset, Seller and the related underlying obligor, such searches to be conducted in each location Buyer shall reasonably designate and such reports reasonably satisfactory to Buyer.

"Prescribed Laws" shall mean, collectively, (a) the USA PATRIOT Act, (b) Executive Order 13224, (c) the International Emergency Economic Power Act, 50 U.S.C. §1701 et. seq., (d) the Bank Secrecy Act (31 U.S.C. Sections 5311 et seq.) as amended and (e) all other Requirements of Law relating to money laundering or terrorism, including without limitation, the USA PATRIOT Act and all regulations and executive orders promulgated with respect to money laundering or terrorism, including, without limitation, those promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury.

"Price Differential" shall mean, with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Repurchase Price thereof (excluding any amount attributable to Price Differential in the definition thereof), calculated on the basis of a three hundred sixty (360) day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (such aggregate amount to be reduced by any amount of such Price Differential paid by Seller to Buyer, prior to such date, with respect to such Transaction).

"Pricing Period" shall mean, with respect to each Purchased Asset, (a) in the case of the first (1st) Remittance Date, the period from and including the original Purchase Date for such Purchased Asset to but excluding the next following applicable Remittance Date, and (b) in the case of each subsequent Remittance Date, the one-month or three-month period, as applicable, from and including the preceding applicable Remittance Date to but excluding such Remittance Date; provided that no Pricing Period for a Purchased Asset shall end after the Repurchase Date for such Purchased Asset.

"Pricing Rate" shall mean, for any Pricing Period with respect to a Purchased Asset, an annual rate equal to the Index Rate for such Pricing Period, plus the Applicable Spread for the

related Purchased Asset (subject to adjustment and/or conversion as provided in Sections 3(k), 3(l), 3(n) and 3(o) of this Agreement).

“Principal Payment” shall mean, with respect to any Purchased Asset, any payment or prepayment of principal received by Seller or Servicer in respect thereof (including casualty or condemnation proceeds to the extent that such proceeds are not required under the underlying loan documents to be reserved, escrowed, readvanced or applied for the benefit of the Mortgagor or the related Mortgaged Property). For purposes of clarification, prepayment premiums, fees or penalties shall not be deemed to be principal.

“Prohibited Person” shall mean any Person: (i) listed in the Annex to, or otherwise subject to the provisions of, Executive Order 13224; (ii) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order 13224; (iii) with whom Buyer is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including Executive Order 13224; (iv) who commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order 13224; (v) that is the subject of Sanctions; (vi) that is a foreign shell bank; (vii) that is a resident of, or whose subscription funds are transferred from or through an account in, a jurisdiction that has been designated as a non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the FATF, of which the U.S. is a member and with which designation the U.S. representative to the group or organization continues to concur (see <http://www.fatf-gati.org> for the FATF’s “Non-Cooperative Countries and Territories Initiative”); or (viii) who is an Affiliate of a Person described above.

“Prohibited Transferee” shall mean any of the Persons listed on Schedule 3 attached to this Agreement.

“Purchase Date” shall mean, with respect to any Purchased Asset, the date on which such Purchased Asset is transferred by Seller to Buyer.

“Purchase Percentage” shall mean, with respect to any Purchased Asset, the ratio (expressed as a percentage) of the outstanding Purchase Price with respect to such Purchased Asset to the outstanding unpaid principal balance of such Purchased Asset.

“Purchase Price” shall mean, with respect to any Purchased Asset, the price at which such Purchased Asset is transferred by Seller to Buyer on the applicable Purchase Date. The Purchase Price as of any Purchase Date for any Purchased Asset shall be an amount equal to the product of (a) the Market Value of such Purchased Asset, multiplied by (b) the applicable Purchase Percentage. The Purchase Price shall increase by any Future Advance Purchase pursuant to Section 3(g) and any payment made to Seller in connection with a Margin Excess pursuant to Section 4(b), and shall decrease by any payment applied in connection with a Margin Deficit pursuant to Section 4(a) and any Principal Payment applied pursuant to Section 5 to reduce such Purchase Price and any other amounts paid to Buyer by Seller to reduce such Purchase Price.

“Purchased Asset” shall mean (i) with respect to any Transaction, the Eligible Assets sold by Seller to Buyer in such Transaction and (ii) with respect to the Transactions in general, all Eligible Assets sold by Seller to Buyer

“Purchased Asset Documents” shall have the meaning specified in Section 7(b) of this Agreement.

“Purchased Asset File” shall mean the Purchased Asset Documents, together with any additional documents and information required to be delivered to Buyer or its designee (including Custodian) pursuant to this Agreement.

“Purchased Asset File Checklist” shall mean the purchased asset file checklist, a form of which is attached to the Custodial Agreement.

“Purchased Asset Information” shall mean, with respect to each Purchased Asset, the information set forth in Schedule 2 attached hereto.

“Purchased Asset Schedule” shall mean, a schedule of Purchased Assets, together with the Purchased Asset Information for each such loan delivered in accordance with the Custodial Agreement or the Bailee Agreement, as applicable.

“Qualified Hedge Counterparty” shall mean, with respect to any Hedging Transaction, any entity, other than an Affiliated Hedge Counterparty, that (a) qualifies as an “eligible contract participant” as such term is defined in the Commodity Exchange Act (as amended by the Commodity Futures Modernization Act of 2000), (b) the long-term debt of which is rated no less than “A-” by Standard & Poor’s and A3 by Moody’s and (c) is reasonably acceptable to Buyer; provided that, with respect to clause (c), if Buyer has approved an entity as a counterparty, it may not thereafter deem such counterparty unacceptable with respect to any previously outstanding Transaction unless clause (a) or (b) no longer applies with respect to such counterparty.

“Quarterly Report” shall mean, for each fiscal quarter during which this Agreement shall be in effect, Seller’s or Servicer’s, as applicable, certified written report summarizing (with a separate cover sheet for each Purchased Asset or, in the case of a Purchased Asset secured (directly or indirectly) by a portfolio of Mortgaged Properties, a cover sheet for such portfolio on a consolidated basis), with respect to the Mortgaged Properties securing each Purchased Asset (or, in the case of a Purchased Asset secured (directly or indirectly) by a portfolio of Mortgaged Properties, such information on a consolidated basis), the net operating income, debt service coverage, occupancy, the revenues per room (for hospitality properties) and sales per square footage (for retail properties), in each case, to the extent received by Seller, and such other information as mutually agreed by Seller and Buyer, which report shall be delivered to Buyer for each fiscal quarter during the term of this Agreement within forty-five (45) days following the end of each such fiscal quarter.

“Ratification Agreement” shall mean that certain Ratification, Reaffirmation and Confirmation of Transaction Documents, dated as of the date hereof, by Sellers and Guarantor

ratifying their respective obligations under the Transaction Documents entered into prior to the date hereof.

“Receiving Party” shall have the meaning specified in Section 27(a) hereof.

“Recourse Indebtedness” means, with respect to any Person, for any period, without duplication, the aggregate Indebtedness in respect of which such Person is subject to recourse for payment, whether as a borrower, guarantor or otherwise; provided, that Indebtedness arising pursuant to Customary Recourse Exceptions shall not constitute Recourse Indebtedness until such time (if any) as demand has been made for the payment or performance of such Indebtedness.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is Term SOFR, the time set forth in the definition of Term SOFR, and (2) if such Benchmark not Term SOFR, the time determined by Buyer in accordance with the Benchmark Replacement Conforming Changes.

“Regulations T, U and X” shall mean Regulations T, U and X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System 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 or the Federal Reserve Bank of New York, or any successor thereto.

“Remittance Date” shall mean, the nineteenth (19th) calendar day of each month, or the next succeeding Business Day, if such calendar day shall not be a Business Day.

“Representatives” shall have the meaning specified in Section 27(a) hereof.

“Repurchase Assets” shall have the meaning specified in Section 6(a) hereof.

“Repurchase Date” shall mean, with respect to any Purchased Asset, the date that is the earliest to occur of the following: (a) the Facility Termination Date, (b) the date otherwise specified in the related Confirmation, or (c) if applicable, the related Early Repurchase Date or Accelerated Repurchase Date.

“Repurchase Obligations” shall mean the aggregate Repurchase Price and all other amounts due under the Transaction Documents (including interest which would be payable as post- petition interest in connection with any bankruptcy or similar proceeding) irrespective of whether such obligations are direct or indirect, absolute or contingent, matured or unmatured.

“Repurchase Price” shall mean, with respect to any Purchased Asset as of any date, the price at which such Purchased Asset is to be transferred from Buyer to Seller upon termination of

the related Transaction; in each case, such price shall equal the sum of the outstanding Purchase Price of such Purchased Asset and the accrued and unpaid Price Differential with respect to such Purchased Asset as of the date of such determination, minus all Income and other cash actually received by Buyer in respect of such Purchased Asset and applied towards the Repurchase Price and/or Price Differential pursuant to this Agreement.

“Requirement of Law” shall mean any law (including, without limitation, Prescribed Laws), treaty, rule, regulation, code, directive, policy, order or requirement or determination of an arbitrator or a court or other Governmental Authority whether now or hereafter enacted or in effect.

“Sanctions” shall have the meaning specified in Section 10(xxv)(A) of this Agreement.

“SEC” shall mean the Securities and Exchange Commission.

“Seller” shall mean, individually or collectively, as the context may require, Credit 1 and Credit 2.

“Servicer” shall mean Keybank National Association, or any other servicer approved by Buyer in its reasonable discretion.

“Servicer Acknowledgement” shall mean (i) that certain Servicer Re-Direction Letter, dated as of August 29, 2019, executed by NT-I, NT-II, Credit 1 and Credit 2 and acknowledged by Servicer and Buyer, and (ii) such other servicing acknowledgment in connection with a Servicing Agreement entered into by Seller on Buyer’s behalf in accordance with Section 22 of this Agreement.

“Servicing Agreement” shall mean (i) that certain Servicing Agreement, dated as of August 20, 2019, by and between Keybank National Association and NT-I, NT-II, Credit 1 and Credit 2, and (ii) such other servicing or subservicing agreement entered into by Seller on Buyer’s behalf in accordance with Section 22 of this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“Servicing Records” shall have the meaning specified in Section 22(b) of this Agreement.

“Servicing Rights” shall mean contractual, possessory or other rights of any Person to administer, service or subservice any Purchased Assets (or to possess any Servicing Records relating thereto), including: (i) the rights to service the Purchased Assets; (ii) the right to receive compensation (whether direct or indirect) for such servicing, including the right to receive and retain the related servicing fee and all other fees with respect to such Purchased Assets; and (iii) all rights, powers and privileges incidental to the foregoing, together with all Servicing Records relating thereto.

“Significant Modification” shall mean (i) the foreclosure, acceleration or exercise of any material right or remedy following an event of default with respect to such Purchased Asset by

the holder thereof under any Purchased Asset Document; (ii) any forbearance, extension or increase in principal amount with respect to any Purchased Asset (other than future advances made pursuant to the express terms of the Purchased Asset Documents), (iii) any modification, consent to a modification or waiver of any monetary term or material non-monetary term (including, without limitation, prepayment terms, timing of payments and acceptance of discounted payoffs) of a Purchased Asset or any extension of the maturity date of such Purchased Asset (except pursuant to the express terms of the Purchased Asset Documents for which there is no material lender discretion), (iv) any release of collateral or any acceptance of substitute or additional collateral for a Purchased Asset or any consent to either of the foregoing, other than if required pursuant to the specific terms of the related underlying loan documents relating to such Purchased Asset and for which there is no material lender discretion, (v) any waiver of a “due-on-sale” or “due-on-encumbrance” clause with respect to a Purchased Asset or, if lender consent is required, any consent to such a waiver or consent to a transfer of the collateral for a Purchased Asset or direct or indirect interests in the Underlying Borrower or consent to the incurrence of direct or indirect additional debt or preferred equity, other than any such transfer or incurrence of debt as may be effected without the consent of the lender under the related Purchased Asset Documents, or (vi) any acceptance of an assumption agreement releasing an Underlying Borrower or guarantor from all or a portion of liability under a Purchased Asset other than pursuant to the specific terms of such Purchased Asset and for which there is no material lender discretion.

“Single-Purpose Entity” shall mean any corporation, limited partnership or limited liability company that, since the date of its formation and at all times on and after the date hereof, has complied with and shall at all times comply with the provisions of Section 13 of this Agreement.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“SIPA” shall have the meaning specified in Section 25(a) of this Agreement.

“Specified GAAP Reportable B Loan Transaction” means a transaction involving either (i) the sale by the Guarantor or any Subsidiary of Guarantor of the portion of an investment consisting of an “A-Note”, and the retention by the Guarantor or any Subsidiary of Guarantor of the portion of such Investment Asset consisting of a “B-Note”, which transaction is required to be accounted for under GAAP as a “financing transaction” or (ii) the acquisition or retention by the Guarantor or any of its Subsidiaries of an Investment Asset consisting of a “b-piece” in a securitization facility, which transaction under GAAP results in all of the assets of the trust that is party to the securitization facility, and all of the bonds issued by such trust under such securitization facility that are senior to the “b-piece”, to be consolidated on the Guarantor’s consolidated balance sheet as assets and liabilities, respectively.

“Split Mortgage Loan” shall mean a Mortgage Loan evidenced by two or more senior *pari passu* Mortgage Notes.

“Sponsor” shall mean BrightSpire Capital, Inc., a Maryland corporation.

“Standard & Poor’s” shall mean Standard & Poor’s Ratings Services and any successor in interest.

“Subsidiary” means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

“Supplemental Due Diligence Package” shall mean, with respect to any New Asset, applicable information or deliveries concerning such New Asset to the extent available, that Buyer shall reasonably request in addition to the Preliminary Due Diligence Package, including, without limitation, a credit approval memorandum representing the final terms of the underlying transaction, a loan-to-value ratio computation and a final Debt Yield Ratio computation for such New Asset.

“Survey” shall mean a certified ALTA/ACSM (or applicable state standards for the state in which a Mortgaged Property is located) survey of a Mortgaged Property prepared by a registered independent surveyor in form and content reasonably satisfactory to Buyer and to the company issuing the Title Policy for such Mortgaged Property.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Guarantor or any of its Subsidiaries shall be a “Swap Agreement”.

“Table Funded Purchased Asset” shall mean a Purchased Asset which is sold to Buyer simultaneously with the origination or acquisition thereof, which origination or acquisition is financed with the Purchase Price, pursuant to Seller’s request, paid directly to a title company or other settlement agent, in each case, approved by Buyer, for disbursement in connection with such origination or acquisition. A Purchased Asset shall cease to be a Table Funded Purchased Asset after Custodian has delivered a Trust Receipt to Buyer certifying its receipt of the Purchased Asset File therefor.

“Taxes” shall mean 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 SOFR” means, with respect to any advance of a Purchase Price or Future Advance Purchase for any day, the Term SOFR Reference Rate for a tenor comparable to the applicable Pricing Period on the day (such day, the “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 for such day at 6:00 a.m. (New York City time); provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the foregoing 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 Term SOFR Determination Day; provided, further, that if Term SOFR determined as provided above shall be less than the Floor, then Term SOFR shall be deemed to be the Floor.

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

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR.

“Term SOFR Determination Day” shall have the meaning set forth in the definition of Term SOFR in this Agreement.

“Title Policy” shall have the meaning specified in Paragraph (7) of Exhibit III.

“Total Asset Value” means, with respect to any Person as of any date of determination, the net book value of the total assets of such Person and its Consolidated Subsidiaries on such date as determined in accordance with GAAP plus (x) accumulated depreciation and (y) amortization of real estate intangibles; provided, that Total Asset Value shall (i) exclude the amount of all restricted cash (other than reserves for Capital Expenditures) of such Person and its Consolidated Subsidiaries to the extent such cash supports obligations that do not constitute Consolidated Total Debt, (ii) include the net book value of assets associated with a Specified GAAP Reportable B Loan Transaction only to the extent in excess of the amount of any Indebtedness attributable to such Specified GAAP Reportable B Loan Transaction, (iii) include the net book value of assets associated with any Permitted Non-Recourse CLO Indebtedness and (iv) solely with respect to the net book value of the total assets of a Non Wholly-Owned Consolidated Affiliate, only include the Consolidated Group Pro Rata Share of the net book value of such Non Wholly-Owned Consolidated Affiliate’s total assets.

“Transaction” shall have the meaning specified in Section 1 of this Agreement.

“Transaction Conditions Precedent” shall have the meaning specified in Section 3(e) of this Agreement.

“Transaction Costs” shall have the meaning specified in Section 20(b) of this Agreement.

“Transaction Documents” shall mean, collectively, this Agreement, the Controlled Account Agreement, the Custodial Agreement, the Fee Letter, the Guaranty, the Servicing Agreement, the Ratification Agreement, any power of attorney executed pursuant to this Agreement, all Transfer Documents, all Confirmations executed pursuant to this Agreement in connection with specific Transactions and all other documents executed in connection herewith and therewith, each of the foregoing as they may be amended, restated, supplemented or modified from time to time.

“Transfer” shall mean, with respect to any Person, any sale or other whole or partial conveyance of all or any portion of such Person’s assets, or any direct or indirect interest therein to a third party (other than in connection with the transfer of a Purchased Asset to Buyer in accordance herewith), including the granting of any purchase options, rights of first refusal, rights of first offer or similar rights in respect of any portion of such assets or the subjecting of any portion of such assets to restrictions on transfer.

“Transfer Documents” shall mean, with respect to any Purchased Asset, all applicable documents described in Section 7(b) of this Agreement necessary to transfer all of Seller’s right, title and interest in such Purchased Asset to Buyer in accordance with the terms of this Agreement.

“Trust Receipt” shall mean a trust receipt issued by Custodian or Bailee, as applicable, to Buyer confirming possession of certain Purchased Asset Files held on behalf of Buyer (or any other holder of such Trust Receipt) in the form required under the Custodial Agreement or the Bailee Agreement, respectively.

“UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of any security interest is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, with respect to perfection or the effect of perfection or non-perfection, “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such perfection or effect of perfection or non-perfection.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the Benchmark Replacement Adjustment with respect thereto.

“Underlying Borrower” shall mean, with respect to any Purchased Asset that is a Mortgage Loan, the Mortgagor, and with respect to any Purchased Asset that is a Mezzanine Loan, the Mezzanine Borrower.

“Unused Fee” shall have the meaning specified in the Fee Letter.

“Upfront Fee” shall have the meaning specified in the Fee Letter.

“USA PATRIOT Act” shall mean the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107- 56).

“U.S. Dollars” and “\$” shall mean the lawful currency of the United States of America.

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association 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. Tax Compliance Certificate” shall have the meaning specified in Section 3(q)(ii)(C) hereof.

“Wholly Owned Subsidiary” means, with respect to any Person, any other Person all of the Capital Stock of which (other than directors’ qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

3. INITIATION; CONFIRMATION; TERMINATION; FEES

(a) Seller may, from time to time, prior to the Facility Termination Date, request that Buyer enter into a Transaction with respect to one or more New Assets. Seller shall initiate each request by submitting a Preliminary Due Diligence Package for Buyer’s review and approval in Buyer’s sole good faith discretion. Notwithstanding anything to the contrary herein, Buyer shall have no obligation to consider for purchase any New Asset if, immediately after the purchase of such New Asset, the Aggregate Repurchase Price (including the proposed Purchase Price of such New Asset) would exceed the Facility Amount. Buyer and its representatives shall have the right to review all New Assets proposed to be sold to Buyer in any Transaction and to conduct its own due diligence investigation of such New Assets as Buyer determines is necessary in Buyer’s sole good faith discretion.

(b) Upon Buyer’s receipt of a Preliminary Due Diligence Package with respect to a New Asset, Buyer shall have the right to request a Supplemental Due Diligence Package to evaluate such New Asset. Upon Buyer’s receipt of such Supplemental Due Diligence Package or Buyer’s waiver thereof, Buyer shall, within five (5) Business Days, either (i) notify Seller of Buyer’s intent to proceed with the Transaction and of its determination with respect to the Purchase Price and the Market Value for the related New Asset (such notice, a “Preliminary”

Approval”) or (ii) deny, in Buyer’s sole good faith discretion, Seller’s request for the applicable Transaction. Buyer’s failure to respond to Seller within five (5) Business Days, as applicable, shall be deemed to be a denial of Seller’s request to enter into the proposed Transaction, unless Buyer and Seller have agreed otherwise in writing.

(c) Upon Seller’s receipt of Buyer’s Preliminary Approval with respect to a Transaction, Seller shall, if Seller desires to enter into such Transaction with respect to the related New Asset upon the terms set forth by Buyer in its Preliminary Approval, deliver the documents set forth below in this Section 3(c) with respect to each New Asset and related Eligible Property or Properties (to the extent not already delivered in the Preliminary Due Diligence Package or in the Supplemental Due Diligence Package) as a condition precedent to Buyer’s Final Approval and issuance of a Confirmation, all in a manner and/or form satisfactory to Buyer in Buyer’s sole good faith discretion and pursuant to documentation satisfactory to Buyer in Buyer’s sole good faith discretion:

(i) Delivery of Purchased Asset Documents. Copies of each of the final Purchased Asset Documents, or drafts of such Purchased Asset Documents in substantially final form if such New Asset is being originated concurrently with the transfer to Buyer, subject to delivery of final, executed copies of such Purchased Asset Documents on the Purchase Date of such New Asset.

(ii) Environmental and Engineering. A “Phase I” (and, if recommended by the Phase I, a “Phase II”) environmental report, an asbestos survey, if applicable, and an engineering report, each in form reasonably satisfactory to Buyer, by an engineer and an environmental consultant, approved by Buyer in its reasonable discretion.

(iii) Appraisal. If obtained by Seller, an Appraisal or a Draft Appraisal of the related Eligible Property or Properties dated less than six (6) months prior to the proposed Purchase Date. If Buyer receives only a Draft Appraisal prior to entering into a Transaction, Seller shall use its best efforts to deliver an Appraisal on or before thirty (30) days after the Purchase Date.

(iv) Insurance. Certificates or other evidence of insurance detailing insurance coverage in respect of the related Eligible Property or Properties of types (including but not limited to casualty, general liability and terrorism insurance coverage), in amounts, with insurers and otherwise in compliance with the terms, provisions and conditions set forth in the Purchased Asset Documents and otherwise reasonably satisfactory to Buyer. Such certificates or other evidence shall indicate that Seller (or as to a New Asset that is a Participation Interest, the lead lender on the related whole loan in which Seller is a participant) will be named as an additional insured as its interest may appear and shall contain a loss payee endorsement in favor of such additional insured with respect to the policies required to be maintained under the Purchased Asset Documents.

(v) Opinions of Counsel. Copies of all legal opinions with respect to the New Asset (which shall include a non-consolidation opinion, if applicable) that shall be in form and substance reasonably satisfactory to Buyer; provided that Seller may deliver drafts of such

opinions if such New Asset is being originated concurrently with the transfer to Buyer and shall deliver final, executed copies of such legal opinions on the Purchase Date of such New Asset.

(vi) Title Policy. With respect to any New Asset, (A) An unconditional commitment from the title company to issue a Title Policy or Policies in favor of Seller and Seller's successors and/or assigns with respect to each Mortgage securing such New Asset with an amount of insurance that shall be not less than the principal balance of such New Asset, (B) an endorsement or confirmatory letter from the existing title company to an existing Title Policy (in an amount not less than the principal balance of such New Asset) in favor of Seller and Seller's successors and/or assigns that adds such parties as an additional insured.

(vii) Additional Real Estate Matters. To the extent obtained by Seller, such other real estate related certificates and documentation as may have been reasonably requested by Buyer, such as: (A) certificates of occupancy (or their equivalent) issued by the appropriate Governmental Authority and either letters certifying that the related Eligible Property or Properties are in material compliance with all applicable zoning or equivalent laws issued by the appropriate Governmental Authority, a zoning report (or its equivalent) in form and prepared by a zoning consultant reasonably satisfactory to Buyer or evidence that the related Title Policy includes a zoning endorsement; and (B) abstracts of all material leases in effect at the Mortgaged Property delivered in connection with the New Asset.

(viii) Exception Report. A written report of any exceptions to the representations and warranties in Exhibit III attached hereto (an "Exception Report").

(ix) Other Documents. Such other documents as Buyer shall reasonably deem to be necessary and are customarily provided to Buyer by other similar commercial mortgage loan repurchase transactions.

Within five (5) Business Days of Seller's delivery of the documents and materials contemplated in this Section 3(c), Buyer shall, in its sole good faith discretion, either: (A) notify Seller that Buyer has not approved the New Asset or (B) notify Seller that Buyer agrees to purchase the New Asset, subject to satisfaction (or waiver by Buyer) of the Transaction Conditions Precedent (a "Final Approval") set forth in Section 3(e) below. Buyer's failure to respond to Seller within five (5) Business Days shall be deemed to be a denial of Seller's request that Buyer purchase the New Asset, unless Buyer and Seller have agreed otherwise in writing.

(d) Subject to satisfaction of the Transaction Conditions Precedent, Buyer shall deliver to Seller a written confirmation of its Final Approval in the form of Exhibit I attached hereto with respect to a proposed Transaction (a "Confirmation"); provided that, unless otherwise agreed by Seller, Buyer shall deliver a separate Confirmation with respect to each New Asset that will be the subject of a Transaction. Each Confirmation, which is mutually executed by Buyer and Seller, shall be deemed to be incorporated herein by reference with the same effect as if set forth herein at length.

(e) Provided that each of the Transaction Conditions Precedent set forth in this Section 3(e) have been satisfied (or waived by Buyer in Buyer's sole discretion), and subject to Seller's rights under Section 3(f) hereof, Buyer shall transfer the Purchase Price to Seller with respect to each New Asset for which it has issued a Confirmation on the Purchase Date specified in such Confirmation (which Purchase Date shall be at least two (2) Business Days after the date the Final Approval is delivered), and the related New Asset shall be concurrently transferred by Seller to Buyer or its nominee. For purposes of this Section 3(e), the conditions precedent to any proposed Transaction (the "Transaction Conditions Precedent") shall be satisfied with respect to such proposed Transaction if:

(i) no Default, Event of Default or Margin Deficit shall have occurred and be continuing as of the Purchase Date for such proposed Transaction;

(ii) Seller shall have executed the Confirmation delivered by Buyer;

(iii) Guarantor shall have delivered to Buyer a true and accurate Financial Covenant Compliance Certificate with respect to Guarantor's most recently ended fiscal quarter for which a Financial Covenant Compliance Certificate was required to be delivered hereunder; provided that to the extent Guarantor has previously delivered to Buyer a Financial Covenant Compliance Certificate for the most recently ended fiscal quarter, Seller or Guarantor need not provide an additional Financial Covenant Compliance Certificate for such fiscal quarter in connection with the proposed Transaction;

(iv) Seller shall have delivered to Buyer an Officer's Certificate (which may be included in the Confirmation) of Seller certifying that the representations and warranties made by Seller in this Agreement are true and correct in all material respects as of the Purchase Date for such Transaction (except such representations which by their terms speak as of a specified date and subject to any exceptions disclosed to Buyer in an Exception Report prior to issuance of the Confirmation by Buyer);

(v) (A) Buyer shall have determined, in Buyer's sole good faith discretion, in accordance with the applicable provisions of Section 3(a) of this Agreement that the New Asset proposed to be sold to Buyer by Seller in such Transaction is an Eligible Asset, (B) Buyer shall have obtained internal credit approval for the inclusion of such New Asset as a Purchased Asset in a Transaction, (C) Buyer shall have confirmed that, after giving effect to such Purchased Asset, the Concentration Limit shall be satisfied and (D) Buyer shall have determined, in Buyer's sole good faith discretion, that the Maximum Asset Exposure Threshold and Portfolio Exposure Threshold will not be exceeded immediately after giving effect to the requested Transaction; in each case, as evidenced by Buyer's delivery of an executed Confirmation;

(vi) (A) if the New Asset is not a Table Funded Purchased Asset, the applicable Purchased Asset File described in Section 7(b) of this Agreement (1) shall have been delivered to Custodian, and Buyer shall have received a Trust Receipt with respect to such Purchased Asset File or (2) shall have been delivered to Bailee and Bailee shall have executed and delivered a Bailee Agreement and Buyer shall have received a Trust Receipt from Bailee, and (B) if the

Purchased Asset is a Table Funded Purchased Asset, the documents required by Section 7(b) shall have been delivered to Bailee;

(vii) Seller shall have delivered to each Underlying Borrower or obligor or related servicer or lead lender under any Purchased Asset a direction letter in accordance with Section 5(a) of this Agreement unless such Underlying Borrower or obligor or related servicer or lead lender is already remitting payments to Servicer whereupon Seller shall direct Servicer to remit all such amounts into the Controlled Account in accordance with Section 5(a) of this Agreement and to service such payments in accordance with the provisions of this Agreement;

(viii) Seller shall have paid to Buyer (A) any fees then due and payable under the Fee Letter and (B) any unpaid Transaction Costs in respect of such Purchased Asset due and owing by Seller (which amounts, at Seller's option, may be held back from funds remitted to Seller by Buyer on the Purchase Date);

(ix) such Purchased Asset shall not be a Defaulted Asset;

(x) Buyer shall have received true and complete copies of fully executed originals of all Transfer Documents;

(xi) Buyer shall have received a copy of any document relating to any Hedging Transaction, and Seller shall have validly pledged and assigned to Buyer all of Seller's rights under each Hedging Transaction included within a Purchased Asset, if any;

(xii) no event shall have occurred or circumstance shall exist that has a Material Adverse Effect;

(xiii) the applicable Controlled Account relevant to such New Asset shall have been established and the required Transaction Documents set forth in Section 7(d)(i) shall have been executed and delivered;

(xiv) there shall not have occurred (A) a material adverse change in financial markets, an outbreak or escalation of hostilities or a material change in national or international political, financial or economic conditions, or (B) a general suspension of trading on major stock exchanges, or (C) a material disruption in or moratorium on commercial banking activities or securities settlement services;

(xv) there shall not have occurred (A) an event or events in the determination of Buyer resulting in the effective absence of a "repo market" or comparable "lending market" for financing debt obligations secured by commercial mortgage loans, or (B) an event or events shall have occurred resulting in Buyer not being able to finance Eligible Assets through the "repo market" or "lending market" with traditional counterparties at rates which would have been reasonable prior to the occurrence of such event or events; and

(f) Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Transaction covered thereby (absent manifest error or mutual mistake) unless objected to in writing by Seller no more than two (2) Business Days after the date such Confirmation is received by Seller. An objection sent by Seller with respect to any Confirmation must state specifically that the writing is an objection, must specify the provision(s) of such Confirmation being objected to by Seller, must set forth such provision(s) in the manner that Seller believes such provisions should be stated, and must be received by Buyer no more than two (2) Business Days after such Confirmation is received by Seller. Buyer may, in Buyer's sole discretion issue another Confirmation addressing Seller's objections or may elect not to proceed with the proposed Transaction.

(g) With respect to any Transaction involving an Eligible Asset that is a Future Advance Asset, Seller shall indicate in the related Preliminary Due Diligence Package that such Eligible Asset is a Future Advance Asset and shall provide Buyer with the information required to complete the Confirmation regarding such Future Advance Asset, as well as, the then remaining unfunded principal amount of all Purchased Assets that constitute Future Advance Assets. Subject to Section 4, at any time prior to the Repurchase Date, in the event a future advance is made or is to be made by Seller pursuant to the Purchased Asset Documents for a Future Advance Asset, Seller may submit to Buyer a request that Buyer transfer cash to Seller in an amount not to exceed the Maximum Purchase Percentage, *multiplied by* the amount of such future advance (a "Future Advance Purchase"), which Future Advance Purchase shall increase the outstanding Purchase Price for such Future Advance Asset. Subject to satisfaction (or, in Buyer's sole discretion, waiver) of the following conditions precedent to Buyer's obligation to make any Future Advance Purchase, Buyer shall transfer cash to Seller as provided in this Section 3(g) (and in accordance with the wire instructions provided by Seller in such request) on the date requested by Seller, which date shall be no earlier than two (2) Business Days following the Business Day on which Buyer has reasonably determined that such conditions precedent have been, or will have been, on the date of the related Future Advance Purchase, satisfied (or, in Buyer's sole discretion, waived):

(i) as of the funding of such Future Advance Purchase, no Margin Deficit, Default or Event of Default has occurred and is continuing or would result from the funding of such Future Advance Purchase;

(ii) the funding of the Future Advance Purchase would not cause the aggregate outstanding Purchase Price for all Purchased Assets to exceed the Facility Amount;

(iii) the Future Advance Purchase would not cause the Purchase Price of the applicable Future Advance Asset to exceed the Concentration Limit;

(iv) Buyer shall have determined, in Buyer's sole good faith discretion, that the Maximum Asset Exposure Threshold and Portfolio Exposure Threshold will not be exceeded immediately after giving effect to the funding of the Future Advance Purchase;

(v) Seller shall have demonstrated to Buyer's reasonable satisfaction that all conditions to the future advance under the Purchased Asset Documents have been satisfied; and

(vi) previously or simultaneously with Buyer's funding of the Future Advance Purchase, Seller shall have funded or caused to be funded to the Underlying Borrower (or to an escrow agent or as otherwise directed by the Underlying Borrower) its pro rata portion (taking into account Buyer's Future Advance Purchase) in respect of such Future Advance Asset.

(h) Seller shall be entitled to terminate a Transaction on demand, and repurchase the related Purchased Asset on any Business Day prior to the applicable Repurchase Date (an "Early Repurchase Date"); provided, however, that:

(i) no Default, Event of Default or Margin Deficit shall be continuing (unless such repurchase cures such Default, Event of Default or Margin Deficit) or would occur or result from such early repurchase;

(ii) Seller notifies Buyer in writing, no later than five (5) Business Days prior to the Early Repurchase Date, of its intent to terminate such Transaction and repurchase the related Purchased Asset (or such shorter period of time as Buyer may agree to); provided that, Seller shall have the right to revoke such notice at any time up to the Business Day prior to such Early Repurchase Date and that if the repurchase is for purposes of Seller's cure or satisfaction of a Default, Event of Default or Margin Deficit, no such prior notice shall be required; and

(iii) Seller shall pay to Buyer on the Early Repurchase Date an amount equal to the sum of the Repurchase Price for such Transaction, all Transaction Costs and any other amounts payable by Seller and outstanding under this Agreement or the other Transaction Documents (including, without limitation, amounts due under Section 3(n), Section 3(o) and Section 3(p) of this Agreement, if any, and the Exit Fee, if applicable) with respect to such Transaction against transfer to Seller or its agent of the related Purchased Asset.

(i) On the Repurchase Date for any Transaction, termination of the applicable Transaction will be effected by transfer to Seller or, if requested by Seller, its designee of the related Purchased Assets, and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Section 4 or Section 5 hereof) against the simultaneous transfer to Buyer of the applicable Repurchase Price, all Transaction Costs and any other amounts payable by Seller and outstanding under this Agreement with respect to such Transaction (including without limitation, amounts payable under Section 3(n), Section 3(o) and Section 3(p) of this Agreement, if any and the Exit Fee, if applicable) to an account of Buyer.

(j) So long as no Event of Default has occurred and is then continuing, the Repurchase Price with respect to one or more Purchased Assets may be paid in part at any time upon two (2) Business Days prior written notice from Seller to Buyer; provided, however, that any such payment shall be accompanied by an amount representing accrued Price Differential with respect to such Purchased Asset(s) on the amount of such payment and all other amounts

then due under the Transaction Documents with respect to such Purchased Asset. Each partial payment of the Repurchase Price that is voluntary (as opposed to mandatory under the terms of this Agreement) shall be in an amount of not less than \$100,000).

(k) Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event and a Benchmark Replacement Date with respect thereto have occurred prior to the Reference Time in connection with any setting of the then- current Benchmark, then such Benchmark Replacement will replace the then-current Benchmark for all purposes under this Agreement and under any other Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Transaction Document. Notwithstanding the foregoing, in the event that Buyer shall have determined (which determination shall be conclusive and binding upon Seller absent manifest error) that by reason of circumstances affecting the relevant market or otherwise, (i) adequate and reasonable means do not exist for ascertaining the applicable Benchmark, but a Benchmark Transition Event (as provided in the definition of Benchmark Transition Event as set forth herein) has not yet occurred or (ii) the Benchmark does not fairly and accurately reflect the costs to Buyer of effecting or maintaining the Transactions, then Buyer shall give written notice to Seller as soon as practicable thereafter. If such notice is given, the Pricing Rate with respect to all outstanding Transactions, until such notice has been withdrawn by Buyer, shall be a per annum rate equal to the sum of i. the Federal Funds Rate, *plus* ii. 0.25%, *plus* iii. the Applicable Spread.

(l) In connection with the implementation and administration of a Benchmark Replacement, 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 Transaction Document, after consultation with Seller, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without requiring any further action by or consent of any other party to this Agreement or any other Transaction Document. Buyer will promptly notify Seller of (A) any occurrence of (i) a Benchmark Transition Event and (ii) the Benchmark Replacement Date with respect thereto, (B) the implementation of any Benchmark Replacement, and (C) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by Buyer pursuant to Section 3(k) or this Section 3(l), 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 the reasonable discretion of Buyer and without consent from Seller or any other party to any other Transaction Document.

(m) If Buyer shall have determined that the introduction of, or a change in, any Requirement of Law or in the interpretation or administration of any Requirement of Law (including, without limitation changes in any reserve requirements and any other increase in cost to Buyer, as applicable) has made it unlawful, or any Governmental Authority shall have asserted that it is unlawful, for Buyer to enter into any Transaction or any Governmental Authority has

imposed material restrictions on the authority of Buyer to enter into any Transaction, then on notice thereof by Buyer to Seller, but only if Buyer has given the same notice for all similar commercial real estate repurchase transactions, any obligations of Buyer to enter into Transactions shall be suspended until Buyer notifies Seller that the circumstances giving rise to such determination no longer exist.

(n) Upon demand by Buyer, Seller shall indemnify Buyer and hold Buyer harmless from any actual loss, cost or expense (not to include any lost profit or opportunity, or indirect or consequential damages) (including, without limitation, reasonable out-of-pocket attorneys' fees and disbursements) that Buyer actually sustains or incurs as a direct result of (i) a default by Seller in terminating any Transaction after Seller has given a notice in accordance with Section 3(h) of a termination of a Transaction, (ii) any payment of all or any portion of the Repurchase Price, as the case may be, on any day other than a Remittance Date or (iii) Seller's failure to sell Eligible Assets to Buyer after Seller has notified Buyer of a proposed Transaction and Buyer has given a Final Approval to purchase such Eligible Assets in accordance with the provisions of this Agreement; provided that Seller shall not be obligated to so repay or reimburse Buyer under this Section 3(n) unless Buyer incurred such actual loss, cost or expense as Benchmark breakage costs. A certificate as to such costs, losses, damages and expenses, setting forth the calculations therefor shall be submitted promptly by Buyer to Seller in writing and shall be prima facie evidence of the information set forth therein, absent manifest error. This covenant shall survive the termination of this Agreement and the repurchase by Seller of any or all of the Purchased Assets.

(o) If Buyer shall have reasonably determined that the adoption of or any change in any Requirement of Law regarding capital adequacy, including the reserve requirements or any other reserve, special deposit or similar requirements relating to extensions of credit or other assets of Buyer or in the interpretation or application thereof or compliance by Buyer or any corporation controlling Buyer with any request or directive regarding such requirements (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof has the effect of reducing the rate of return on Buyer's or such corporation's capital as a consequence of its obligations hereunder to a level below that which Buyer or such corporation could have achieved but for such adoption, change or compliance (taking into consideration Buyer's or such corporation's policies with respect to such requirements) by an amount deemed by Buyer to be material, and Buyer has made the same determination for all similar commercial real estate repurchase transactions, then from time to time, within ten (10) Business Days after submission by Buyer to Seller of a written request therefor, Seller shall pay to Buyer such additional amount or amounts as will compensate Buyer for such reduction. A certificate as to the calculation of any additional amounts payable pursuant to this Section 3(o) shall be submitted by Buyer to Seller and shall be conclusive and binding upon Seller in the absence of manifest error. With respect to each reduction in the rate of return described above, this Section 3(o) shall survive for a period of nine (9) months from the date of the incurrence of such reduction by Buyer. This Section 3(o) shall survive the termination of this Agreement and the repurchase by Seller of any or all of the Purchased Assets and, for the avoidance of doubt, shall not apply to Taxes.

(p) Any and all payments by or on account of any obligation of Seller under this Agreement shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then Seller 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 shall be increased by Seller as necessary so that after such deduction or withholding has been made, Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made. Seller shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Requirements of Law. As soon as practicable after any payment of Taxes by Seller to a Governmental Authority pursuant to this Section 3(p), 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.

(q) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under the Transaction Documents, Buyer shall deliver to Seller, prior to becoming a party to this Agreement, and 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 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 3(q)(ii)(A), Section 3(q)(ii)(B) and Section 3(q)(ii)(D) below) shall not be required if in Buyer's reasonable judgment such completion, execution or submission would be illegal, would subject Buyer to any material unreimbursed cost or expense or would otherwise materially prejudice the legal or commercial position of Buyer. Without limiting the generality of the foregoing:

(i) if Buyer is a United States Person, it shall deliver to Seller on or prior to the date on which Buyer becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed originals of IRS Form W-9 certifying that Buyer is exempt from U.S. federal backup withholding tax;

(ii) if Buyer is not a United States Person, 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:

(A) in the case of Buyer that is claiming the benefits of an income tax treaty to which the United States is a party, (1) with respect to payments characterized as interest for U.S. federal income tax purposes under any Transaction Document, executed originals of IRS Form W-8BEN-E establishing

an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (2) with respect to any other applicable payments under any Transaction Document, IRS Form W-8BEN-E 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;

(B) executed originals of IRS Form W-8ECI;

(C) in the case of Buyer claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (1) a certificate to the effect that 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 (2) executed originals of IRS Form W-8BEN-E; or

(D) to the extent Buyer is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if Buyer is a partnership and one or more direct or indirect partners of Buyer are claiming the portfolio interest exemption, Buyer may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(iii) if Buyer is not a United States Person, 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 to this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed originals 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

(iv) if a payment made to Buyer under any Transaction 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 whether 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 Section 3(q)(ii)(D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Buyer agrees that if any form or certification it previously delivered pursuant to this Section 3(q) 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.

(r) If any of the events described in Section 3(n), Section 3(o) or Section 3(p) result in Buyer's request for additional amounts or any amount is required to be paid with respect to Indemnified Taxes pursuant to Section 20(a), then Seller shall have the option to notify Buyer in writing of its intent to terminate all of the Transactions and this Agreement and repurchase all of the Purchased Assets without payment of any Exit Fee, Unused Fee or similar fee no later than five (5) Business Days after such notice is given to Buyer, and such repurchase by Seller shall be conducted pursuant to and in accordance with Section 3(h). The election by Seller to terminate the Transactions in accordance with this Section 3(r) shall not relieve Seller for liability with respect to any additional amounts or increased costs actually incurred by Buyer prior to the actual repurchase of the Purchased Assets.

(s) From and after the Facility Termination Date, Buyer shall have no further obligation to purchase any New Assets. On the Facility Termination Date, Seller shall be obligated to repurchase all of the Purchased Assets and transfer payment of the Repurchase Price for each such Purchased Asset, together with the accrued and unpaid Price Differential and all Transaction Costs and other amounts due and payable to Buyer hereunder, against the transfer by Buyer to Seller or its agent or nominee of each such Purchased Asset. Following the Facility Termination Date, Buyer shall not be obligated to transfer any Purchased Assets to Seller until payment in full to Buyer of all amounts due hereunder.

(t) Notwithstanding any provision herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all rules, regulations, guidelines or directives promulgated in connection therewith or in implementation thereof that are finalized or become effective after the date hereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities that are finalized or become effective after the date hereof, shall in each case be deemed to be an adoption of or change in a Requirement of Law made subsequent to the date of this Agreement.

(u) 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 3 (including by the payment of additional amounts pursuant to this Section 3), 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 3 with respect to 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 3(u) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority). Notwithstanding anything to

the contrary in this Section 3(u), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3(u) the payment of which would place the indemnified party in a less-favorable net after-Tax position than that which 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 not been paid. This paragraph 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.

4. MANDATORY PAYMENT OR DELIVERY OF ADDITIONAL ASSETS

(a) Buyer may determine and re-determine the Asset Base Components on any Business Day and on as many Business Days as it may elect. During the continuance of a Margin Credit Event with respect to one or more Purchased Assets, if at any such time the aggregate Purchase Price of all Purchased Assets is greater than the aggregate Asset Base Components of all Purchased Assets as determined by Buyer in Buyer's sole good faith discretion and notified in writing and by telephone to Seller on any Business Day (a "Margin Deficit"), then Seller shall, not later than two (2) Business Days after receipt of notice of such Margin Deficit from Buyer, deliver to Buyer (i) cash in an amount sufficient to reduce the aggregate Purchase Price of the Purchased Assets to an amount equal to the aggregate Asset Base Components as re-determined by Buyer after giving effect to the delivery of cash by Seller to Buyer pursuant to this Section 4(a) or (ii) Cash Equivalents acceptable to Buyer with a market value that, when added to the aggregate Asset Base Components, equals or exceeds the aggregate Purchase Price; provided that, Seller shall not be required to cure a Margin Deficit unless and until the aggregate outstanding Margin Deficit of all Purchased Assets equals or exceeds \$1,000,000 on any date of determination. Any cash delivered to Buyer pursuant to this Section 4(a) shall be applied by Buyer to reduce the Purchase Price of the applicable Purchased Assets. Any Margin Excess applied to the Margin Deficit pursuant to this Section 4(a) or Section 5(b)(i)(D) shall be applied by Buyer to increase the Purchase Price of the applicable Purchased Asset.

(b) If at any such time the Purchase Price of any Purchased Asset is less than the Asset Base Component of such Purchased Asset (a "Margin Excess"), then Buyer shall, no later than five (5) Business Days after receipt of a request from Seller, transfer (i) cash to Seller in an amount (not to exceed such Margin Excess) such that the Purchase Price of such Purchased Asset, after the addition of any such cash so transferred, will thereupon not exceed such Asset Base Component as re-determined by Buyer after giving effect to the delivery of cash by Buyer to Seller pursuant to this Section 4(b) and/or (ii) Cash Equivalents previously delivered to Buyer in accordance with Section 4(a) with a market value equal to such Margin Excess; provided that (i) no Margin Deficit, Default or Event of Default has occurred and is continuing or would result from such funding, (ii) such funding shall not result in the Aggregate Repurchase Price of all Purchased Assets exceeding the Facility Amount and (iii) each such funding shall be in an amount of not less than \$100,000. Any cash delivered by Buyer to Seller pursuant to this

Section 4(b) shall be applied by Buyer to increase the Purchase Price of the applicable Purchased Asset. Buyer and Seller shall execute and deliver a restated Confirmation for the applicable Transaction to set forth the new Purchase Price for such Purchased Asset. Seller may not request funding under this Section 4(b) more than three (3) times in any calendar month.

(c) if the Concentration Limit is exceeded at any time, Seller shall repay the Repurchase Price of the applicable Purchased Asset(s) in an amount sufficient to cause the Concentration Limit to be satisfied (but in no event, in an amount greater than the applicable Repurchase Price) within 10 Business Days of written request by Buyer.

5. INCOME PAYMENTS AND PRINCIPAL PAYMENTS

(a) On or before the date hereof, Seller and Buyer shall establish and maintain with the Depository Bank deposit accounts in the name of Seller and under the sole control of Buyer with respect to which the Controlled Account Agreement shall have been executed (such accounts, individually or collectively as the context may require, together with any replacement or successor thereof, the “Controlled Account”). Seller shall cause all Income with respect to the Purchased Assets to be deposited in the applicable Controlled Account. In furtherance of the foregoing, Seller shall cause Servicer to remit to the Controlled Account all Income received in respect of the Purchased Assets within two (2) Business Days of receipt. All Income in respect of the Purchased Assets, which may include payments in respect of associated Hedging Transactions, shall be deposited directly into, or, if applicable, remitted directly from the applicable underlying collection account to, the Controlled Account.

(b) Unless an Event of Default shall have occurred and be continuing, on each Remittance Date, Buyer shall cause Depository Bank to remit and apply all Income on deposit in the Controlled Account in respect of the Purchased Assets and the associated Hedging Transactions as follows:

(i) with respect to all Income:

(A) *first*, to Buyer, an amount equal to the Price Differential which has accrued and is outstanding in respect of all of Purchased Assets as of such Remittance Date;

(B) *second*, to Buyer, any accrued and unpaid Unused Fee and all Transaction Costs and all other amounts payable by Seller and outstanding hereunder and under the other Transaction Documents (other than the Repurchase Price);

(C) *third*, if a Principal Payment in respect of any Purchased Asset has been made during the related Collection Period and has not been disbursed in accordance with Section 5(c) below, to Buyer an amount equal to the product of the amount of such Principal Payment, multiplied by the applicable Purchase Percentage;

(D) *fourth*, if a Margin Deficit shall exist, to Buyer, an amount such that, after giving effect to such payment, the aggregate Purchase Price of the Purchased Assets is equal to the aggregate Asset Base Components of the Purchased Assets, as determined by Buyer after giving effect to such payment, to the extent of remaining funds in the Controlled Account (the foregoing calculations to be made in accordance with Section 4(a));

(E) *fifth*, to Seller, the remainder, if any;

provided that if, (a) on any Remittance Date the amounts deposited in the Controlled Account shall be insufficient to make the payments required under Section 5(b)(i)(A) – (C), and Seller does not otherwise make such payments on such Remittance Date, the same shall constitute an Event of Default hereunder.

(c) Unless an Event of Default shall have occurred and be continuing, with respect to any unscheduled Principal Payment (including net sale proceeds) in respect of any Purchased Asset for which the Income thereof has been received by Depository Bank during any Collection Period, Buyer shall cause Depository Bank to remit and apply such payment, no later than two (2) Business Days after Buyer's receipt of notice from Seller of its intent to apply such payment in accordance with this Section 5(c), as follows:

(i) *first*, to Buyer, if a Margin Deficit shall exist, an amount such that, after giving effect to such payment, the aggregate Purchase Price of the Purchased Assets (calculated in accordance with Section 4(a)) is equal to the aggregate Asset Base Components of the Purchased Assets (calculated in accordance with Section 4(a)), as determined by Buyer after giving effect to such payment, to the extent of remaining funds in the Controlled Account;

(ii) *second*, to Buyer, an amount equal to the product of the amount of such Principal Payment multiplied by the applicable Purchase Percentage; and

(iii) *third*, to Seller, the remainder, if any.

(d) If an Event of Default shall have occurred and be continuing, all Income on deposit in the Controlled Account in respect of the Purchased Assets and the associated Hedging Transactions shall be applied as determined in Buyer's sole discretion pursuant to Section 14(b)(ii).

(e) If at any time during the term of any Transaction any Income is distributed to Seller with respect to the related Purchased Asset or Seller has otherwise received such Income and has made a payment in respect of such Income to Buyer pursuant to this Section 5, and for any reason such amount is required to be returned by Buyer to an obligor under such Purchased Asset (either before or after the Repurchase Date), Buyer may provide Seller with notice of such required return, and Seller shall pay the amount of such required return to Buyer by 11:00 a.m., New York time, on the Business Day following Seller's receipt of such notice.

(f) Subject to the other provisions hereof, Seller shall be responsible for all Transaction Costs in respect of any Purchased Assets to the extent it would be so obligated if the Purchased Assets had not been sold to Buyer. Buyer shall provide Seller with notice of any Transaction Costs, and Seller shall pay the amount of any Transaction Costs to Buyer by 11:00 a.m., New York time, on the later of (i) five (5) Business Days after the date on which Buyer has informed Seller that such amount is due under the Purchased Asset Documents and (ii) three (3) Business Days following Seller's receipt of such notice.

6. SECURITY INTEREST

(a) Buyer and Seller intend that all Transactions hereunder be sales to Buyer of the Purchased Assets for all purposes (other than for U.S. Federal, state and local income or franchise tax purposes) and not loans from Buyer to Seller secured by the Purchased Assets. However, in the event that any Transaction is deemed to be a loan, Seller hereby pledges to Buyer as security for the performance by Seller of the Repurchase Obligations and hereby grants to Buyer a first priority security interest in all of Seller's right, title and interest in and to the following (collectively, the "Repurchase Assets"):

(i) all of the Purchased Assets (including, for the avoidance of doubt, all security interests, mortgages and liens on personal or real property securing the Purchased Assets) and related Servicing Rights;

(ii) all Income from the Purchased Assets;

(iii) all insurance policies and insurance proceeds relating to any Purchased Asset or the related Eligible Property;

(iv) all "general intangibles", "accounts" and "chattel paper" as defined in the UCC relating to or constituting any and all of the foregoing;

(v) all replacements, substitutions or distributions on or proceeds, payments and profits of, and records and files relating to, any and all of the foregoing;

(vi) [reserved]; and

(vii) any other property, rights, titles or interests as are specified in the Confirmation and/or the Trust Receipt, the Purchased Asset Schedule or exception report with respect to the foregoing in all instances, whether now owned or hereafter acquired, now existing or hereafter created.

(b) With respect to the security interest in the Repurchase Assets granted in Section 6(a) hereof, and with respect to the security interests granted in Sections 6(c) and 6(d), Buyer shall, during the continuance of an Event of Default, have all of the rights and may exercise all of the remedies of a secured creditor under the UCC and any other applicable law and shall have the right to apply the Repurchase Assets or proceeds therefrom to the obligations of Seller under the

Transaction Documents. In furtherance of the foregoing, Buyer, at Seller's sole cost and expense, shall cause to be filed as a protective filing with respect to the Repurchase Assets and as a UCC filing with respect to the security interests granted in Sections 6(c) and 6(d), one or more UCC financing statements in form satisfactory to Buyer (to be filed in the filing office indicated therein), in such locations as may be necessary to perfect and maintain perfection and priority of the outright transfer (including under Section 22 of this Agreement) and the security interest granted hereby and, in each case, continuation statements and any amendments thereto (including, without limitation, by causing to be filed any amendments necessary to add or delete Repurchase Assets covered by the financing statement to reflect the purchase and repurchase of Purchased Assets), and shall forward copies of such filings to Seller upon completion thereof (collectively, the "Filings"), and (iii) Seller shall, from time to time, at its own expense, deliver and cause to be duly filed all such further filings, instruments and documents and take all such further actions as may be reasonably necessary or as may be reasonably requested by Buyer with respect to the perfection and priority of the outright transfer of the Purchased Assets and the security interest granted hereunder in the Repurchase Assets and the rights and remedies of Buyer with respect to the Repurchase Assets (including under Section 22 of this Agreement) (including the payments of any fees and Taxes required in connection with the execution and delivery of this Agreement).

(c) Seller hereby pledges and grants to Buyer, for the benefit of Buyer, as security for the performance by Seller of the Repurchase Obligations and hereby grants to Buyer a first priority security interest in all of Seller's right, title and interest in and to Seller's rights under all Hedging Transactions relating to Purchased Assets entered into by Seller and all proceeds thereof. Seller shall take all action as is reasonably necessary to obtain consent to assignment of any such Hedging Transaction to Buyer and shall cause the counterparty under each such Hedging Transaction to enter into such document or instrument satisfactory to Buyer, Seller and such counterparty, pursuant to which such counterparty will covenant and agree to accept notice from Buyer to redirect payments under such Hedging Transaction as Buyer may direct. So long as no Event of Default shall be continuing, Buyer agrees that it will not redirect payments under any Hedging Transaction pledged to Buyer pursuant to the terms of this Section 6(c).

(d) Seller hereby pledges to Buyer as security for the performance by Seller of the Repurchase Obligations and hereby grants to Buyer a first priority security interest in all of Seller's right, title and interest in and to the Controlled Account and all amounts and property from time to time on deposit therein and all replacements, substitutions or distributions on or proceeds, payments and profits of, and records and files relating to, the Controlled Account.

(e) In connection with the repurchase by Seller of any Purchased Asset in accordance herewith, upon receipt of the Repurchase Price by Buyer, Buyer will deliver to Seller, at Seller's expense, such documents and instruments as may be reasonably necessary and requested by Seller to reconvey such Purchased Asset and any Income related thereto to Seller and to evidence the termination of Buyer's security interest therein including, without limitation, UCC termination statements.

7. PAYMENT, TRANSFER AND CUSTODY

(a) Subject to the terms and conditions of this Agreement, on the Purchase Date for each Transaction, ownership of the Purchased Assets and all rights thereunder shall be transferred to Buyer or its designee (including Custodian) against the simultaneous transfer of the Purchase Price to an account of Seller specified in the Confirmation relating to such Transaction. Buyer will provide Seller with a power of attorney, substantially in the form attached as Exhibit II-2 hereto, allowing Seller to administer, operate and service such Purchased Assets. Provided that no Event of Default shall have occurred and be continuing, the power of attorney (including, subject to the terms of this Agreement, the exercise of any voting or similar rights by Seller) shall be binding upon Buyer and Buyer's successors and assigns.

(b) With respect to each Table Funded Purchased Asset (or any Transaction for which Buyer approves the utilization of a Bailee), Seller shall cause Bailee to deliver to Buyer by no later than 1:00 p.m. (New York time), on the Purchase Date, in writing (including by email transmission), a true and complete copy of the related Mortgage Note, Mezzanine Note, LLC Certificate or Participation Certificate (as applicable), the Insured Closing Letter and Escrow Instructions, if any, and the executed Bailee Agreement. In connection with the sale of each Purchased Asset, not later than 1:00 p.m. (New York time), two (2) Business Days prior to the related Purchase Date (or with respect to a Table Funded Purchased Asset (or any Transaction for which Buyer approves the utilization of a Bailee) not later than 1:00 p.m. (New York time) on the third (3rd) Business Day following the applicable Purchase Date, Seller shall deliver or cause Bailee to deliver (with a copy to Buyer) and release to Custodian (together with the Purchased Asset File Checklist), and shall cause Custodian to deliver a Trust Receipt on the Purchase Date (or in the case of a Table Funded Purchased Asset (or any Transaction for which Buyer approves the utilization of a Bailee), not later than two (2) Business Days following the receipt by Custodian) confirming the receipt of, the following original (or where indicated below, copied) documents, to the extent applicable, with respect to each Purchased Asset identified in the Purchased Asset File Checklist delivered therewith (all of the documents listed below, with respect to any Purchased Asset, collectively, the "Purchased Asset Documents"):

With respect to each Purchased Asset that is a Mortgage Loan or a Participation Interest, the following documents, as applicable:

(i) the original Mortgage Note bearing all intervening endorsements, endorsed "Pay to the order of _____" without recourse" and signed in the name of the last endorsee (the "Last Endorsee") by an authorized Person of the Last Endorsee (in the event that the Purchased Asset was acquired by the Last Endorsee in a merger, the signature must be in the following form: "[Last Endorsee], successor by merger to [name of predecessor]"; in the event that the Purchased Asset was acquired or originated by the Last Endorsee while doing business under another name, the signature must be in the following form: "[Last Endorsee], [formerly known] or [doing business] as [previous name]") or a lost note affidavit in a form reasonably approved by Buyer, with a copy of the applicable Mortgage Note attached thereto;

- (ii) the original loan agreement and guaranty, if any, executed in connection with the Purchased Asset;
- (iii) the original Mortgage with evidence of recording thereon, or a true and correct copy of the original that has been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located;
- (iv) with respect to the Mortgage, the originals of all assumption, modification, consolidation or extension agreements with evidence of recording thereon, or true and correct copies of the originals that have each been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located;
- (v) the original Assignment of Mortgage in blank for each Purchased Asset, in form and substance acceptable for recording and signed in the name of the Last Endorsee (in the event that the Purchased Asset was acquired by the Last Endorsee in a merger, the signature must be in the following form: “[Last Endorsee], successor by merger to [name of predecessor]”; in the event that the Purchased Asset was acquired or originated while doing business under another name, the signature must be in the following form: “[Last Endorsee], [formerly known] or [doing business] as [previous name]”);
- (vi) [reserved];
- (vii) [reserved];
- (viii) the originals of all intervening assignments of mortgage (if any) with evidence of recording thereon, or copies thereof;
- (ix) the original Title Policy or, if the original Title Policy has not been issued, a copy of the irrevocable marked commitment to issue the same;
- (x) the original of any security agreement, chattel mortgage or equivalent document executed in connection with the Purchased Asset;
- (xi) the original Assignment of Leases, if any, with evidence of recording thereon, or a true and correct copy of the original that has been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located;
- (xii) the originals of all intervening assignments of assignment of leases and rents, if any, or copies thereof, with evidence of recording thereon, or copies thereof;
- (xiii) a copy of the UCC financing statements, certified as true and correct by Seller, and all necessary UCC continuation statements with evidence of filing thereon or copies thereof together with evidence that such UCC financing or continuation statements (or such equivalent) have been sent for filing, and UCC assignments in blank, which UCC assignments (or such equivalent) shall be in form and substance acceptable for filing in the applicable jurisdictions;

(xiv) the original environmental indemnity agreement or similar guaranty or indemnity, whether stand-alone or incorporated into the applicable loan documents (if any);

(xv) the original omnibus assignment in blank or such other documents necessary and sufficient to transfer to Buyer all of Seller's right, title and interest in and to the Purchased Asset (if any);

(xvi) a Survey of the Mortgaged Property (if any) as accepted by the title company for issuance of the Title Policy;

(xvii) a copy of all servicing agreements related to such Purchased Asset;

(xviii) a copy of the Mortgagor's opinions of counsel;

(xix) [reserved];

(xx) in the case of a Purchased Asset that is a Participation Interest, the original Participation Certificate evidencing such Participation Interest together with an assignment in blank;

(xxi) in the case of a Purchased Asset that is a Participation Interest, the participation agreement and any other documents evidencing such Participation Interest;

(xxii) an assignment of any management agreements, permits, contracts and other material agreements (if any);

(xxiii) the original or a copy of the intercreditor or co-lender agreement (if any) executed in connection with the Purchased Asset to the extent the subject borrower, or an affiliate thereof, has encumbered its assets with senior, junior or similar financing, whether mortgage financing or mezzanine loan financing;

(xxiv) copies of all documents relating to the formation and organization of the related obligor under such Purchased Asset, together with all consents and resolutions delivered in connection with such obligor's obtaining such Purchased Asset; and

(xxv) all other material documents and instruments evidencing, guaranteeing, insuring, securing or modifying such Purchased Asset, executed and delivered in connection with, or otherwise relating to, such Purchased Asset, including all documents establishing or implementing any lockbox pursuant to which Seller is entitled to receive any payments from cash flow of the underlying real property.

With respect to each Purchased Asset that is a Mezzanine Loan, the following documents, as applicable:

(i) the original executed Mezzanine Note relating to such Mezzanine Loan, which Mezzanine Note shall (A) be endorsed (either on the face thereof or pursuant to a

separate allonge) by the most recent endorsee prior to the applicable Seller, without recourse, to the order of such Seller and further reflect a complete, unbroken chain of endorsement from the related originator to such Seller and (B) be accompanied by a separate allonge pursuant to which such Seller has endorsed such Note, without recourse, in blank;

(ii) true and correct copies of the related intercreditor agreement (if any) and the related Mezzanine Pledge Agreement and all other material documents (including, without limitation, opinions of counsel) or agreements relating to such Mezzanine Loan or affecting the rights (including, without limitation, the security interests) of any holder thereof;

(iii) as applicable, true and correct copies of any assignment, assumption, modification, consolidation or extension made prior to the related Purchase Date in respect of such Mezzanine Note or any document or agreement referred to in clause (ii) above, in each case, if the document or agreement being assigned, assumed, modified, consolidated or extended is recordable, with evidence of recording thereon (unless the particular item has not been returned from the applicable recording office);

(iv) as applicable, an original assignment of each agreement referred to in clause

(v) above, in recordable form if the agreement being assigned is a recordable document, executed in blank by the applicable Seller;

(vi) if certificated, each LLC Certificate, together with an undated power covering each such certificate, duly executed in blank;

(vii) copies of all UCC financing statements filed in respect of such Mezzanine Loan prior to the related Purchase Date, including all amendments and assignments related thereto, if any, in each case with evidence of filing in the applicable jurisdiction indicated thereon;

(viii) an original assignment of each UCC financing statement filed in respect of such Mezzanine Loan, prepared in blank, in form suitable for filing;

(ix) the related original omnibus assignment, if any, executed in blank;

(x) the original Title Policy for such Mezzanine Loan (provided that any exception to this item shall note whether the related Purchased Asset File includes a "marked up" commitment or proforma policy marked as binding and countersigned or evidenced as binding by an escrow letter or closing instructions), if any, together with an original mezzanine endorsement, if any, and date down to owner's policy, if any;

(xi) any additional documents identified on the related Purchased Asset File Checklist delivered to Custodian in accordance with Article II of this Agreement; and

(xii) any additional documents required to be added to the related Purchased Asset File pursuant to this Agreement.

provided that if Seller cannot deliver, or cause to be delivered, any of the original documents and/or instruments required to be delivered as originals under the provisions above (excluding the Mortgage Note, Assignment of Mortgage, Mezzanine Note and LLC Certificate, as applicable, originals of which must be delivered at the time required under the provisions above), Seller shall deliver a photocopy thereof and, unless waived by Buyer, an Officer's Certificate of Seller certifying that such copy represents a true and correct copy of the original. Seller shall then, (A) use commercially reasonable efforts to obtain and deliver the original document within one hundred eighty (180) days after the related Purchase Date (or such longer period after the related Purchase Date to which Buyer may consent in its sole discretion, so long as Seller is, as certified in writing to Buyer not less frequently than monthly, using commercially reasonable efforts to obtain the original), (B) after the expiration of such best efforts period, deliver to Buyer a certification that states, despite Seller's best efforts, Seller was unable to obtain such original document and (C) thereafter have no further obligation to deliver the related original document.

(c) From time to time, Seller shall forward to Custodian additional original documents or additional documents evidencing any assumption, modification, consolidation or extension of a Purchased Asset approved in accordance with the terms of this Agreement, and upon receipt of any such other documents, Custodian shall hold such other documents on behalf of Buyer and as Buyer shall request from time to time. With respect to any documents which have been delivered or are being delivered to recording offices for recording and have not been returned to Seller in time to permit their delivery hereunder at the time required, in lieu of delivering such original documents, Seller shall deliver to Buyer a true copy thereof with an Officer's Certificate certifying that such copy is a true, correct and complete copy of the original, which has been transmitted for recordation. Seller shall deliver such original documents to Custodian promptly when they are received. With respect to all of the Purchased Assets delivered by Seller to Buyer or its designee (including Custodian), Seller shall execute an omnibus power of attorney substantially in the form of Exhibit II-1 attached hereto irrevocably appointing Buyer its attorney-in-fact with full power to (i) complete and record any Assignment of Mortgage, (ii) complete the endorsement of any Mortgage Note, Mezzanine Note, LLC Certificate or Participation Certificate (as applicable) and (iii) take such other steps as may be necessary or desirable to enforce Buyer's rights against any Purchased Assets and the related Purchased Asset Files and the Servicing Records; which power, in each case, Buyer agrees will only be exercised during the continuance of an Event of Default. Buyer shall deposit the Purchased Asset Files representing the Purchased Assets, or cause the Purchased Asset Files to be deposited directly, with Custodian to be held by Custodian, on behalf of Buyer. The Purchased Asset Files shall be maintained in accordance with Custodial Agreement. Any Purchased Asset File not delivered to Buyer or its designee (including Custodian) is and shall be held in trust by Seller or its designee for the benefit of Buyer as the owner thereof. Seller or its

designee shall maintain a copy of the Purchased Asset File and the originals of the Purchased Asset File not delivered to Buyer or its designee. The possession of the Purchased Asset File by Seller or its designee is at the will of Buyer for the sole purpose of servicing the related Purchased Asset, and such retention and possession by Seller or its designee is in a custodial capacity only. The books and records (including, without limitation, any computer records or tapes) of Seller or its designee shall be marked appropriately to reflect clearly the transfer, subject to the terms and conditions of this Agreement, of the related Purchased Asset to Buyer. Seller or its designee (including Custodian) shall release its custody of the Purchased Asset File only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Assets or is in connection with a repurchase of any Purchased Asset by Seller or is pursuant to the order of a court of competent jurisdiction.

(d) On the date of this Agreement, Buyer shall have received all of the following items and documents, each of which shall be satisfactory to Buyer in form and substance:

(i) Transaction Documents. (A) This Agreement, duly executed and delivered by Seller and Buyer (including all exhibits); (B) the Custodial Agreement, duly executed and delivered by Seller, Buyer and Custodian; (C) the Controlled Account Agreement, duly executed and delivered by Seller, Buyer and Depository Bank; (D) the Fee Letter, duly executed and delivered by Seller and Buyer; (E) the Guaranty, duly executed and delivered by Guarantor; (F) the power of attorney executed by Seller in the form of Exhibit II-1; (G) the Servicing Agreement and Servicer Acknowledgement duly executed by the parties thereto; (H) the Filings; and (I) the Ratification Agreement, together with any other documents necessary or requested by Buyer to perfect the security interest granted by Seller in favor of Buyer, for the benefit of Buyer, under this Agreement or any other Transaction Documents;

(ii) Fees and Costs. All Transaction Costs payable to Buyer in connection with the negotiation of the Transaction Documents;

(iii) Organizational Documents. Certified copies of the organizational documents of Seller and Guarantor and resolutions or other documents evidencing the authority of Seller and Guarantor with respect to the execution, delivery and performance of the Transaction Documents to which it is a party and each other document to be delivered by Seller and/or Guarantor from time to time in connection with the Transaction Documents (and Buyer may conclusively rely on such certifications until it receives notice in writing from Seller or Guarantor, as the case may be, to the contrary);

(iv) Legal Opinion. Opinions of counsel to Seller and Guarantor in form and substance satisfactory to Buyer as to authority, enforceability of the Transaction Documents to which it is a party, perfection, bankruptcy safe harbors, the Investment Company Act and such other matters as may be requested by Buyer; and

(v) Other Documents. Such other documents as Buyer may reasonably request prior to the date hereof.

8. CERTAIN RIGHTS OF BUYER WITH RESPECT TO THE PURCHASED ASSETS

(a) Subject to the terms and conditions of this Agreement, title to all Purchased Assets shall pass to Buyer on the applicable Purchase Date, and Buyer shall have free and unrestricted use of its interest in the Purchased Assets in accordance with the terms and conditions of the Purchased Asset Documents. Nothing in this Agreement or any other Transaction Document shall preclude Buyer from engaging (at Buyer's sole expense) in repurchase transactions with the Purchased Assets with Persons in conformity with the terms and conditions of the Purchased Asset Documents or otherwise selling, transferring, pledging, replugging, hypothecating, or rehypothecating the Purchased Assets to Persons in conformity with the terms and conditions of the Purchased Asset Documents, but no such transaction shall relieve Buyer of its obligations to transfer the Purchased Assets to Seller pursuant to Section 3 of this Agreement or of Buyer's obligation to credit or pay Income to, or apply Income to the obligations of, Seller pursuant to Section 5 of this Agreement or otherwise affect the rights, obligations and remedies of any party to this Agreement.

(b) Nothing contained in this Agreement or any other Transaction Document shall obligate Buyer to segregate any Purchased Assets delivered to Buyer by Seller. Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, no Purchased Asset shall remain in the custody of Seller or an Affiliate of Seller other than as permitted herein. Subject to the terms and conditions of this Agreement, any documents delivered to Custodian pursuant to Section 7 of this Agreement shall be released only in accordance with the terms and conditions of the Custodial Agreement.

9. EXTENSION OF FACILITY TERMINATION DATE; REDUCTION OF FACILITY AMOUNT

(a) [Reserved].

(b) On each anniversary of the date of this Agreement, Seller may, upon at least five (5) Business Days' prior notice to Buyer, permanently reduce in part the unused portions of the Facility Amount; provided, however, that (i) each such partial reduction of the Facility Amount shall be in an aggregate amount of \$5,000,000 or a multiple thereof, (ii) after giving effect to such reduction, the aggregate Purchase Price of all Purchased Assets shall not exceed the Facility Amount, and (iii) the Facility Amount shall not be reduced below \$50,000,000.

10. REPRESENTATIONS

Seller represents and warrants to Buyer that as of the date of this Agreement and as of each Purchase Date and at all times while this Agreement and any Transaction thereunder is in effect or any Repurchase Obligations remain outstanding or at such other time specified:

(i) Organization. Seller (A) is a limited liability company duly organized, validly existing and in good standing under the laws and regulations of the State of Delaware; (B) is duly

licensed, qualified, and in good standing in every state where such licensing or qualification is necessary for the transaction of Seller's business; and (C) has all requisite limited liability company or other power, and has all governmental licenses, authorizations, consents and approvals necessary to (1) own and hold its assets and to carry on its business as now being conducted and proposed to be conducted, (2) execute, deliver and perform its obligations under, this Agreement and the other Transaction Documents and (3) enter into the Transactions.

(ii) Authorization; Due Execution; Enforceability. The execution, delivery and performance by Seller of each of this Agreement and each of the Transaction Documents have been duly authorized by all necessary limited liability company or other action on its part. The Transaction Documents have been duly executed and delivered by Seller for good and valuable consideration. The Transaction Documents constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles.

(iii) Non-Contravention; Consents. Neither the execution and delivery of the Transaction Documents, nor consummation by Seller of the transactions contemplated by the Transaction Documents (or any of them), nor compliance by Seller with the terms, conditions and provisions of the Transaction Documents (or any of them) will (A) conflict with or result in a breach of the organizational documents of Seller (B) conflict with any applicable law (including, without limitation, Prescribed Laws), rule or regulation or result in a breach or violation of any of the terms, conditions or provisions of any judgment or order, writ, injunction, decree or demand of any Governmental Authority applicable to Seller, (C) result in the creation or imposition of any lien or any other encumbrance upon any of the assets of Seller, other than pursuant to the Transaction Documents or (D) violate or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, contract or other material agreement to which Seller is a party or by which Seller may be bound.

(iv) Litigation; Requirements of Law. Except as disclosed in writing to Buyer on or before the date of this Agreement and from time to time, there is no action, suit, proceeding, investigation, or arbitration pending or, to the best knowledge of Seller, threatened against Seller or any of its assets which

(A) is reasonably likely to, individually or in the aggregate, result in any Material Adverse Effect;

(B) is reasonably likely to have an adverse effect on the validity of the Transaction Documents or any action taken or to be taken in connection with the obligations of Seller under any of the Transaction Documents; or (C) makes a claim or claims for payment of an amount greater than \$500,000. Seller is in compliance in all material respects with all Requirements of Law. Seller is not in default in any material respect with respect to any judgment, order, writ, injunction, decree, rule or regulation of any arbitrator or Governmental Authority.

(v) No Broker. Seller has not dealt with any broker, investment banker, agent or other Person (other than Buyer or an Affiliate of Buyer) who may be entitled to any commission or compensation in connection with the sale of the Purchased Assets pursuant to any Transaction Documents.

(vi) Good Title to Purchased Assets. Immediately prior to the purchase of any Purchased Assets by Buyer from Seller, such Purchased Assets are free and clear of any lien, security interest, claim, option, charge, encumbrance or impediment to transfer to Buyer (including any “adverse claim” as defined in Section 8-102(a)(1) of the UCC), and are not subject to any rights of set-off, any prior sale, transfer, assignment, or participation by Seller or any agreement (other than the Transaction Documents) by Seller to assign, convey, transfer or participate in such Purchased Assets, in whole or in part, and Seller is the sole legal record and beneficial owner of, and owns and has the right to sell and transfer, such Purchased Assets to Buyer, and, upon transfer of such Purchased Assets to Buyer, Buyer shall be the owner of such Purchased Assets (other than for U.S. Federal, state and local income and franchise tax purposes) free of any adverse claim, subject to Seller’s rights pursuant to this Agreement. In the event that the related Transaction is recharacterized as a secured financing of the Purchased Assets and with respect to the security interests granted in Sections 6(a), 6(c) and 6(d), the provisions of this Agreement and the filing of the Filings are effective to create in favor of Buyer a valid security interest in all right, title and interest of Seller in, to and under the Repurchase Assets specified in Section 6(a) and the other collateral specified in Sections 6(c) and 6(d), and Buyer shall have a valid, perfected and enforceable first priority security interest in the Repurchase Assets and such other collateral to the extent such security interest can be perfected by filing or by delivery to and possession by Custodian or delivery to the Controlled Account, subject to no lien or rights of others other than as granted herein.

(vii) No Default; No Material Adverse Effect. No Default or Event of Default exists under or with respect to the Transaction Documents. To Seller’s knowledge, there are no post- Transaction facts or circumstances that have a Material Adverse Effect on any Purchased Asset that Seller has not notified Buyer of in writing.

(viii) Representations and Warranties Regarding Purchased Assets; Delivery of Purchased Asset File. Each Purchased Asset sold hereunder, as of the applicable Purchase Date for the Transaction in question, conforms to the applicable representations and warranties set forth in Exhibit III attached hereto, except as has been disclosed to Buyer in an Exception Report prior to Buyer’s issuance of a Confirmation with respect to the related Purchased Asset. It is understood and agreed that the representations and warranties set forth in Exhibit III hereto (as modified by any Exception Report disclosed to Buyer in writing prior to Buyer’s issuance of a Confirmation with respect to the related Purchased Asset), shall survive delivery of the respective Purchased Asset File to Buyer or its designee (including Custodian). With respect to each Purchased Asset, the Mortgage Note, Mezzanine Note, LLC Certificate or Participation Certificate (as applicable), the Mortgage (if any), the Assignment of Mortgage (if any), the Pledge Agreement (if any), any assignments of the foregoing and any other documents required to be delivered under this Agreement and the Custodial Agreement for such Purchased Asset

have been delivered (or with respect to Table Funded Purchased Assets (or any Purchased Asset for which Buyer has approved the utilization of a Bailee) shall be delivered in accordance with Section 7(b)) to Buyer or Custodian on its behalf or such requirement will have been expressly waived in writing by Buyer. Seller or its designee is in possession of a complete, true and accurate Purchased Asset File with respect to each Purchased Asset, except for such documents the originals of which have been delivered to Custodian.

(ix) Adequate Capitalization; No Fraudulent Transfer. 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 has paid, its debts as they come due. Seller has not become, and is not presently, insolvent nor will Seller be made insolvent by virtue of Seller's execution of or performance under any of the Transaction Documents, including, after giving effect to any Transaction, within the meaning of applicable Insolvency Law. Seller is not contemplating the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of Seller or any of its assets. Seller is not transferring any New Assets with any intent to hinder, delay or defraud any of its creditors. For purposes of this Section 10(ix), "debt" means "liability on a claim", "claim" means any (1) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, and (2) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

(x) Organizational Documents. Seller has delivered to Buyer true and correct certified copies of its organizational documents, together with all amendments thereto.

(xi) No Encumbrances. There are (A) no outstanding rights, options, warrants or agreements on the part of Seller for a purchase, sale or issuance, in connection with the Purchased Assets, (B) no agreements on the part of Seller to issue, sell or distribute the Purchased Assets and (C) no obligations on the part of Seller (contingent or otherwise) to purchase, redeem or otherwise acquire any securities or interest therein, except, in each of the foregoing instances, as contemplated by the Transaction Documents.

(xii) No Investment Company or Holding Company. Neither Seller nor Guarantor is required to register as an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(xiii) Taxes. Seller has filed or caused to be filed all tax returns that would be delinquent if they had not been filed on or before the date hereof and has paid all Taxes due and payable on or before the date hereof and all Taxes, fees or other charges imposed on it and any of its assets by any Governmental Authority except for any such Taxes that are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP; no tax liens have been

filed against any of Seller's assets; and, to Seller's knowledge, no claims are being asserted with respect to any such Taxes, fees or other charges.

(xiv) ERISA. Neither Seller nor any ERISA Affiliate (A) sponsors or maintains any Plans or (B) makes any contributions to or has any liabilities or obligations (direct or contingent) with respect to any Plans. Seller does not hold Plan Assets, and assuming the assets of Buyer do not include Plan Assets the consummation of the transactions contemplated by this Agreement will not constitute or result in any non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or substantially similar Laws to which the assets of Seller are subject.

(xv) Judgments/Bankruptcy. Except as disclosed in writing to Buyer, there are no judgments against Seller that are unsatisfied of record or docketed in any court located in the United States of America or any non-U.S. jurisdiction and no Act of Insolvency has ever occurred with respect to Seller.

(xvi) Full and Accurate Disclosure. No information provided pursuant to or during the negotiation of the Transaction Documents, or any written statement furnished by or on behalf of Seller pursuant to the terms of the Transaction Documents (including any certification of Bailee), contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made when such statements and omissions are considered in the totality of the circumstances in question.

(xvii) Financial Information. All financial data concerning Seller and Guarantor and all data concerning the Purchased Assets that has been delivered to Buyer by Seller, any Affiliate of Seller or Seller's advisors is true and correct in all material respects and, does not omit any such material data in the possession of or otherwise available to Seller or Guarantor and has been prepared in accordance with GAAP (to the extent applicable). Since the delivery of such data, except as otherwise disclosed in writing to Buyer, there has been no material adverse change in the business or financial condition of Seller or Guarantor or the Purchased Assets, or in the results of operations of Seller or Guarantor.

(xviii) Jurisdiction of Organization. Seller's jurisdiction of organization is the State of Delaware.

(xix) Location of Books and Records. The location where Seller keeps its books and records is at its chief executive office at 399 Park Avenue, 18th Floor New York, NY 10022.

(xx) Authorized Representatives. The duly authorized representatives of Seller are listed on, and true signatures of such authorized representatives are set forth on, Exhibit V attached to this Agreement.

(xxi) Use of Proceeds; Regulations T, U and X. All proceeds of each Transaction shall be used by Seller for purposes permitted under Seller's governing documents; provided that no

part of the proceeds of any Transaction will be used by Seller to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. Neither the entering into nor consummation of any Transaction hereunder, nor the use of the proceeds thereof, will violate any provisions of Regulations T, U or X.

(xxii) Regulatory Status. Seller is not a “bank holding company” or a direct or indirect subsidiary of a “bank holding company” as defined in the Bank Holding Company Act of 1956, as amended, and Regulation Y thereunder of the Board of Governors of the Federal Reserve System.

(xxiii) Hedging Transactions. As of the Purchase Date for any Purchased Asset that is subject to a Hedging Transaction, each such Hedging Transaction is in full force and effect in accordance with its terms, each counterparty thereto is an Affiliated Hedge Counterparty or a Qualified Hedge Counterparty, and no “Termination Event”, “Event of Default”, “Potential Event of Default” or any similar event, however denominated, has occurred and is continuing with respect thereto.

(xxiv) Anti-Money Laundering. The operations of Seller, Guarantor and their Subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those required by the Prescribed Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Seller or Guarantor or any of their Subsidiaries with respect to the Prescribed Laws is pending or, to the best knowledge of Seller, threatened.

(xxv) OFAC.

(A) None of Seller, any director, officer or employee of Seller, or to Seller’s knowledge, any agent, Affiliate or representative of Seller, is a Person that is, or is owned or controlled by a Person that is: (1) the subject of any sanction administered or enforced by OFAC, the United Nations Security Council, the European Union, or Her Majesty’s Treasury (collectively, “Sanctions”); or (2) located, organized or resides in a country or territory that is the subject of comprehensive Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, North Korea, Sudan and Syria).

(B) Seller is not now knowingly engaged in, and will not knowingly engage in, any dealings or transactions with (1) any Person that at the time of dealing or transaction is or was the subject of Sanctions, or (2) in any country or territory that at the time of the dealing or transaction is or was the subject of Sanctions.

(xxvi) Anti-Corruption.

(A) None of Seller, its directors, officers, or employees, or, to Seller’s knowledge, any agent, Affiliate or representative of Seller or any Affiliate of

them, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any Person while knowing that all or some portion of the money or value will be offered, given or promised to anyone to improperly influence official action, to obtain or retain business or otherwise to secure any improper advantage, in each case in violation of applicable anti-corruption or anti-bribery laws.

(B) Seller and, to Seller's knowledge, Seller's Affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained, and will continue to maintain, policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained in this Section 10(xxvi).

(xxvii) Seller warrants, represents and covenants that it has not registered as a company in any jurisdiction other than the State of Delaware.

11. NEGATIVE COVENANTS OF SELLER

On and as of date of this Agreement and each Purchase Date and at all times while this Agreement and any Transaction hereunder is in effect or any Repurchase Obligations remain outstanding, Seller shall not without the prior written consent of Buyer:

- (a) subject to Seller's right to repurchase the Purchased Assets, take any action which would directly or indirectly materially impair or adversely affect Buyer's title to the Purchased Assets;
- (b) transfer, assign, convey, grant, bargain, sell, set over, deliver or otherwise dispose of, or pledge or hypothecate, directly or indirectly, any interest in any Purchased Assets to any Person other than Buyer, or engage in repurchase transactions or similar transactions with respect to such Purchased Asset with any Person other than Buyer, except where such Purchased Asset is simultaneously repurchased from Buyer in accordance with this Agreement;
- (c) create, incur or permit to exist any lien, encumbrance or security interest in or on any of the Repurchase Assets or other collateral subject to the security interests granted by Seller pursuant to Section 6 of this Agreement;
- (d) create, incur or permit any lien, security interest, charges, or encumbrances with respect to any Repurchase Assets or Hedging Transaction relating to the Purchased Assets for the benefit of any Person other than Buyer;
- (e) consent or assent to a Significant Modification of any Purchased Asset without the prior written consent of Buyer (which shall not be unreasonably withheld, delayed or conditioned so long as no Event of Default is continuing);

(f) take any action or permit such action to be taken which would result in a Change of Control without the prior written consent of Buyer in its sole discretion; provided Buyer's consent shall not be unreasonably withheld with respect to a Change of Control which relates to CLNS's Control over Colony Capital Operating Company, LLC;

(g) during the continuation of any Default or Event of Default, make any distribution, payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any equity or ownership interest of Seller, 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;

(h) sponsor or maintain any Plans or make any contributions to, or have any liability or obligation (direct or contingent) with respect to, any Plan or permit any ERISA Affiliate to sponsor or maintain any Plans or make any contributions to, or have any liability or obligation (direct or contingent) with respect to, any Plan;

(i) engage in any transaction that would cause any obligation or action taken or to be taken hereunder (or the exercise by Buyer of any of its rights under this Agreement, the Purchased Assets or any Transaction Document) to be a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or substantially similar provisions under any other similar Laws to which the assets of Seller are subject assuming in all events that the assets of Buyer do not include Plan Assets;

(j) [Intentionally omitted];

(k) seek its dissolution, liquidation or winding up, in whole or in part;

(l) incur any Indebtedness except as provided in Section 13(i) hereof or otherwise cease to be a Single-Purpose Entity;

(m) permit the organizational documents or organizational structure of Seller to be amended without the prior written consent of Buyer (which consent shall not be unreasonably withheld, delayed or conditioned);

(n) acquire or maintain any right or interest in any Purchased Asset or Mortgaged Property that is senior to, junior to or *pari passu* with the rights and interests of Buyer therein under this Agreement and the other Transaction Documents without the prior written consent of Buyer unless such right or interest becomes a Purchased Asset hereunder;

(o) knowingly, directly or indirectly use the proceeds from any Transaction, or lend contribute or otherwise make available such proceeds to any other Person (i) to fund or facilitate any activities or business (A) of or with any Person that, at the time of such funding or facilitation, is the subject of Sanctions, or (B) in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions, or (ii) in any other manner that would result in a violation of Sanctions by any Person (including Buyer);

(p) knowingly, directly or indirectly use the proceeds from any Transaction or lend, contribute or otherwise make available such proceeds to any Person for the purpose of financing or facilitating any activity that would violate applicable anti-corruption laws, rules, or regulations; or

(q) register as a company in any jurisdiction other than the State of Delaware.

12. AFFIRMATIVE COVENANTS OF SELLER

On and as of the date of this Agreement and each Purchase Date and at all times while this Agreement and any Transaction thereunder is in effect or any Repurchase Obligations remain outstanding:

(a) Seller shall promptly notify Buyer of any event and/or condition that is likely to have a Material Adverse Effect of which Seller has knowledge.

(b) Seller shall give notice to Buyer of the following (together with details of the occurrence referred to therein and stating what actions Seller has taken or proposes to take with respect thereto):

(i) promptly upon receipt by Seller of notice or knowledge of the occurrence of any Default or Event of Default;

(ii) with respect to any Purchased Asset sold to Buyer hereunder, promptly following receipt of any unscheduled Principal Payment (in full or in part);

(iii) with respect to any Purchased Asset sold to Buyer hereunder, promptly following receipt by Seller of notice or knowledge that the related Mortgaged Property has been materially damaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado or other casualty, or otherwise damaged so as to materially and affect adversely the value of such Mortgaged Property;

(iv) promptly upon receipt of notice by Seller or knowledge of (A) any Purchased Asset that becomes a Defaulted Asset, (B) any lien or security interest (other than security interests created hereby) on, or claim asserted against, any Purchased Asset or, to Seller's knowledge, the underlying collateral therefor, or (C) any event or change in circumstances that has or could reasonably be expected to have a material and adverse effect on the Market Value of a Purchased Asset;

(v) promptly, and in any event within ten (10) days after service of process on any of the following, give to Buyer notice of all litigation, actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are pending or threatened) or other legal or arbitrable proceedings directly affecting Seller or directly affecting any of the assets of Seller before any Governmental Authority that (A) questions or challenges the validity or enforceability of any of the Transaction Documents or any material action to be taken in

connection with the transactions contemplated hereby, (B) makes a claim or claims in an aggregate amount greater than \$500,000, (C) which, individually or in the aggregate, if adversely determined could reasonably be likely to have a Material Adverse Effect or (D) raises any lender licensee issues with respect to any Purchased Asset;

(vi) promptly upon any transfer of any underlying Mortgaged Property or any direct or indirect equity interest in any Mortgagor of which Seller has knowledge, whether or not consent to such transfer is required under the applicable Purchased Asset Documents; and

(vii) promptly, and in any event within ten (10) days after Seller or any of its ERISA Affiliates knows or has reason to know that any “reportable event” (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur in respect of a Plan that, individually or in the aggregate, either has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

(c) To the extent in the possession of Seller or otherwise available, Seller shall provide Buyer with copies of such documents as Buyer may reasonably request evidencing the truthfulness of the representations set forth in Section 10 hereof.

(d) Seller shall defend the right, title and interest of Buyer in and to the Purchased Assets and any Hedging Transactions against, and take such other action as is necessary to remove, any liens, security interests, claims, encumbrances, charges and demands of all Persons thereon (other than security interests granted to Buyer hereunder), and take any such other action as is necessary to obtain or preserve a first priority perfected security interest in the Purchased Assets and any Hedging Transactions.

(e) Seller will permit Buyer or its designated representative to inspect any of Seller’s records with respect to all or any portion of the Purchased Assets and the conduct and operation of its business related thereto at such reasonable times and with reasonable frequency requested by Buyer or its designated representative and to make copies of extracts of any and all thereof.

(f) If any amount payable under or in connection with any of the Purchased Assets shall be or become evidenced by any promissory note, other instrument or chattel paper (as each of the foregoing is defined under the UCC), or the equivalent thereof in any non-U.S. jurisdiction, such note, instrument or chattel paper shall be immediately delivered to Buyer or its designee upon receipt by Seller, duly endorsed in a manner satisfactory to Buyer or if any collateral or other security shall subsequently be delivered to Seller in connection with any Purchased Asset, Seller shall immediately deliver or forward such item of collateral or other security to Buyer or its designee upon receipt by Seller, together with such instruments of assignment as Buyer may reasonably request.

(g) Seller shall provide (or cause to be provided) to Buyer the following financial and reporting information:

(i) the Monthly Statement;

(ii) the Quarterly Report, together with all operating statements and occupancy information that Seller or Servicer has received relating to the Purchased Assets for the related fiscal quarter;

(iii) Guarantor's Financial Covenant Compliance Certificate;

(iv) within forty-five (45) days following the end of each of the first three quarters, and within ninety (90) days following the end of each fiscal year, as the case may be, an Officer's Certificate of Seller in form and substance reasonably satisfactory to Buyer certifying, after due inquiry, to such officer's knowledge, that, except as otherwise disclosed therein, during such fiscal quarter or year, as applicable, Seller has observed or performed all of its material covenants and other material agreements, and satisfied every material condition, contained in this Agreement and the other Transaction Documents to be observed, performed or satisfied by it, and that there has occurred no Event of Default and no event or circumstance has occurred that is reasonably likely to result in a Material Adverse Effect;

(v) within ten (10) Business Days after Buyer's request, such further information with respect to the operation of any Mortgaged Property, Purchased Asset, the financial affairs of Seller or Guarantor and any Plan and Multiemployer Plan as may be reasonably requested by Buyer, including all business plans prepared by or for Seller, to the extent in the possession of Seller or otherwise available;

(vi) upon the request of Buyer no more often than annually, updated Appraisals of the Mortgaged Properties relating to the Purchased Assets, at Seller's sole cost and expense; and

(vii) within ten (10) Business Days after Buyer's request, such other reports as Buyer shall reasonably request to the extent in the possession of Seller or otherwise available.

Notwithstanding anything to the contrary contained in this Section 12 or otherwise in this Agreement, Seller's failure to deliver any financial statements required pursuant to this Section 12(g) shall not constitute an Event of Default under this Agreement to the extent that such financial statements have been publicly posted on the official website of Guarantor or its parent or appropriately filed with the SEC. Seller shall promptly deliver electronic notice to Buyer after the posting of any financial statements required to be delivered hereunder to Guarantor's website or the filing of same with the SEC together with a link to such posted or filed financial statements.

(h) Seller shall at all times comply in all material respects with all laws (including, without limitation, Prescribed Laws), ordinances, rules and regulations of any federal, state, municipal or other public authority having jurisdiction over Seller or any of its assets, and Seller shall do or cause to be done all things reasonably necessary to preserve and maintain in full force and effect its legal existence and all licenses material to its business.

(i) Seller agrees that, from time to time upon the prior written request of Buyer, Seller shall execute and deliver such further documents, provide such additional information and

reports and perform such other acts as Buyer may reasonably request in order to insure compliance with all Prescribed Laws and to fully effectuate the purposes of this Agreement; provided, however, that nothing herein shall be construed as requiring Buyer to conduct any inquiry or decreasing Seller's responsibility for its statements, representations, warranties or covenants hereunder. In order to enable Buyer and its respective Affiliates to comply with any anti-money laundering program and related responsibilities including, but not limited to, any obligations under the Prescribed Laws and regulations thereunder, Seller on behalf of itself and its Affiliates makes the following representations and covenants to Buyer and its Affiliates: (A) that neither Seller, nor, any of its Affiliates, is a Prohibited Person and (B) Seller is not acting on behalf of or on behalf of any Prohibited Person. Seller agrees to promptly notify Buyer or a person appointed by Buyer to administer their anti-money laundering program, if applicable, of any change in information affecting this Section 12(i) of which Seller has knowledge.

(j) Seller shall at all times keep proper books of records and accounts in which full, true and correct entries shall be made of its transactions in accordance with GAAP and set aside on its books from its earnings for each fiscal year all such proper reserves in accordance with GAAP.

(k) Seller shall advise Buyer in writing of the opening of any new chief executive office of Seller or the closing of any such office and of any change in Seller's name or the places where the books and records pertaining to the Purchased Assets are held not less than ten (10) Business Days prior to taking any such action.

(l) Seller shall pay when due all Transaction Costs. Seller shall pay and discharge all Taxes, levies, liens and other charges, if any, on its assets and on the Purchased Assets that, in each case, in any manner would create any lien or charge upon the Purchased Assets, except for any such liens granted under the Transaction Documents and any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP.

(m) Seller shall maintain its existence as a limited liability company organized solely and in good standing under the law of the State of Delaware and shall not dissolve, liquidate, merge with or into any other Person or otherwise change its organizational structure or documents or identity or incorporate or organize in any other jurisdiction.

(n) Seller shall maintain all records with respect to the Purchased Assets and the conduct and operation of its business with no less a degree of prudence than if the Purchased Assets were held by Seller for its own account and will furnish Buyer, upon request by Buyer or its designated representative, with information reasonably obtainable by Seller with respect to the Purchased Assets and the conduct and operation of its business.

(o) Seller shall provide Buyer with notice of each modification of any Purchased Asset Documents consented to by Seller (including such modifications which do not constitute a Significant Modification).

(p) Seller shall provide Buyer with reasonable access to operating statements, the occupancy status and other property level information, with respect to the Mortgaged Properties, plus any such additional reports as Buyer may reasonably request, in each case to the extent in the possession of Seller or Servicer or otherwise available.

(q) Seller may propose, and Buyer will consider, but shall be under no obligation to approve, strategies for the foreclosure or other realization upon the security for any Purchased Asset that has become a Defaulted Asset.

(r) Seller shall not cause any Purchased Asset to be serviced by any servicer other than a servicer expressly approved in writing by Buyer.

(s) If Seller shall at any time become entitled to receive or shall receive any rights, whether in addition to, in substitution of, as a conversion of, or in exchange for a Purchased Asset, or otherwise in respect thereof, Seller shall accept the same as Buyer's agent, hold the same in trust for Buyer and deliver the same forthwith to Buyer (or Custodian, as appropriate) in the exact form received, duly endorsed by Seller to Buyer if required, together with all related and necessary duly executed Transfer Documents to be held by Buyer hereunder as additional collateral security for the Transactions. If any sums of money or property so paid or distributed in respect of the Purchased Assets shall be received by Seller, Seller shall, until such money or property is paid or delivered to Buyer, hold such money or property in trust for Buyer, segregated from other funds of Seller, as additional collateral security for the Transactions.

(t) Seller shall not permit Sponsor or Guarantor to internalize its management without Buyer's prior written approval, which shall not be unreasonably withheld.

13. SINGLE-PURPOSE ENTITY

Seller hereby represents and warrants to Buyer and covenants with Buyer that, on and as of the date of this Agreement and each Purchase Date and at all times while this Agreement and any Transaction hereunder is in effect or any Repurchase Obligations remain outstanding; provided that, without limiting the obligations of Guarantor under the Guaranty, it is understood that nothing contained in this Section 13 or elsewhere in this Agreement shall obligate the direct or indirect owners of Seller to make capital contributions to Seller to enable Seller to meet its obligations under this Agreement:

(a) it is and intends to remain solvent, and it has paid and will pay its debts and liabilities (including overhead expenses) from its own assets as the same shall become due;

(b) it has complied and will comply with the provisions of its certificate of formation and its limited liability company agreement;

(c) it has done or caused to be done and will do all things necessary to observe limited liability company formalities and to preserve its existence;

(d) it has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its affiliates (that is not a Seller), its members and any other Person, and it will file its own tax returns (except to the extent consolidation is required or permitted under GAAP or as a matter of law);

(e) it has been, is, will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), it shall correct any known misunderstanding regarding its status as a separate entity, it shall conduct business in its own name, it shall not identify itself or any of its Affiliates as a division or part of the other and it shall maintain and utilize separate stationery, invoices and checks;

(f) it has not owned and will not own any property or any other assets other than the Purchased Assets, cash and its interest under any associated Hedging Transactions; provided, however, that Seller shall not be in breach of this provision to the extent that Seller acquires or originates a New Asset under its good faith belief, on such date of acquisition or origination, as applicable, that such New Asset will become a Purchased Asset, so long as such New Asset is promptly transferred by Seller;

(g) it has not engaged and will not engage in any business other than the origination, acquisition, ownership, financing, securitizing and disposition of the Purchased Assets and the associated Hedging Transactions in accordance with the applicable provisions of the Transaction Documents; provided, however, that Seller shall not be in breach of this provision to the extent that Seller acquires or originates a New Asset under its good faith belief, on such date of acquisition or origination, as applicable, that such New Asset will become a Purchased Asset, so long as such New Asset is promptly transferred by Seller;

(h) it has not entered into, and will not enter into, any contract or agreement with any of its affiliates, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's length basis with Persons other than such affiliate;

(i) it has not incurred and will not incur any indebtedness or obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (A) obligations under the Transaction Documents, (B) obligations under the documents evidencing the Purchased Assets, and (C) unsecured trade payables, in an aggregate amount not to exceed \$500,000 at any one time outstanding, incurred in the ordinary course of acquiring, owning, financing, securitizing and disposing of the Purchased Assets; provided, however, that any such trade payables incurred by Seller shall be paid within sixty (60) days of the date incurred;

(j) it shall not acquire obligations or securities of any member or affiliate of any member or any other Person (other than in connection with the origination or acquisition of Purchased Assets or New Assets which Seller believes in good faith, on the date of origination or acquisition, as applicable, will become a Purchased Asset, so long as such New Asset is promptly transferred by Seller);

(k) it will 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) neither it nor Guarantor will seek the dissolution, liquidation or winding up, in whole or in part of Seller;

(m) except as otherwise permitted herein, it will not commingle its funds and other assets with those of any of its Affiliates (that is not a Seller) or any other Person;

(n) it has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any of its Affiliates (that is not a Seller) or any other Person;

(o) it has not held and will not hold itself out to be responsible for the debts or obligations of any other Person (that is not a Seller);

(p) it will (i) have at all times at least one (1) Independent Director and (ii) provide Buyer with up-to-date contact information for all Independent Directors and a copy of the agreement pursuant to which each Independent Director consents to and serves as an Independent Director for Seller;

(q) its organizational documents shall provide that (i) no Independent Director of Seller may be removed or replaced without Cause, (ii) Buyer be given at least two (2) Business Days prior notice of the removal and/or replacement of any Independent Director, together with the name and contact information of the replacement Independent Director and evidence of the replacement's satisfaction of the definition of Independent Director and (iii) any Independent Director of Seller shall not have any fiduciary duty to anyone including the holders of the equity interests in Seller and any Affiliates of Seller except Seller and the creditors of Seller with respect to taking of, or otherwise voting on, any Act of Insolvency; provided that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing;

(r) it shall not, without the consent of its Independent Directors, institute any proceeding to be adjudicated as bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against it, or file a petition or answer or consent seeking reorganization or relief under the Bankruptcy Code or consent to the filing of any such petition or to the appointment of a receiver, rehabilitator, conservator, liquidator, assignee, trustee or sequestrator (or other similar official) of it or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, or make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any action in furtherance of any of the foregoing; and

(s) it shall not have any employees.

Notwithstanding anything to the contrary contained herein or in any other Transaction Document, so long as this Agreement shall remain in effect, Seller may enter into one or more

asset transfer agreements to transfer Purchased Assets to a securitization seller, depositor, trust, issuer or other similar Person; provided that (i) Seller does not have any financial liability or obligation under any such asset transfer agreement, and (ii) Guarantor or another Person (other than Seller) agrees to be responsible and liable for the performance of any and all financial obligations of Seller under any such asset transfer agreement or arising in connection therewith.

14. EVENTS OF DEFAULT; REMEDIES

(a) Events of Default. The following shall constitute an event of default by Seller hereunder (each, an “Event of Default”):

- (i) failure of Seller to repurchase one or more Purchased Assets on the applicable Repurchase Date;
- (ii) failure of Seller to apply any Income received by Seller in accordance with the provisions hereof;

(iii) (A) the Transaction Documents shall for any reason not cause, or shall cease to cause, Buyer to be the owner of, or, if recharacterized as a secured financing, a secured party with respect to, the Repurchase Assets specified in Section 6(a) hereof and the other collateral specified in Sections 6(c) or 6(d) hereof free of any adverse claim, liens and other rights of others (other than as granted herein); (B) if a Transaction is recharacterized as a secured financing, the Transaction Documents with respect to any Transaction shall for any reason cease to create a valid first priority perfected security interest in favor of Buyer in the Repurchase Assets specified in Section 6(a) hereof and the other collateral specified in Sections 6(c) or 6(d) hereof; or (C) if any of the Transaction Documents shall cease to be in full force and effect (other than as a direct result of an intentional act or omission by Buyer in breach of this Agreement) or if the enforceability of any of them is challenged or repudiated by Seller, Guarantor or any of their Affiliates, and in the case of clauses (A) or (B) of the foregoing, such condition is not cured by Seller within three (3) Business Days after the earlier of (i) notice thereof from Buyer to Seller or (ii) Seller otherwise obtaining knowledge thereof;

(iv) failure of Seller to make the payments required under Sections 4(a), 4(c) or Section 5(b) hereof on the date such payment is due;

(v) failure of Seller to make any other payment owing to Buyer which has become due, whether by acceleration or otherwise, under the terms of this Agreement which failure is not remedied within the period specified herein or, if no period is specified for such payments five (5) Business Days after notice thereof to Seller from Buyer;

(vi) breach by Seller in the due performance or observance of any term, covenant or agreement contained in Section 11 of this Agreement and such breach shall not be cured within five (5) Business Days after the earlier of (A) delivery of written notice by Buyer to Seller thereof or (B) Seller otherwise obtaining knowledge of such breach or failure to perform;

(vii) a Change of Control shall have occurred that has not been consented to by Buyer; provided Buyer's consent shall not be unreasonably withheld with respect to a Change of Control which relates to CLNS's Control over Colony Capital Operating Company, LLC;

(viii) any representation made by Seller herein or in any Transaction Document shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated (subject to any exceptions disclosed to Buyer in an Exception Report prior to issuance of the Confirmation by Buyer) which incorrect or untrue representation is not cured within five (5) Business Days of receipt of notice by Seller; provided that the representations and warranties made by Seller in Sections 10(vi) or 10(viii) (in the case of Section 10(vi), with respect to the affected or Purchased Assets only) hereof shall not be considered an Event of Default if incorrect or untrue in any material respect (which determination shall be made with respect to the representations and warranties in Exhibit III without regard to any knowledge qualifier therein), and Buyer's sole remedy with respect thereto shall be to terminate the related Transaction, in which case Seller shall repurchase the related Purchased Asset(s) on an Early Repurchase Date no later than five (5) Business Days after receiving written notice from Buyer of such termination; provided, however, that if Seller shall have made any such representation with knowledge that it was materially incorrect or untrue at the time made and such exception was not disclosed to Buyer in an Exception Report, such misrepresentation shall constitute an Event of Default;

(ix) (A) a final judgment by any competent court in the United States of America or any non-U.S. jurisdiction in which Seller operates, for the payment of money in an amount greater than \$500,000 shall have been rendered against Seller and remains undischarged or unpaid for a period of forty-five (45) days, during which period execution of such judgment is not effectively stayed or (B) a final judgment by any competent court in the United States of America for the payment of money in an amount greater than \$50,000,000 shall have been rendered against Guarantor and remains undischarged or unpaid for a period of forty-five (45) days, during which period execution of such judgment is not effectively stayed by bonding or other means reasonably acceptable to Buyer;

(x) (A) Seller shall have defaulted or failed to perform under any note, indenture, loan agreement, guaranty, swap agreement or any other contract, agreement or transaction to which it is a party, and which default (1) involves the failure to pay a matured obligation in excess of \$500,000 or (2) involves an obligation of at least \$500,000 and is a monetary default or a material non-monetary default and permits acceleration of the obligation by any other party to or beneficiary of such note, indenture, loan agreement, guaranty or swap agreement or (B) Guarantor shall have defaulted or failed to perform under any note, indenture, loan agreement, guaranty, swap agreement or any other contract, agreement or transaction to which it is a party, and which default (1) involves the failure to pay a matured obligation in excess of \$50,000,000 or (2) involves an obligation of at least \$50,000,000 and is a monetary default or a material non-monetary default and permits acceleration of the obligation by any other party to or beneficiary of such note, indenture, loan agreement, guaranty or swap agreement; provided, however, that any such default, failure to perform or breach shall not constitute an Event of Default if Seller or

Guarantor, as the case may be, cures such default, failure to perform or breach, as the case may be, within the grace period, if any, provided under the applicable agreement;

(xi) Guarantor shall fail to maintain the following financial conditions (in each case on a consolidated basis):

(A) Liquidity. Liquidity shall equal or exceed the lower of (1) Fifty Million Dollars (\$50,000,000.00) and (2) the greater of (x) Ten Million Dollars (\$10,000,000.00) and (y) five percent (5%) of Guarantor's Recourse Indebtedness;

(B) Minimum Tangible Net Worth. Consolidated Tangible Net Worth at any time shall not be less than the sum of (i) \$900,000,000.00 plus (ii) seventy percent (70%) of the net cash proceeds thereafter received by the Guarantor (x) from any offering by the Guarantor of its common equity and (y) from any offering by the Sponsor of its common equity to the extent such net cash proceeds are contributed to the Guarantor, excluding any such net cash proceeds that are contributed to the Guarantor within ninety (90) days of receipt of such net cash proceeds and applied to purchase, redeem or otherwise acquire Capital Stock issued by the Guarantor (or any direct or indirect parent thereof).

(C) Maximum Consolidated Leverage Ratio. Consolidated Leverage Ratio shall be equal to or less than 0.75 to 1.00; and

(D) Minimum Interest Coverage Ratio. As of any date of determination, the ratio of (1) Consolidated EBITDA for the period of twelve (12) consecutive months ended on such date (if such date is the last day of a fiscal quarter) or the fiscal quarter most recently ended prior to such date (if such date is not the last day of a fiscal quarter) to (2) Consolidated Interest Expense for such period shall equal or exceed 1.4 to 1.

(xii) if Seller shall breach or fail to perform any of the terms, covenants, obligations or conditions of this Agreement or any other Transaction Document, other than as specifically otherwise referred to in this Section 14(a), and such breach or failure to perform is susceptible of cure and is not remedied within (A) the specified cure period or (B) if no cure period is specified, ten (10) Business Days after notice thereof to Seller by Buyer, or its successors or assigns; provided, however, that with respect to clause (B) only, if such default is susceptible to cure but cannot reasonably be cured within such ten (10) Business Day period; and provided further that Seller shall have commenced to cure such default 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 Seller, in the exercise of due diligence, to cure such default, and in no event shall such cure period exceed thirty (30) days from Seller's receipt of Buyer's notice of such default;

(xiii) an Act of Insolvency shall have occurred with respect to Seller or Guarantor;

(xiv) intentionally omitted;

(xv) an “event of default” or “termination event” (as defined in the agreements relating to a facility described below), by Seller or Guarantor beyond any applicable notice and cure period, shall have occurred and be continuing under (A) any repurchase facility, loan facility or hedging transaction entered into by Seller or Guarantor and Buyer or any Affiliate of Buyer, (B) any repurchase facility, loan facility or hedging transaction with Buyer or any Affiliate of Buyer in which Seller or Guarantor is a guarantor or (C) any Hedging Transaction entered into by Seller or Guarantor or in which Seller or Guarantor is a guarantor; or

(xvi) (A) any of the representations and warranties of Guarantor in the Guaranty or in any Financial Covenant 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 (B) Guarantor shall breach any covenant in the Guaranty, and, in each case, if no cure period is specified for the applicable breach, such breach has not been cured within five (5) Business Days after receipt of notice thereof from Buyer.

(b) Remedies. If an Event of Default shall occur and be continuing, the following rights and remedies shall be available to Buyer:

(i) At the option of Buyer, exercised by written notice to Seller (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Act of Insolvency with respect to Seller), the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (the date on which such option is exercised or deemed to have been exercised being referred to hereinafter as the “Accelerated Repurchase Date”) (and any Transaction for which the related Purchase Date has not yet occurred shall be canceled).

(ii) If Buyer exercises or is deemed to have exercised the option referred to in Section 14(b)(i) hereof (A) Seller’s obligations hereunder to repurchase all Purchased Assets shall become immediately due and payable on and as of the Accelerated Repurchase Date, and all Income deposited in the Controlled Account shall be retained by Buyer and applied to the Repurchase Obligations until such Repurchase Obligations have been reduced to zero (0) at which time any remainder shall be remitted to Seller; (B) the Repurchase Price with respect to each Transaction (determined as of the Accelerated Repurchase Date) shall include the accrued and unpaid Price Differential with respect to each Purchased Asset accrued at the Pricing Rate applicable upon an Event of Default for such Transaction; and (C) Custodian shall, upon the request of Buyer (with simultaneous copy of such request to Seller), deliver to Buyer all instruments, certificates and other documents then held by Custodian relating to the Purchased Assets.

(iii) Buyer may, after ten (10) days’ notice to Seller of Buyer’s intent to take such action (provided that no such notice shall be required in the circumstances set forth in Section 9-611(d) of the UCC), (A) immediately sell, at a public or private sale in a commercially reasonable manner and at such price or prices as Buyer may reasonably deem to be satisfactory

any or all of the Purchased Assets on a servicing released basis or (B) in Buyer's sole discretion elect, in lieu of selling all or a portion of such Purchased Assets, to give Seller credit for such Purchased Assets in an amount equal to the market value of such Purchased Assets against the aggregate unpaid Repurchase Obligations. The proceeds of any disposition of Purchased Assets effected pursuant to this Section 14(b)(iii) shall be applied: *first*, to the costs and expenses incurred by Buyer in connection with Seller's default; *second*, to the costs of covering any Hedging Transactions pledged or assigned to Buyer by Seller hereunder, if any; *third*, to the Repurchase Price; *fourth*, to all other outstanding Repurchase Obligations; and *fifth*, the balance, if any, to Seller. In the event that Buyer shall not have received repayment in full of the Repurchase Obligations following its liquidation of the Purchased Assets, Buyer may, in its sole discretion, pursue Seller and Guarantor (to the extent provided in the Guaranty) for all or any part of any deficiency.

(iv) The parties recognize that it may not be possible to purchase or sell all of the Purchased Assets on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for such Purchased Assets may not be liquid. In view of the nature of the Purchased Assets, the parties agree that, to the extent permitted by applicable law, liquidation of a Transaction or the Purchased Assets shall not require a public purchase or sale and that a good faith private purchase or sale shall be deemed to have been made in a commercially reasonable manner. Accordingly, Buyer may elect, in Buyer's sole discretion, the time and manner of liquidating any Purchased Assets, and nothing contained herein shall (A) obligate Buyer to liquidate any Purchased Assets on the occurrence and during the continuance of an Event of Default or to liquidate all of the Purchased Assets in the same manner or on the same Business Day or (B) constitute a waiver of any right or remedy of Buyer.

(v) Seller shall be liable to Buyer for (A) the amount of all reasonable out-of-pocket expenses, including reasonable out-of-pocket legal fees and expenses of counsel, incurred by Buyer in connection with or as a consequence of an Event of Default, (B) all out-of-pocket costs incurred in connection with covering Hedging Transactions pledged or assigned by Seller to Buyer hereunder, (C) all damages, losses, judgments and out-of-pocket costs and other expenses of any kind that may be imposed on, incurred by or asserted against Buyer relating to or arising out of such Hedging Transactions, and (D) any other loss, damage or out-of-pocket cost or expense directly arising or resulting from the occurrence of an Event of Default.

(vi) Buyer may exercise any or all of the remedies available to Buyer immediately upon the occurrence of an Event of Default and at any time during the continuance thereof. All rights and remedies arising under the Transaction Documents, as amended from time to time, are cumulative and not exclusive of any other rights or remedies that Buyer may have.

(vii) Buyer may enforce its rights and remedies hereunder without prior judicial process or hearing, and Seller hereby expressly waives any defenses Seller might otherwise have to require Buyer to enforce its rights by judicial process. Seller also waives any defense Seller might otherwise have arising from the use of nonjudicial process, disposition of any or all of the Purchased Assets, or from any other election of remedies. Seller recognizes 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.

(viii) Without limiting any other rights or remedies of Buyer, Buyer shall have the right of setoff set forth in Section 26 hereof.

(ix) Buyer shall have, in addition to its rights and remedies under the Transaction Documents, all of the rights and remedies provided by applicable federal, state, foreign, and local laws (including, without limitation, if the Transactions are recharacterized as secured financings, the rights and remedies of a secured party under the UCC of the State of New York to the extent that the UCC or such other Requirement of Law is applicable, and the right to offset any mutual debt and claim and the right to appropriate the Purchased Assets in accordance with this Section 14(b)(ix)), in equity, and under any other agreement between Buyer and Seller, exercisable upon ten (10) days' notice from Buyer to Seller. 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 Seller's obligations to Buyer or its Affiliates, whether under this Agreement or under any other agreement between Seller and Buyer or between Seller and any Affiliate of Buyer, or otherwise, whether or not such obligations are then due, without prejudice to Buyer's right to recover any deficiency.

(x) Buyer shall at any time have the right, in each case until such time as Buyer determines otherwise, to retain, to suspend payment or performance of, or to decline to remit, any amount or property that Buyer would otherwise be obligated to pay, remit or deliver to Seller hereunder if a Default or an Event of Default has occurred.

(xi) For the avoidance of doubt, Buyer shall have no obligation to review or purchase any Eligible Asset during the continuance of an Event of Default.

15. SINGLE AGREEMENT

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder.

16. NOTICES AND OTHER COMMUNICATIONS

All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (d) by email (with confirmation of receipt by the receiving party); provided that such email notice must also be delivered by one of the means set

forth in clauses (a), (b) or (c) above, to the addresses specified in Annex I hereto or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section 16. A notice shall be deemed to have been given: (i) in the case of hand delivery, at the time of delivery; (ii) in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; (iii) in the case of expedited prepaid delivery upon the first attempted delivery on a Business Day; or (iv) in the case email, upon receipt of confirmation of receipt; provided that such emailed notice is also delivered as required in this Section 16. A party receiving a notice that does not comply with the technical requirements for notice under this Section 16 may elect to waive any deficiencies and treat such notice as having been properly given. Notwithstanding the foregoing, notices pursuant to Section 4 hereof may be sent by electronic mail to the e-mail addresses set forth on Annex I attached hereto; provided that such notice delivered by email shall be deemed to be given only upon receipt of confirmation of receipt by the receiving party.

17. NON-ASSIGNABILITY

(a) The rights and obligations of Seller under the Transaction Documents, the Hedging Transactions and under any Transaction shall not be assigned by Seller without the prior written consent of Buyer. Any attempt by Seller to assign any of its rights or obligations under this Agreement without the prior written consent of Buyer shall be null and void, ab initio.

(b) Buyer may at any time, without the consent of Seller, sell participations in up to 100% (in the aggregate, in one or more transactions, including any assignments under Section 17(c)) of Buyer's rights and/or obligations under the Transaction Documents; provided that, so long as no Event of Default has occurred and is continuing, (i) Buyer's obligations and Seller's rights and obligations under the Transaction Documents shall remain unchanged, (ii) Seller shall continue to deal solely and directly with Buyer in connection with Buyer's rights and obligations under the Transaction Documents and Seller shall have no obligations or duties to any Person other than Buyer, (iii) Buyer shall continue to (A) retain the sole decision-making authority granted to Buyer under the Transaction Documents, (B) determine whether to purchase any Eligible Asset in a Transaction and (C) determine the Market Value of the Purchased Assets, in each case in accordance with the Transaction Documents, (iv) Buyer shall not participate any portion of its rights and obligations under the Transaction Documents to any Person that is a Prohibited Transferee or an Affiliate of an Underlying Borrower with respect to any Purchased Assets, (v) Buyer shall not participate a controlling interest in this Agreement and (vi) Buyer will give written notice of any participation within five (5) calendar days of the effective date of such assignment to each party (but Buyer shall not have any liability for any failure to timely provide such notice).

(c) Buyer may at any time, without the consent of Seller but upon notice to Seller, sell and assign up to 100% (in the aggregate, in one or more transactions, and including any participation under Section 17(b)) of the rights and obligations of Buyer under the Transaction Documents. From and after the effective date of such assignment, such assignee shall be a party

and, to the extent provided in such assignment agreement, have the rights and obligations of Buyer under the Transaction Documents with respect to the percentage and amount of the Repurchase Price allocated to it; provided that, so long as no Event of Default has occurred and is continuing, (i) Buyer shall be the agent for any such transferee(s) or assignee(s) and shall remain solely responsible to Seller for the performance of all of Buyer's obligations under the Transaction Documents, (ii) Seller shall continue to deal solely and directly with Buyer in connection with Buyer's rights and obligations under the Transaction Documents, (iii) Buyer shall continue to (A) retain the sole decision-making authority granted to Buyer under the Transaction Documents, (B) determine whether to purchase any Eligible Asset in a Transaction and (C) determine the Market Value of the Purchased Assets, in each case in accordance with the Transaction Documents, (iv) any such sale or assignment shall not be in violation of any eligibility, qualified transferee or similar restrictions set forth in any Purchased Asset Documents, (v) Buyer shall not sell or assign any portion of its rights and obligations under the Transaction Documents to any Person that is a Prohibited Transferee or an Affiliate of an Underlying Borrower with respect to any Purchased Assets, (vi) Buyer shall not assign a controlling interest in this Agreement and (viii) Buyer will give written notice of any assignment within five (5) calendar days of the effective date of such assignment to each party (but Buyer shall not have any liability for any failure to timely provide such notice).

(d) So long as an Event of Default shall have occurred and be continuing, Buyer may assign, participate or sell its rights and obligations under the Transaction Documents and/or any Transaction to any Person without prior notice to Seller and without regard to the limitations set forth in Section 17(b) and Section 17(c) above. From and after the date Buyer is no longer a party to this Agreement, Buyer shall have no obligation to act as agent or to make decisions under this Agreement.

(e) Buyer, acting solely for this purpose as an agent of Seller, shall maintain a copy of each assignment and a register for the recordation of the names and addresses of the assignees, and ownership rights in the Transactions, Purchased Assets or other interests under this Agreement. The entries in such register shall be conclusive absent manifest error, and each of Seller, Buyer and their assignees shall treat each Person whose name is recorded in such register pursuant to the terms hereof as the beneficial owner of the interests in the Transactions, Purchased Assets or other interests under this Agreement for all purposes. If any assignee is a not a U.S. Person, such assignee shall timely provide Seller with such forms as may be required to establish the assignee's status for U.S. withholding tax purposes.

(f) If Buyer sells a participation, Buyer shall, acting solely for this purpose as an agent of Seller, maintain a register on which it enters the name and address of each participant and the ownership rights of each participant in the Transactions, Purchased Assets or other interests under this Agreement. The entries in such register shall be conclusive absent manifest error, and Buyer shall treat each Person whose name is recorded in such register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. If any participant is a not a U.S. Person, such participant shall timely provide Seller with such forms as may be required to establish such participant's status for U.S. withholding tax purposes.

(g) Subject to the foregoing, the Transaction Documents and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in the Transaction Documents, express or implied, shall give to any Person, other than the parties to the Transaction Documents and their respective successors, any benefit or any legal or equitable right, power, remedy or claim under the Transaction Documents.

(h) Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall prevent or prohibit Buyer from pledging its interest in the Purchased Assets hereunder to a Federal Reserve Bank in support of borrowings made by Buyer from such Federal Reserve Bank; provided, however, no such pledge shall release Buyer, as the case may be, from any of its obligations under this Agreement or any other Transaction Documents or substitute any such pledge for Buyer, as the case may be, as a party to this Agreement or any other Transaction Documents.

18. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL, ETC.

(a) This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof, except for Section 5-1401 of the General Obligations Law of the State of New York.

(b) Each party irrevocably and unconditionally 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 Agreement or relating in any way to this Agreement or any Transaction under this Agreement.

(c) To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Agreement or relating in any way to this Agreement or any Transaction under this Agreement.

(d) **EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT AND ANY RIGHT OF JURISDICTION ON ACCOUNT OF ITS PLACE OF RESIDENCE OR DOMICILE AND IRREVOCABLY CONSENTS 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 HEREIN. EACH PARTY HEREBY 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 SECTION 18 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 SELLER OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

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

19. NO RELIANCE; DISCLAIMERS

(a) Each party hereby acknowledges, represents and warrants to the other that, in connection with the negotiation of, the entering into, and the performance under, the Transaction Documents and each Transaction thereunder:

(i) It is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the other party to the Transaction Documents, other than the representations expressly set forth in the Transaction Documents.

(ii) It has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent that it has deemed to be necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of any Transaction) based upon its own judgment and upon any advice from such advisors as it has deemed to be necessary and not upon any view expressed by the other party.

(iii) It is a sophisticated and informed Person that has a full understanding of all the terms, conditions and risks (economic and otherwise) of the Transaction Documents and each Transaction thereunder and is capable of assuming and willing to assume (financially and otherwise) those risks.

(iv) It is entering into the Transaction Documents and each Transaction thereunder for the purposes of managing its borrowings or investments or hedging its underlying assets or liabilities and not for purposes of speculation.

(v) 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 Transaction Documents or any Transaction thereunder.

(b) Each determination by Buyer of the Market Value with respect to each New Asset or Purchased Asset or the communication to Seller of any information pertaining to Market Value under this Agreement shall be made in Buyer's sole good faith discretion, subject to the following disclaimers:

(i) Buyer has assumed and relied upon, with Seller's consent and without independent verification, the accuracy and completeness of the information provided by Seller and reviewed by Buyer. Buyer has not made any independent inquiry of any aspect of the New Assets or Purchased Assets or the underlying collateral. Buyer's view is based on economic, market and other conditions as in effect on, and the information made available to Buyer as of, the date of any such determination or communication of information, and such view may change at any time without prior notice to Seller.

(ii) Market Value determinations and other information provided to Seller constitute a statement of Buyer's view of the value of one or more loans or other assets at a particular point in time and does not (A) constitute a bid for a particular trade, (B) indicate a willingness on the part of Buyer or any Affiliate thereof to make such a bid, or (C) reflect a valuation for substantially similar assets at the same or another point in time, or for the same assets at another point in time.

(iii) Market Value determinations and other information provided to Seller may vary significantly from valuation determinations and other information that may be obtained from other sources.

(iv) Market Value determinations and other information provided to Seller are communicated to Seller solely for its use and may not be relied upon by any other person and may not be disclosed or referred to publicly or to any third party without the prior written consent of Buyer, which consent Buyer may withhold or delay in its sole and absolute discretion.

(v) Buyer makes no representations or warranties with respect to any Market Value determinations or other information provided to Seller. Buyer shall not be liable for any incidental or consequential damages arising out of any inaccuracy in such valuation determinations and other information provided to Seller.

(vi) Market Value determinations and other information provided to Seller in connection with Section 3(b) hereof are only indicative of the initial Market Value of the New Asset submitted to Buyer for consideration thereunder, and may change without notice to Seller prior to, or subsequent to, the transfer by Seller of the New Asset pursuant to Section 3(e) hereof. No indication is provided as to Buyer's expectation of the future value of such Purchased Asset or the underlying collateral.

(vii) Initial Market Value determinations and other information provided to Seller in connection with Section 3(b) hereof are to be used by Seller for the sole purpose of determining whether to proceed in accordance with Section 3 hereof and for no other purpose.

The parties hereto agree that the method of valuation of Purchased Assets provided for in this Agreement shall constitute a commercially reasonable method of valuation for the purposes of the FCA Regulations.

20. INDEMNITY AND EXPENSES

(a) Seller hereby agrees to hold Buyer and its respective Affiliates and each of their respective officers, directors and employees (the “Indemnified Parties”) harmless from and indemnify the Indemnified Parties against any and all liabilities, obligations, losses, damages, penalties, actions, judgments or suits that may be payable or determined to be payable with respect to any of the Purchased Assets or in connection with any of the transactions contemplated by this Agreement (or the recharacterization of any Transaction) and the documents delivered in connection herewith and therewith (other than income Taxes of Buyer), fees, actual out of pocket costs and expenses (including reasonable out-of-pocket attorneys’ fees and disbursements of outside counsel and any and all servicing and enforcement costs incurred with respect to the Purchased Assets) or disbursements (all of the foregoing, collectively, “Indemnified Amounts”) that may at any time (including, without limitation, such time as this Agreement shall no longer be in effect and the Transactions shall have been repaid in full) be imposed on or asserted against any Indemnified Party in any way whatsoever arising out of or in connection with, or relating to, this Agreement or any Transactions thereunder or any action taken or omitted to be taken by any Indemnified Party under or in connection with any of the foregoing; provided that Seller shall not be liable for Indemnified Amounts resulting from the bad faith, gross negligence or willful misconduct of any Indemnified Party or for any overhead expenses of Buyer. Without limiting the generality of the foregoing, Seller agrees to hold each Indemnified Party harmless from and indemnify each Indemnified Party against all Indemnified Amounts with respect to all Purchased Assets relating to or arising out of any violation or alleged violation of any environmental law, rule or regulation or any consumer credit laws, including without limitation ERISA, the Truth in Lending Act and/or Real Estate Settlement Procedures Act, that, in each case, results from anything other than the bad faith, gross negligence or willful misconduct of an Indemnified Party. Notwithstanding the foregoing, Seller’s indemnification obligations with respect to violations of applicable law and environmental matters shall expire after an Event of Default has occurred and is continuing and Buyer has consummated its remedies hereunder with respect to all of the Purchased Assets subject to Transactions; provided, that Seller’s indemnification shall only expire with respect to any acts or omissions that occurred after the date of such consummation by Buyer of such remedies so long as such acts or omissions were not caused by Seller or an Affiliate or at the direction of Seller or its Affiliates; provided, further, that to the extent of Seller’s indemnification obligations which have not expired pursuant to the preceding proviso, Buyer hereby acknowledges and agrees that Buyer shall have exhausted Buyer’s remedies pursuant to the related Purchased Asset and Purchased Asset Documents, including, without limitation, any such remedies contained in any environmental indemnity agreements of the underlying obligors therefor, prior to pursuing any indemnification remedy against Seller. In any suit, proceeding or action brought by Buyer in connection with any Purchased Asset for any sum owing thereunder, or to enforce any provisions of any Purchased Asset Documents, Seller will save, indemnify and hold Buyer harmless from and against all expenses, loss or damage

suffered by Buyer by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, 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 obligor or its successors from Seller. Seller also agrees to reimburse an Indemnified Party as and when billed by such Indemnified Party for all such Indemnified Party's costs and expenses incurred in connection with the enforcement or the preservation of such Indemnified Party's rights under this Agreement and any other Transaction Document or any transaction contemplated hereby or thereby, including without limitation the fees and disbursements of its counsel. Seller hereby acknowledges that its obligations hereunder are recourse obligations of Seller. Indemnified Amounts shall not include Taxes other than any Taxes that represent provable losses, claims or damages arising from a non-Tax claim.

(b) Seller agrees to pay as and when billed by Buyer (i) all Indemnified Amounts provided in Section 20(a), (ii) all of the reasonable out-of-pocket costs and expenses incurred by Buyer in connection with the development, preparation and execution of, and any amendment, supplement or modification to this Agreement and the other Transaction Documents or any other documents prepared in connection herewith or therewith including without limitation all the reasonable out-of-pocket fees, disbursements and expenses of outside counsel to Buyer, (iii) all of the reasonable out-of-pocket costs and expenses incurred in connection with the consummation and administration of the Transactions contemplated hereby and thereby including without limitation all the reasonable, out-of-pocket fees, disbursements and expenses of outside counsel to Buyer, (iv) all costs and expenses contemplated by Section 14(b)(v) and (v) all the Diligence Fees (collectively, "Transaction Costs"). Transaction Costs shall not include costs incurred by Buyer for overhead, general administrative expenses of Buyer.

21. DUE DILIGENCE

(a) Seller acknowledges that, so long as no Event of Default is then continuing (at reasonable times and upon reasonable prior notice), Buyer has the right to perform continuing due diligence reviews with respect to the Purchased Assets, for purposes of verifying compliance with the representations, warranties and specifications made hereunder, or determining or re-determining the Asset Base Component for purposes of Section 4 of this Agreement, or otherwise, and Seller agrees that Buyer, at its option, has the right at any time to conduct a partial or complete due diligence review on any or all of the Purchased Assets, including, without limitation, ordering new credit reports and Appraisals (subject to Section 12(g)(vi) hereof) on the applicable collateral and otherwise regenerating the information used to originate such Purchased Assets. Upon reasonable prior notice to Seller, Buyer or its authorized representatives will be permitted during normal business hours to examine, inspect, and make copies and extracts of, the Purchased Asset Files, Servicing Records and any and all documents, records, agreements, instruments or information relating to any Purchased Asset in the possession or under the control of Seller, any servicer or sub-servicer and/or Custodian. Seller also shall make reasonably available to Buyer a knowledgeable financial or accounting officer for the purpose of financial or accounting answering questions respecting the Purchased Asset Files, the Servicing Records and

the Purchased Assets. Seller agrees to reasonably cooperate with Buyer and any third party underwriter designated by Buyer in connection with such underwriting, including, but not limited to, providing Buyer and any third party underwriter with access to any and all documents, records, agreements, instruments or information relating to such Purchased Assets in the possession, or under the control, of such Seller. Seller agrees to reimburse Buyer for any and all reasonable out-of-pocket attorneys' fees, costs and expenses incurred by Buyer in connection with continuing due diligence on Eligible Assets and Purchased Assets, including, without limitation, the cost of annual updated Appraisals on the Mortgaged Properties and Diligence Fees in accordance with this Agreement.

22. SERVICING

(a) The parties hereto agree and acknowledge that the Purchased Assets will be sold by Seller to Buyer on a servicing released basis. In furtherance of the foregoing, Seller and Buyer hereby agree and confirm that from and after the date hereof, only such Servicing Agreements that have been approved by Buyer shall govern the servicing of the Purchased Assets and any prior agreement between Seller and any other Person or otherwise with respect to such servicing is hereby superseded in all respects. Provided that Buyer shall have received a duly executed Servicer Acknowledgement from Servicer, prior to an Event of Default, Seller may retain, on behalf of Buyer, Servicer to service the Purchased Assets for the benefit of or on behalf of Buyer; provided, however, that the obligation of Servicer to service any Purchased Asset for the benefit of or on behalf of Buyer as aforesaid shall cease upon the repurchase of such Purchased Asset by Seller in accordance with the provisions of this Agreement or as otherwise provided in the Servicer Acknowledgement.

(b) Seller agrees that, as between Seller and Buyer, Buyer is the owner of all servicing records, including but not limited to any and all servicing agreements, files, documents, records, data bases, computer tapes, copies of computer tapes, proof of insurance coverage, insurance policies, appraisals, other closing documentation, payment history records, and any other records relating to or evidencing the servicing of Purchased Assets (the "Servicing Records") so long as the Purchased Assets are subject to this Agreement. Seller covenants to safeguard any such Servicing Records in Seller's possession and to deliver them promptly to Buyer or its designee (including Custodian) at Buyer's request.

(c) Seller shall not, and shall not provide consent to Servicer to, employ any other sub- servicers to service the Purchased Assets, except as contemplated by the Servicing Agreement, without the prior written approval of Buyer which approval shall be in Buyer's sole discretion.

(d) Seller shall cause Servicer to execute a Servicer Acknowledgement acknowledging Buyer's interest in the Purchased Assets and the Servicing Agreement and agreeing that Servicer shall deposit or, as applicable, shall cause to be deposited, all Income with respect to the Purchased Assets in the Controlled Account, all in such manner as shall be reasonably acceptable to Buyer.

(e) To the extent applicable, Seller shall cause the Servicing Agreement or the Servicing Acknowledgment to permit Buyer to inspect Servicer's servicing facilities for the purpose of satisfying Buyer that Servicer has the ability to service such Purchased Asset as provided in this Agreement.

(f) Buyer may, in its sole discretion if an Event of Default shall have occurred and be continuing, sell the Purchased Assets on a servicing released basis without payment of any termination fee or any other amount to Servicer. Upon the occurrence of an Event of Default hereunder, Buyer shall have the right immediately to terminate Servicer's right to service the Purchased Assets without payment of any penalty or termination fee.

23. TREATMENT FOR TAX PURPOSES

It is the intention of the parties that, for U.S. Federal, state and local income and franchise tax purposes, the Transactions constitute a financing, and that Seller is, and, so long as no Event of Default shall have occurred and be continuing, will continue to be, treated as the owner of the Purchased Assets for such purposes. Unless prohibited by applicable law, Seller and Buyer agree to treat the Transactions as described in the preceding sentence on any and all filings with any U.S. Federal, state or local taxing authority.

24. INTENT

(a) The parties intend and acknowledge that this Agreement is a "master netting agreement" as that term is defined in Section 101(38A)(A) of the Bankruptcy Code.

(b) The parties intend and acknowledge that each Transaction is a "securities contract" as that term is defined in Section 741(7) of the Bankruptcy Code.

(c) The parties intend and acknowledge that the Guaranty is a "securities contract" as that term is defined in Section 741(7)(A)(xi) of the Bankruptcy Code.

(d) The parties intend and acknowledge that any provisions hereof or in any other document, agreement or instrument that is related in any way to the servicing of the Purchased Assets shall be deemed "related to" this Agreement within the meaning of Section 741 of the Bankruptcy Code.

(e) Each party hereto agrees that it shall not challenge the characterization of this Agreement as a "securities contract" or a "master netting agreement" within the meaning of the Bankruptcy Code.

(f) It is understood that either party's right to accelerate or terminate this Agreement or to liquidate Purchased Assets delivered to it in connection with the Transactions hereunder or to exercise any other remedies pursuant to Section 13(r) hereof is a contractual right to accelerate or terminate this Agreement or to liquidate Purchased Assets as described in Sections 555 and 559 of the Bankruptcy Code. It is further understood and agreed that either party's right to cause

the termination, liquidation or acceleration of, or to offset net termination values, payment amounts or other transfer obligations arising under or in connection with this Agreement or the Transactions hereunder is a contractual right to cause the termination, liquidation or acceleration of, or to offset net termination values, payment amounts or other transfer obligations arising under or in connection with this Agreement as described in Section 561 of the Bankruptcy Code.

(g) The parties agree and acknowledge that if a party hereto is an “insured depository institution,” as such term is defined in the FDIA, then each Transaction hereunder is a “qualified financial contract,” as that term is defined in the 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).

(h) It is understood that this Agreement constitutes a “netting contract” as defined in and subject to FDICIA and each payment entitlement and payment obligation under any Transaction hereunder 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). It is further understood and agreed that either party’s right to cause the termination, liquidation or acceleration of, or to offset net termination values, payment amounts or other transfer obligations arising under or in connection with this Agreement or the Transactions hereunder is a contractual right to cause the termination, liquidation or acceleration of, or to offset net termination values, payment amounts or other transfer obligations arising under or in connection with this Agreement as described in Section 561 of the Bankruptcy Code.

(i) It is understood that this Agreement constitutes a “netting contract” as defined in and subject to FDICIA and each payment entitlement and payment obligation under any Transaction hereunder 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).

(j) The parties intend and recognize that the arrangements under this Agreement are to constitute a “title transfer financial collateral arrangement” or a “security financial collateral arrangement” for the purposes of the Financial Collateral Arrangements (No 2) Regulations 2003 (the “FCA Regulations”).

25. DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

The parties acknowledge that they have been advised that:

(a) in the case of Transactions in which one of the parties is a broker or dealer registered with the SEC under Section 15 of the 1934 Act, the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 (“SIPA”) do not protect the other party with respect to any Transaction hereunder;

(b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder;

(c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder 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) in the case of Transactions in which 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 the financial institution pursuant to a 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.

26. SETOFF RIGHTS

Without limiting any other rights or remedies of Buyer, upon the occurrence and during the continuance of an Event of Default, Buyer shall have the right, without prior notice to Seller, and any such notice being expressly waived by Seller to the extent permitted by applicable law, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final) in any currency, and any other obligation (including to return excess margin), credits, indebtedness, claims, securities, collateral or other property, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by or due from Buyer to or for the credit of the account of Seller to any obligations of Seller hereunder to Buyer. If a sum or obligation is unascertained, Buyer may estimate that obligation and set off in respect of such estimate, subject to the relevant party accounting to the other when the obligation is ascertained. This Section 26 shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other rights to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

27. MISCELLANEOUS

(a) Confidentiality. The Transaction Documents and their respective terms, provisions, supplements and amendments, and transactions and notices thereunder, are proprietary to the parties hereto and shall be held by each party (as the “Receiving Party”) in strict confidence and shall not be disclosed to any third party without the consent of the other party (as the “Disclosing Party”) except for (i) disclosure to the Manager or its Affiliates or to the Receiving Party’s Affiliates, directors, attorneys, advisers, agents or accountants (the “Representatives”); provided that the Receiving Party shall (A) inform each of its Representatives receiving any Transaction Documents of the confidential nature of the Transaction Documents, (B) direct its Representatives to treat the Transaction Documents confidentially, and (C) be responsible for any improper use of the Transaction Documents by the Receiving Party or its Representatives or (ii) disclosure required by law, rule, regulation or order

of a court or other regulatory body deemed necessary and/or advisable by such Person's legal counsel or (iii) disclosure to any hedge counterparty to the extent necessary to obtain any Hedging Transaction hereunder or (iv) any disclosures or filing(s) required under federal securities laws and/or regulations promulgated thereunder or state securities laws; provided further that, in the case of disclosure by any party pursuant to the foregoing clauses (ii), (iii) and (iv), the Receiving Party shall, to the extent permitted by law, provide the Disclosing Party with prior written notice to permit such other party to seek a protective order to take other appropriate action if permitted by law. Each party shall reasonably cooperate in the Disclosing Party's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded the Transaction Documents. If, in the absence of a protective order, the Receiving Party or any of its Representatives is compelled as a matter of law to disclose any such information, the Receiving Party may disclose to the party compelling disclosure only the part of the Transaction Documents as is required by law to be disclosed (in which case, prior to such disclosure, the Receiving Party shall advise and consult with the Disclosing Party and its counsel as to such disclosure and the nature and wording of such disclosure) and shall use commercially reasonable efforts to obtain confidential treatment therefor. Notwithstanding anything to the contrary contained herein, Buyer and any of its Representatives may disclose any such information, without notice to Seller, to any governmental agency, regulatory authority or self-regulatory authority (including, without limitation, bank and securities examiners) having or claiming to have authority to regulate or oversee any aspect of Buyer's business or that of its Representatives in connection with the exercise of such authority or claimed authority. Notwithstanding the foregoing or anything to the contrary contained herein or in any other Transaction Document, the parties hereto may disclose to any and all Persons, without limitation of any kind, the federal income tax treatment of the Transactions, any fact relevant to understanding the federal tax treatment of the Transactions, and all materials of any kind (including opinions or other tax analyses) relating to such federal income tax treatment; provided that the Receiving Party may not disclose the name of or identifying information with respect to the Disclosing Party or any pricing terms or other nonpublic business or financial information (including any sublimits and financial covenants) that is unrelated to the purported or claimed federal income tax treatment of the Transactions and is not relevant to understanding the purported or claimed federal income tax treatment of the Transactions, without the prior written consent of the Disclosing Party. Buyer and Seller hereby agree that the obligations under this Section 27(a) shall not apply to disclosures of any information, documents or portions thereof that (i) were of public knowledge or literature generally available to the public at the time of such disclosure; (ii) have become part of the public domain by publication or otherwise, other than as a result of the failure of any Person required to keep such information confidential as provided in this Section 27(a) to do so; (iii) are disclosed with the prior written consent of the other party hereto; (iv) were already in the Receiving Party's possession; (v) are obtained by the Receiving Party from a third party who, to the knowledge of the Receiving Party, is not prohibited from transmitting such information or documents to the Receiving Party by a contractual, legal or fiduciary obligation to the Disclosing Party; or (vi) are independently developed by the Receiving Party.

(b) Compliance with the GLB Act. Seller shall, with respect to all Purchased Assets, comply with the applicable provisions of the Gramm-Leach-Bliley Act of 1999 (the “GLB Act”) and any applicable state and local privacy laws pursuant to the GLB Act for financial institutions and applicable state and local privacy laws. Seller agrees to hold Buyer and its Affiliates and each of their officers, directors and employees (each, a “GLB Indemnified Party”) harmless from and indemnify any GLB Indemnified Party against all liabilities, losses, damages, judgments, costs and expenses of any kind which may be imposed on, incurred by or asserted against such GLB Indemnified Party directly relating to or arising out of Seller’s violation of the GLB Act or any applicable state or local privacy laws with respect to the Purchased Assets.

(c) Waiver. No express or implied waiver of any Event of Default by Buyer shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by Buyer shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure here from shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto.

(d) Time of the Essence. Time is of the essence under the Transaction Documents and all Transactions thereunder, and all references to a time shall mean New York time in effect on the date of the action unless otherwise expressly stated in the Transaction Documents.

(e) Rights Cumulative. All rights, remedies and powers of Buyer hereunder and in connection herewith are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers of Buyer whether under law, equity or agreement. In addition to the rights and remedies granted to it in this Agreement to the extent applicable, Buyer shall have all rights and remedies of a secured party under the UCC and any other applicable law (including any applicable non-U.S. jurisdiction).

(f) Counterparts. The Transaction Documents 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.

(g) Headings. The headings in the Transaction Documents are for convenience of reference only and shall not affect the interpretation or construction of the Transaction Documents.

(h) Interpretation. Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(i) Integration. This Agreement, the Fee Letter and each Confirmation contains a final and complete integration of all prior expressions by the parties with respect to the subject

matter hereof and thereof and shall constitute the entire agreement among the parties with respect to such subject matter, superseding all prior oral or written understandings.

(j) Binding Effect. Each party understands that this Agreement is a legally binding agreement that may affect such party's rights. Each party represents to the other that such party has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and that it is satisfied with its legal counsel and the advice received from it.

(k) Interpretation. Should any provision of this Agreement require judicial interpretation, it is agreed that a court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any Person by reason of the rule of construction that a document is to be construed more strictly against the Person who itself or through its agent prepared the same, it being agreed that all parties have participated in the preparation of this Agreement.

(l) Waiver of Damages. Buyer and Seller agree that neither party shall assert any claims against the other or against any Affiliate of the other for special, indirect, consequential or punitive damages hereunder.

(m) Joint and Several Liability. The representations, covenants, warranties and obligations of each Seller hereunder are joint and several. In the event of (a) any payment by one or more of the Sellers of any amount in excess of its respective Proportional Amount (as defined below), or (b) the foreclosure of, the delivery of assignments in lieu of foreclosure relating to, or the Buyer otherwise acquiring title to, any of the Purchased Assets of one or more Sellers, each Seller (the "Overpaying Seller") that has paid more than its Proportional Amount or whose assets have been utilized to satisfy obligations hereunder or otherwise for the benefit of one or more other Sellers shall be entitled, after satisfaction of all the other obligations of the Sellers to the Buyer under the Transaction Documents, to contribution from each of the benefited Sellers (i.e., the Sellers, other than the Overpaying Seller, who have paid less than their respective Proportional Amount or whose assets have not been so utilized to satisfy obligations hereunder) for the amounts so paid, advanced or benefited, up to such benefited Seller's then current Proportional Amount. Such right to contribution shall be subordinate in all respects to the obligations of the Sellers under the Transaction Documents. As used herein, the "Proportional Amount" with respect to any Seller shall equal the amount derived as follows: (a) the ratio of the aggregate amount of the obligations under the Transaction Documents allocable to the Purchased Assets in which such Seller has an interest to the then outstanding obligations; times (b) the aggregate amount paid or payable by the Sellers hereunder.

(n) Unless explicitly stated otherwise, whenever the due date for any payment hereunder or under any of the Transaction Documents is not a Business Day, the entire amount that would have been due and payable on such due date shall instead be due and payable on the immediately succeeding Business Day.

[SIGNATURES COMMENCE ON THE NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BUYER:

MORGAN STANLEY BANK, N.A.,
a national banking association

By: _____
Name: Anthony Preisano
Title: Authorized Signatory

[Signatures continue on following page.]

SELLER:

MS LOANN NT-I, LLC

a Delaware limited liability company

By: _____
Name: David A. Palamé
Title: Vice President

MS LOANN NT-II, LLC

a Delaware limited liability company

By: _____
Name: David A. Palamé
Title: Vice President

BRIGHTSPIRE CREDIT 1, LLC,

a Delaware limited liability company

By: _____
Name: David A. Palamé
Title: Vice President

BRIGHTSPIRE CREDIT 2, LLC,

a Delaware limited liability company

By: _____
Name: David A. Palamé
Title: Vice President

SCHEDULE 1

MAXIMUM PURCHASE PERCENTAGE

<u>LTV</u>	<u>Maximum Purchase Percentage</u>
Less than or equal to 60%	80%
Greater than 60% but less than or equal to 65%	80%
Greater than 65% but less than or equal to 70%	80%
Greater than 70% but less than or equal to 75%	80%
Greater than 75% but less than or equal to 80%	75%-80%

Schedule 1

SCHEDULE 2

PURCHASED ASSET INFORMATION

- a) Loan Number/Loan Type
- b) Obligor Name
- c) Property Address
- d) Original Balance
- e) Future Advance Amount, if any
- f) Original Coupon
- g) Outstanding Balance
- h) Maturity Date
- i) Table Funding (Yes/No)
- j) Such information as Buyer and Seller shall agree on a case-by-case basis

Schedule 2

SCHEDULE 3

PROHIBITED TRANSFEREES

The following entities and their Affiliates including each of their respective successors and assigns shall be Prohibited Transferees:

1. Angelo, Gordon & Co., L.P.
2. Annaly Capital Management, Inc.
3. Apollo Commercial Real Estate Finance, Inc.
4. Arbor Realty Trust Inc.
5. Ares Commercial Real Estate Corporation
6. Blackstone Mortgage Trust
7. Bridge Investment Group Partners, LLC
8. Brookfield Investment Management Inc.
9. Cantor Fitzgerald & Co.
10. CapitalSource Inc.
11. Children's Investment Fund LP
12. CreXus Investment Corp.
13. Fortress Credit Corp.
14. Guggenheim Partners, LLC
15. H/2 Credit Manager LP
16. Invesco Ltd.
17. iStar Financial Inc.
18. KKR & Co. L.P.
19. Ladder Capital Securities LLC
20. LoanCore Capital, LLC
21. Lone Star U.S. Acquisitions, LLC
22. Macquarie Group Limited
23. Mesa West Capital, LLC
24. NCH Capital Inc.
25. Newcastle Investment Corp.
26. OZ Management LP
27. Pacific Investment Management Company LLC
28. RAIT Financial Trust
29. Redwood Trust Inc.
30. Rialto Capital Management, LLC
31. Silverpeak Argentic
32. SL Green Realty Corp.
33. Square Mile Capital Management, LLC
34. Starwood Capital Group
35. Starwood Property Trust, Inc.
36. TPG Capital Management, L.P.
37. Varde Partners Inc.
38. Winthrop Capital Management, LLC

Schedule 3

**CONFIRMATION
MORGAN STANLEY BANK, N.A.**

Ladies and Gentlemen:

Morgan Stanley Bank, N.A. (“Buyer”) is pleased to deliver our written CONFIRMATION of our agreement (subject to satisfaction of the Transaction Conditions Precedent) to enter into the Transaction pursuant to which Buyer shall purchase from [SELLER ENTITY] (“Seller”) the Purchased Asset identified on Schedule 1 attached hereto, pursuant to the Second Amended and Restated Master Repurchase and Securities Contract Agreement among Buyer, BRIGHTSPIRE CREDIT 1, LLC and BRIGHTSPIRE CREDIT 2, LLC, dated as of April 23, 2019 (as amended from time to time, the “Repurchase Agreement”; capitalized terms used herein without definition have the meanings given in the Repurchase Agreement), as follows below and on Schedule 1 [and Schedule 2]¹ attached hereto:

¹ NTD: Include if Purchased Asset is a Future Funding Asset.

Exhibit I

Seller: [SELLER ENTITY]

Purchase Date: [____],[____]/[See Schedule 2]

Purchased Asset: As identified on attached Schedule 1

Aggregate Principal Amount: \$[____]/[See Schedule 2]

Remaining Future Advance Amount (if any): \$[____]/[See Schedule 2]

Repurchase Date: \$[____]/[See Schedule 2]

Initial Purchase Price: [____],[____]

Pricing Rate: [____],[____]

Purchase Percentage: \$[____]/[See Schedule 2]

Maximum Purchase Percentage: Term SOFR + [____]%

Maximum Asset Exposure Threshold: [____]%
[____]%
[____]%

² NTD: To reflect actual advance rate for Purchased Loan.

Type of Funding: [Table Funded]/[Non-Table Funded]

Governing Agreement: As identified on attached Schedule 1

Seller's Wiring Instructions: [Bank Name: _____

ABA #: _____

Account Name: _____]

Exhibit I-3

Name and address for communications: Buyer: Morgan Stanley Bank, N. A.
1585 Broadway, 25th Floor
New York, New York 10036
Attention: Anthony Preisano
Telephone (212) 761-5688
Fax: (718) 233-3307
Email:
Anthony.Preisano@morganstanley.com

with a copy to: Morgan Stanley Bank, N. A.
1585 Broadway, 25th Floor
New York, New York 10036
Attention: Ian Marsh
Telephone: (212) 761-8175
Fax: (718) 233-3307
Email: Ian.Marsh@morganstanley.com

and to: Morgan Stanley Bank, N. A.
One Utah Center, 201 South Main Street
Salt Lake City, Utah 84111
and to: Morgan Stanley Bank, N. A.
1 New York Plaza, 41st Floor
New York, New York 10004
Attention: Tom O'Donnell
Telephone: (212) 276-0616
Fax: (646) 290-3126
Email: wltapes@morganstanley.com

and to: Paul Hastings LLP
200 Park Avenue
New York, New York 10166
Attention: Lisa A. Chaney, Esq.
Telephone: (212) 318-6773
Fax: (212) 230-7793
Email: lisachaney@paulhastings.com

Exhibit I-4

Seller

[SELLER ENTITY]
c/o BrightSpire Capital, Inc.
590 Madison Avenue, 33rd Floor
New York, New York 10022
Attention: Director Legal

with a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036-8704
Attention: Daniel L. Stanco
Email: Daniel.Stanco@ropesgray.com
Fax: (646) 728-2961

[SIGNATURES ON THE NEXT PAGE]

Exhibit I-5

MORGAN STANLEY BANK, N.A.,
a national banking association

By: _____
Name:
Title:

AGREED AND ACKNOWLEDGED:

[SELLER ENTITY],
a Delaware limited liability company

By: _____
Name:
Title:]

Exhibit I-6

SCHEDULE 1 TO CONFIRMATION STATEMENT

Purchased Asset: [Asset Type] dated as of [_____] in the original principal amount of \$ [_____] , made by [_____] to [_____] under and pursuant to that certain [loan agreement/applicable document] (the “Governing Agreement”).

Aggregate Principal Amount: \$[_____] [(plus up to \$[_____] of future advances under Section [_____] of the Governing Agreement). Buyer’s obligation to fund any future advances is contingent on (a) Seller’s satisfaction of the conditions contained in Section 3(g) of the Repurchase Agreement and (b) a bringdown by Seller of all representations and warranties made on the date hereof with regard to the Purchased Asset pursuant to Section 10 of the Repurchase Agreement.]

Representations: Seller acknowledges and agrees that upon funding by Buyer of the Purchase Price for the Purchased Asset [and, in connection with any subsequent funding of a Future Advance Purchase under the Purchased Asset, (i) Seller shall be deemed to have confirmed that all of the representations and warranties set forth in Section 10 of the Repurchase Agreement are true and correct as of the Purchase Date with respect to the Purchased Asset which is subject to this Confirmation [or the applicable funding date, as the case may be,], except such representations and warranties which by their terms speak as of a specified date and except as set forth in the attached Exception Report or in the Exception Report delivered with respect to any other Purchased Asset [and (ii) with respect to the funding of a Future Advance Purchase, Seller shall be deemed to have represented and warranted that all of the conditions to funding of such advance set forth in Section [_____] of the Governing Agreement have been satisfied (and no conditions to such advance under the Governing Agreement have been waived, except as may be permitted under this Agreement)].

Fixed/Floating: [Fixed]/[Floating]

Coupon: [_____]%

Term of Loan including Extension Options: [_____] , [_____]

Amortization (e.g., IO, full amortization, etc.): [_____] -year amortization[, with [_____] -month IO.]

Exhibit I-7

[SCHEDULE 2 TO CONFIRMATION STATEMENT]³

Purchase Date	Initial / Future Advance Purchase Price	Remaining Future Advance Amount	Aggregate Principal Amount
[____], [____]	\$(____)	\$(____)	\$(____)
[____], [____]	\$(____)	\$(____)	\$(____)
[____], [____]	\$(____)	\$(____)	\$(____)
Total:	\$(____)	\$(____)	\$(____)

³ Include if Purchased Asset is a Future Funding Asset.

EXCEPTION REPORT

Representation numbers referred to below relate to the corresponding Representations and Warranties Regarding the Purchased Assets set forth in Exhibit III to the Repurchase Agreement.

Exhibit I-9

LEGAL_AMERICAS # 600321163.3

FORM OF POWER OF ATTORNEY TO BUYER

Know All Men by These Presents, that [SELLER ENTITY] ("Seller"), does hereby appoint MORGAN STANLEY BANK, N.A. (together with its permitted successors and assigns, "Buyer"), in connection with the Repurchase Agreement (defined below) its attorney-in-fact to act in Seller's name, place and stead during the continuance of an Event of Default in any way which Seller could do with respect to (i) the completion of the endorsements of the Mortgage Notes, Mezzanine Notes, LLC Certificates and Participation Certificates (as applicable), and the Assignments of Mortgages, (ii) the recordation of the Assignments of Mortgages and (iii) the enforcement of Seller's rights under the Purchased Assets purchased by Buyer pursuant to the Second Amended and Restated Master Repurchase and Securities Contract Agreement dated as of [], 2019, as amended from time to time, among MS Loan NT-I, LLC, MS Loan NT-II, LLC, BRIGHTSPIRE CREDIT 1, LLC and BRIGHTSPIRE CREDIT 2, LLC, and Buyer (the "Repurchase Agreement") (including, for the avoidance of doubt, the enforcement and exercise of Seller's rights in respect of any interest reserve account or other deposit account or securities account established by any borrower or any other related obligor in connection with any Purchased Assets (including the enforcement and exercise of Seller's rights in respect of all funds or other assets deposited in, or credited to, such accounts)) and to take such other steps as may be necessary or desirable to enforce Buyer's rights against such Purchased Assets, the related Purchased Asset Files, the Servicing Records and the Hedging Transactions to the extent that Seller is permitted by law to act through an agent. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Repurchase Agreement.

TO INDUCE ANY THIRD PARTY TO ACT HEREUNDER, SELLER HEREBY AGREES THAT ANY THIRD PARTY RECEIVING A DULY EXECUTED COPY OR FACSIMILE OF THIS INSTRUMENT MAY ACT HEREUNDER, AND THAT REVOCATION OR TERMINATION HEREOF SHALL BE INEFFECTIVE AS TO SUCH THIRD PARTY UNLESS AND UNTIL ACTUAL NOTICE OR KNOWLEDGE OR SUCH REVOCATION OR TERMINATION SHALL HAVE BEEN RECEIVED BY SUCH THIRD PARTY, AND SELLER ON ITS OWN BEHALF AND ON BEHALF OF SELLER'S ASSIGNS, HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS ANY SUCH THIRD PARTY FROM AND AGAINST ANY AND ALL CLAIMS THAT MAY ARISE AGAINST SUCH THIRD PARTY BY REASON OF SUCH THIRD PARTY HAVING RELIED ON THE PROVISIONS OF THIS INSTRUMENT.

Exhibit II-1

IN WITNESS WHEREOF, Seller has caused this Power of Attorney to be executed this ____ day of _____,
20____.

[SELLER ENTITY],
a Delaware limited liability company

By: _____
Name:
Title:]

STATE OF)
)
COUNTY OF)

On this _____ of _____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Notary Public

(Seal)

FORM OF POWER OF ATTORNEY TO SELLER

Know All Men by These Presents, that Morgan Stanley Bank, N.A., as Buyer (together with its permitted successors and assigns, “Buyer”) does hereby appoint MS Loan NT-I, LLC, MS Loan NT-II, LLC, BRIGHTSPIRE CREDIT 1, LLC and BRIGHTSPIRE CREDIT 2, LLC each a Delaware limited liability company (individually or collectively, as the context may require, “Seller”), its attorney-in-fact to act in Buyer’s name, place and stead in any way which Buyer could with respect to modifications described below, to mortgage and mezzanine loan documents with respect to Purchased Assets sold by Seller to Buyer under that certain Second Amended and Restated Master Repurchase and Securities Contract Agreement dated as of [____], 2019, as amended from time to time, among Seller and Buyer (the “Repurchase Agreement”). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Repurchase Agreement.

Seller is permitted to administer and service the Purchased Assets without the consent of Buyer, any assignee or any other Person, pursuant to this power of attorney delivered by Buyer, which power of attorney shall not be revoked by Buyer unless an Event of Default under the Repurchase Agreement has occurred and is then continuing. Notwithstanding the foregoing, Seller shall not consent or assent to a Significant Modification without the prior written consent of Buyer. All waivers or material actions entered into or taken in respect of the Purchased Assets pursuant to this power of attorney shall be in writing. Seller shall notify Buyer and Custodian, in writing, of any waiver or other action entered into or taken thereby in respect of any such Purchased Asset pursuant to this power of attorney, and shall deliver to Custodian (with a copy to Buyer) for deposit in the related Purchased Asset File, an original counterpart of the agreement, if any, relating to such waiver or other action, within three (3) Business Days following the execution thereof. Actions taken under the foregoing power of attorney shall be binding upon each holder of the Purchased Assets.

THIS POWER OF ATTORNEY MAY BE REVOKED BY BUYER BY DELIVERY OF WRITTEN NOTICE TO SELLER DURING THE CONTINUANCE OF ANY EVENT OF DEFAULT UNDER THE REPURCHASE AGREEMENT. IF THIS POWER OF ATTORNEY HAS NOT BEEN REVOKED AND IF REQUESTED BY SELLER, BUYER WILL PROMPTLY CONFIRM IN WRITING TO SELLER, AND ANY OTHER PERSON OR ENTITY REASONABLY DESIGNATED BY SELLER, THAT THIS POWER OF ATTORNEY HAS NOT BEEN REVOKED AND IS IN FULL FORCE AND EFFECT.

Exhibit II-2

IN WITNESS WHEREOF, Seller has caused this Power of Attorney to be executed this ____ day of _____,
20____.

MORGAN STANLEY BANK, N.A.,
a national member bank

By: _____
Name:
Title:

STATE OF)
)
COUNTY OF)

On this _____ of _____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Notary Public

(Seal)

Exhibit II-2-2

REPRESENTATIONS AND WARRANTIES
REGARDING EACH PURCHASED ASSET THAT IS A MORTGAGE LOAN

With respect to each Purchased Asset and the related Mortgaged Properties on the related Purchase Date and at all times while this Agreement and any Transaction contemplated hereunder is in effect, Seller shall be deemed to make the following representations and warranties to Buyer as of such date; provided, however, that with respect to any Purchased Asset, such representations and warranties shall be deemed to be modified by any Exception Report delivered by Seller to Buyer prior to the issuance of a Confirmation with respect thereto.

- (1) Whole Loan; Ownership of Purchased Assets. At the time of the sale, transfer and assignment to Buyer, no Mortgage Note, Mortgage or Participation Certificate was subject to any assignment (other than assignments to Seller), participation (other than with respect to the Participation Interests) or pledge, and Seller had good title to, and was the sole owner of each Purchased Asset free and clear of any and all liens, charges, pledges, encumbrances, participations (other than with respect to the Participation Interests), any other ownership interests on, in or to such Purchased Asset. Seller has full right and authority to sell, assign and transfer each Purchased Asset, and the assignment to Buyer constitutes a legal, valid and binding assignment of such Purchased Asset free and clear of any and all liens, pledges, charges or security interests of any nature encumbering such Purchased Asset.
- (2) Loan Document Status. Each related Mortgage Note, Mortgage, Assignment of Leases (if a separate instrument), guaranty and other agreement executed by or on behalf of the related Mortgagor, guarantor or other obligor in connection with such Purchased Asset is the legal, valid and binding obligation of the related Mortgagor, guarantor or other obligor (subject to any non-recourse provisions contained in any of the foregoing agreements and any applicable state anti-deficiency, one-action or market value limit deficiency legislation), as applicable, and is enforceable in accordance with its terms, except (a) as such enforcement may be limited by (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law) and (b) that certain provisions in such Purchased Asset Documents (including, without limitation, provisions requiring the payment of default interest, late fees or prepayment/yield maintenance or prepayment fees, charges and/or premiums) are, or may be, further limited or rendered unenforceable by or under applicable law, but (subject to the limitations set forth in clause (a) above) such limitations or unenforceability will not render such Purchased Asset Documents invalid as a whole or materially interfere with the mortgagee's realization of the principal benefits and/or security provided thereby (clauses (a) and (b) collectively, the "Standard Qualifications"). Except as set forth in the immediately preceding sentences, there is no valid offset, defense, counterclaim or right of rescission

Exhibit III

available to the related borrower with respect to any of the related Mortgage Notes, Mortgages or other Purchased Asset Documents, including, without limitation, any such valid offset, defense, counterclaim or right based on intentional fraud by Seller in connection with the origination of the Purchased Asset, that would deny the mortgagee the principal benefits intended to be provided by the Mortgage Note, Mortgage or other Purchased Asset Documents.

- (3) Mortgage Provisions. The Purchased Asset Documents for each Purchased Asset contain provisions that render the rights and remedies of the holder thereof adequate for the practical realization against the Mortgaged Property of the principal benefits of the security intended to be provided thereby, including realization by judicial or, if applicable, non-judicial foreclosure subject to the limitations set forth in the Standard Qualifications.
- (4) Hospitality Provisions. The Purchased Asset Documents for each Purchased Asset that is secured by a hospitality property operated pursuant to a franchise agreement includes an executed comfort letter or similar agreement signed by the Mortgagor and franchisor of such property enforceable against such franchisor, either directly or as an assignee of the originator. The Mortgage or related security agreement for each Purchased Asset secured by a hospitality property creates a security interest in the revenues of such property for which a UCC financing statement has been filed in the appropriate filing office.
- (5) Mortgage Status; Waivers and Modifications. Since origination and except by written instruments set forth in the related Purchased Asset File or as otherwise provided in the related Purchased Asset Documents (a) the material terms of such Mortgage, Mortgage Note, guaranty, participation agreement, if applicable, and related Purchased Asset Documents have not been waived, impaired, modified, altered, satisfied, canceled, subordinated or rescinded in any respect that could have a material adverse effect on Purchased Asset; (b) no related Mortgaged Property or any portion thereof has been released from the lien of the related Mortgage in any manner which materially interferes with the security intended to be provided by such Mortgage or the use or operation of the remaining portion of such Mortgaged Property; and (c) neither the related borrower nor the related guarantor nor the related participating Person has been released from its material obligations under the Purchased Asset Documents. With respect to each Purchased Asset, except as contained in a written document included in the Purchased Asset File, there have been no modifications, amendments or waivers, that could be reasonably expected to have a material adverse effect on such Purchased Asset consented to by Seller.
- (6) Lien; Valid Assignment. Subject to the Standard Qualifications, each assignment of Mortgage to Buyer and each assignment of Assignment of Leases to Buyer constitutes a legal, valid and binding assignment to Buyer. Each related Mortgage and Assignment of Leases is freely assignable without the consent of the related Mortgagor. Each related Mortgage is a legal, valid and enforceable first lien or other first priority security interest

Exhibit III-2

on the related Mortgagor's fee or leasehold interest in the Mortgaged Property in the principal amount of such Purchased Asset or allocated loan amount (subject only to Permitted Encumbrances), except as the enforcement thereof may be limited by the Standard Qualifications. Such Mortgaged Property (subject to and excepting Permitted Encumbrances) is free and clear of any recorded mechanics' liens, recorded materialmen's liens and other recorded encumbrances, and no rights exist which under law could give rise to any such lien or encumbrance that would be prior to or equal with the lien of the related Mortgage, except those which are bonded over, escrowed for or insured against by a lender's title insurance policy (as described below). Any security agreement, chattel mortgage or equivalent document related to and delivered in connection with the Purchased Asset establishes and creates a valid and enforceable lien on property described therein, except as such enforcement may be limited by Standard Qualifications subject to the limitations described in Paragraph (9) below. Notwithstanding anything herein to the contrary, no representation is made as to the perfection of any security interest in rents or other personal property to the extent that possession or control of such items or actions other than the filing of UCC financing statements is required in order to effect such perfection.

- (7) Permitted Liens; Title Insurance. Each Mortgaged Property securing a Purchased Asset is covered by an American Land Title Association loan title insurance policy or a comparable form of loan title insurance policy approved for use in the applicable jurisdiction (or, if such policy is yet to be issued, by a pro forma policy, a preliminary title policy with escrow instructions or a "marked up" commitment, in each case binding on the title insurer, or if such Purchased Asset is a Mezzanine Loan, by a UCC 9 insurance policy) (the "Title Policy") in the original principal amount of such Purchased Asset (or with respect to a Purchased Asset secured by multiple properties, an amount equal to at least the allocated loan amount with respect to the Title Policy for each such property) after all advances of principal (including, in states where a "date down endorsement" is unavailable, any advances held in escrow or reserves), that insures for the benefit of the owner of the indebtedness secured by the Mortgage, the first priority lien of the Mortgage, which lien is subject only to Permitted Encumbrances. None of the Permitted Encumbrances are mortgage liens that are senior to or coordinate and co-equal with the lien of the related Mortgage. Such Title Policy (or, if it has yet to be issued, the coverage to be provided thereby) is in full force and effect, all premiums thereon have been paid and no claims have been made by Seller thereunder and no claims have been paid thereunder. Neither Seller, nor to Seller's knowledge, any other holder of the Purchased Asset, has done, by act or omission, anything that would materially impair the coverage under such Title Policy. Each Title Policy contains no exclusion for, or affirmatively insures (except for any Mortgaged Property located in a jurisdiction where such affirmative insurance is not available in which case such exclusion may exist), (a) that the area shown on the survey is the same as the property legally described in the Mortgage and (b) to the extent that the Mortgaged Property consists of two or more adjoining parcels, such parcels are contiguous.

Exhibit III-3

- (8) Junior Liens. There are no subordinate mortgages or junior liens securing the payment of money encumbering the related Mortgaged Property (other than Permitted Encumbrances). Seller has no knowledge of any mezzanine debt secured directly by interests in the related Mortgagor.
- (9) Assignment of Leases. There exists as part of the related Purchased Asset File an Assignment of Leases (either as a separate instrument or incorporated into the related Mortgage). Subject to the Permitted Encumbrances, each related Assignment of Leases creates a valid first-priority collateral assignment of, or a valid first-priority lien or security interest in, rents and certain rights under the related lease or leases, subject only to a license granted to the related Mortgagor to exercise certain rights and to perform certain obligations of the lessor under such lease or leases, including the right to operate the related leased property, except as the enforcement thereof may be limited by the Standard Qualifications. No Person other than the related Mortgagor owns any interest in any payments due under such lease or leases that is superior to or of equal priority with the lender's interest therein. The related Mortgage or related Assignment of Leases subject to applicable law, provides that, upon an event of default under the Purchased Asset, a receiver is permitted to be appointed for the collection of rents or for the related mortgagee to enter into possession to collect the rents or for rents to be paid directly to the mortgagee.
- (10) UCC Filings. Seller has filed and/or recorded or caused to be filed and/or recorded (or, if not filed and/or recorded, have been submitted in proper form for filing and/or recording), UCC-1 financing statements in the appropriate public filing and/or recording offices necessary at the time of the origination of the Purchased Asset to perfect a valid security interest in all items of physical personal property reasonably necessary to operate such Mortgaged Property owned by such Mortgagor and located on the related Mortgaged Property (other than any non-material personal property, any personal property subject to a purchase money security interest, a sale and leaseback financing arrangement as permitted under the terms of the related Purchased Asset Documents or any other personal property leases applicable to such personal property), to the extent perfection may be effected pursuant to applicable law by recording or filing, as the case may be. Subject to the Standard Qualifications, each related Mortgage (or equivalent document) creates a valid and enforceable lien and security interest on the items of personalty described above. No representation is made as to the perfection of any security interest in rents or other personal property to the extent that possession or control of such items or actions other than the filing of UCC-1 financing statements are required in order to effect such perfection. Each UCC-1 financing statement, if any, filed with respect to personal property constituting a part of the related Mortgaged Property and each UCC-2 or UCC-3 assignment, if any, of such financing statement to Seller was in suitable form for filing in the filing office in which such financing statement (or equivalent in a non-U.S. jurisdiction) was filed.

Exhibit III-4

- (11) Condition of Property. Seller or the originator of the Purchased Asset inspected or caused to be inspected each related Mortgaged Property within six months of origination of the Purchased Asset and within twelve months of the Purchase Date. An engineering report or property condition assessment was prepared in connection with the origination of each Purchased Asset no more than twelve months prior to the Purchase Date. To Seller's knowledge, based solely upon due diligence customarily performed in connection with the origination of comparable mortgage loans, each related Mortgaged Property is (a) free and clear of any material damage, (b) in good repair and condition and (c) free of structural defects, except in each case (i) for any damage or deficiencies that would not materially and adversely affect the use, operation or value of such Mortgaged Property as security for the Purchased Asset, (ii) if such repairs have been completed or (iii) if escrows in an aggregate amount consistent with the standards utilized by Seller with respect to similar loans it holds for its own account have been established, which escrows will in all events be in an aggregate amount not less than the estimated cost of such repairs. Seller has no knowledge of any material issues with the physical condition of the Mortgaged Property that Seller believes would have a material adverse effect on the use, operation or value of the Mortgaged Property other than those disclosed in the engineering report and those addressed in clauses (i), (ii) and (iii) above.
- (12) Taxes and Assessments. All real estate taxes, governmental assessments and other similar outstanding governmental charges (including, without limitation, water and sewage charges), or installments thereof, that could be a lien on the related Mortgaged Property that would be of equal or superior priority to the lien of the Mortgage and that prior to the Purchase Date have become delinquent in respect of each related Mortgaged Property have been paid, or, if the appropriate amount of such taxes or charges is being appealed or is otherwise in dispute, an escrow of funds has been established in an amount sufficient to cover such payments and reasonably estimated interest and penalties, if any, thereon. For purposes of this Paragraph (12), real estate taxes and governmental assessments and other outstanding governmental charges and installments thereof shall not be considered delinquent until the earlier of (a) the date on which interest and/or penalties would first be payable thereon and (b) the date on which enforcement action is entitled to be taken by the related taxing authority.
- (13) Condemnation. As of the date of origination and to Seller's knowledge as of the Purchase Date, there is no proceeding pending, and, to Seller's knowledge as of the date of origination and as of the Purchase Date, there is no proceeding threatened, for the total or partial condemnation of such Mortgaged Property that would have a material adverse effect on the value, use or operation of the Mortgaged Property.
- (14) Actions Concerning Purchased Asset. As of the date of origination and to Seller's knowledge as of the Purchase Date, there was no pending, filed or threatened action, suit or proceeding, arbitration or governmental investigation involving any Mortgagor, guarantor, or the Mortgaged Property, an adverse outcome of which would reasonably be expected to materially and adversely affect (a) such Mortgagor's title to the Mortgaged

Exhibit III-5

Property, (b) the validity or enforceability of the Mortgage, (c) such Mortgagor's ability to perform under the related Purchased Asset Documents, (d) such guarantor's ability to perform under the related guaranty, (e) the use, operation or value of the Mortgaged Property, (f) the principal benefit of the security intended to be provided by the Purchased Asset Documents, (g) the current ability of the Mortgaged Property to generate net cash flow sufficient to service such Purchased Asset or (h) the current principal use of the Mortgaged Property.

- (15) Escrow Deposits. As of the Purchase Date, all escrow deposits and payments required to be escrowed with lender pursuant to the Purchased Asset Documents are in the possession, or under the control, of Seller or its servicer, and there are no deficiencies (subject to any applicable grace or cure periods) in connection therewith, and all such escrows and deposits (or the right thereto) that are required to be escrowed with lender under the related Purchased Asset Documents are being conveyed by Seller to Buyer or its servicer. Any and all requirements under the Purchased Asset Documents as to completion of any material improvements and as to disbursements of any funds escrowed for such purpose, which requirements were to have been complied with on or before the Purchase Date, have been complied with in all material respects or the funds so escrowed have not been released (other than for costs incurred since origination with respect to the applicable work). No other such escrow amounts have been released except in accordance with the terms and conditions of the Purchased Asset Documents.
- (16) No Holdbacks. The principal balance of the Purchased Asset set forth on the Purchased Asset Schedule has been fully disbursed as of the Purchase Date and, except for Future Funding Assets, there is no requirement for future advances thereunder (except in those cases where the full amount of the Purchased Asset has been disbursed but a portion thereof is being held in escrow or reserve accounts pending the satisfaction of certain conditions relating to leasing, repairs or other matters with respect to the related Mortgaged Property, the Mortgagor or other considerations determined by Seller to merit such holdback), and any requirements or conditions to disbursements of any loan proceeds held in escrow have been satisfied with respect to any disbursements of any such escrow fund made on or prior to the date hereof.
- (17) Insurance.

Each related Mortgaged Property is, and is required pursuant to the related Mortgage to be, insured by a property insurance policy providing coverage for loss in accordance with coverage found under a "special cause of loss form" or "all risk form" that includes replacement cost valuation issued by an insurer meeting the requirements of the related Purchased Asset Documents and having a claims-paying or financial strength rating of any one of the following: (i) at least "A-:VII" from A.M. Best Company, Inc., (ii) at least "A3" (or the equivalent) from Moody's or (iii) at least "A-" from Standard & Poor's (collectively, the "Insurance Rating Requirements"), in an amount

Exhibit III-6

(subject to a customary deductible) not less than the lesser of (1) the original principal balance of the Purchased Asset and (2) the full insurable value on a replacement cost basis of the improvements, furniture, furnishings, fixtures and equipment owned by the Mortgagor and included in the Mortgaged Property (with no deduction for physical depreciation), but, in any event, not less than the amount necessary or containing such endorsements as are necessary to avoid the operation of any coinsurance provisions with respect to the related Mortgaged Property.

Each related Mortgaged Property is also covered, and required to be covered pursuant to the related Loan Documents, by business interruption or rental loss insurance which (subject to a customary deductible) (i) covers a period of not less than 12 months (or with respect to each Purchased Asset on a single asset with a principal balance of \$50 million or more, 18 months); (ii) for a Purchased Asset with a principal balance of \$50 million or more, contains a 180 day “extended period of indemnity”; and (iii) covers the actual loss sustained during restoration.

If any material part of the improvements, exclusive of a parking lot, located on a Mortgaged Property is in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards, the related Mortgagor is required to maintain insurance in the maximum amount available under the National Flood Insurance Program, plus such additional excess flood coverage in an amount as is generally required by prudent institutional commercial mortgage lenders originating mortgage loans for securitization.

If windstorm and/or windstorm related perils and/or “named storms” are excluded from the primary property damage insurance policy, the Mortgaged Property is insured by a separate windstorm insurance policy issued by an insurer meeting the Insurance Rating Requirements or endorsement covering damage from windstorm and/or windstorm related perils and/or named storms in an amount not less than the wind modeling PML determined at the 0.400% critical probability or 1 in 250 return period on a replacement cost basis of the improvements and personalty and fixtures included in the related Mortgaged Property by an insurer meeting the Insurance Rating Requirement.

The Mortgaged Property is covered, and required to be covered pursuant to the related Purchased Asset Documents, by a commercial general liability insurance policy issued by an insurer meeting the Insurance Rating Requirements including coverage for property damage, contractual damage and personal injury (including bodily injury and death) in amounts as are generally required by a prudent institutional commercial mortgage lender for

Exhibit III-7

loans originated for securitization, and in any event not less than \$1 million per occurrence and \$2 million in the aggregate.

With respect to any Purchased Asset, an architectural or engineering consultant has performed an analysis of each of the Mortgaged Properties located in seismic zones 3 or 4 in order to evaluate the structural and seismic condition of such property, for the sole purpose of assessing either the scenario expected limit (the “SEL”) or the probable maximum loss (the “PML”) for the Mortgaged Property in the event of an earthquake. In such instance, the SEL or PML, as applicable, was based on a 475-year return period, an exposure period of 50 years and a 10% probability of exceedance. If the resulting report concluded that the SEL or PML, as applicable, would exceed 20% of the amount of the replacement costs of the improvements, earthquake insurance on such Mortgaged Property was obtained by an insurer rated at least “A:VII” by A.M. Best Company, Inc. or “A3” (or the equivalent) from Moody’s or “A-” by Standard & Poor’s in an amount not less than 100% of the SEL or PML, as applicable.

The Purchased Asset Documents require insurance proceeds in respect of a property loss to be applied either (a) to the repair or restoration of all or part of the related Mortgaged Property, with respect to all property losses in excess of 5% of the then outstanding principal amount of the related Purchased Asset, the lender (or a trustee appointed by it) having the right to hold and disburse such proceeds as the repair or restoration progresses, or (b) to the reduction of the outstanding principal balance of such Purchased Asset together with any accrued interest thereon.

All premiums on all insurance policies referred to in this Paragraph (17) required to be paid as of the Purchase Date have been paid, and such insurance policies name the lender under the Purchased Asset and its successors and assigns as a loss payee under a mortgagee endorsement clause or, in the case of the general liability insurance policy, as named or additional insured. Such insurance policies will inure to the benefit of Buyer. Each related Purchased Asset obligates the related Mortgagor to maintain all such insurance and, at such Mortgagor’s failure to do so, authorizes the lender to maintain such insurance at the Mortgagor’s cost and expense and to charge such Mortgagor for related premiums and other related expenses, including reasonable attorney’s fees. All such insurance policies (other than commercial liability policies) require at least 10 days’ prior notice to the lender of termination or cancellation arising because of nonpayment of a premium and at least 30 days prior notice to the lender of termination or cancellation (or such lesser period, not less than 10 days, as may be required by applicable law) arising for any reason other than non-payment of a premium and no such notice has been received by Seller.

Exhibit III-8

- (18) Access; Utilities; Separate Tax Lots. Each Mortgaged Property (a) is located on or adjacent to a public road and has direct legal access to such road, or has access via an irrevocable easement or irrevocable right of way permitting ingress and egress to/from a public road, (b) to Seller's knowledge, is served by or has uninhibited access rights to public or private water and sewer (or well and septic) and all required utilities, all of which are appropriate for the current use of the Mortgaged Property, and (c) constitutes one or more separate tax parcels (if applicable) which do not include any property which is not part of the Mortgaged Property or, if applicable, is subject to an endorsement under the related Title Policy insuring the Mortgaged Property, or in certain cases, an application has been, or will be, made to the applicable governing authority for creation of separate tax lots, in which case the Purchased Asset Documents require the Mortgagor to escrow an amount sufficient to pay taxes for the existing tax parcel of which the Mortgaged Property is a part until the separate tax lots are created or the non-recourse carveout guarantor under the Purchased Asset Documents has indemnified the mortgagee for any loss suffered in connection therewith.
- (19) No Encroachments. To Seller's knowledge based solely on surveys obtained in connection with origination (which may have been a previously existing "as built" survey) and the lender's Title Policy (or, if such policy is not yet issued, a pro forma title policy, a preliminary title policy with escrow instructions or a "marked up" commitment) obtained in connection with the origination of each Purchased Asset, all material improvements that were included for the purpose of determining the appraised value of the related Mortgaged Property at the time of the origination of such Purchased Asset are within the boundaries of the related Mortgaged Property, except encroachments that do not materially and adversely affect the value or current use of such Mortgaged Property or for which insurance or endorsements were obtained under the Title Policy. No improvements on adjoining parcels encroach onto the related Mortgaged Property except for encroachments that do not materially and adversely affect the value or current use of such Mortgaged Property or for which insurance or endorsements were obtained under the Title Policy. No material improvements encroach upon any easements except for encroachments the removal of which would not materially and adversely affect the value or current use of such Mortgaged Property or for which insurance or endorsements have been obtained under the Title Policy.
- (20) No Contingent Interest or Equity Participation. No Purchased Asset has a shared appreciation feature, any other contingent interest feature or a negative amortization feature (except that a Purchased Asset may provide for the accrual of the portion of interest in excess of the rate in effect prior to the anticipated Repayment Date) or an equity participation by Seller.
- (21) [Reserved.]
- (22) Compliance with Usury Laws. The interest rate (exclusive of any default interest, late charges, yield maintenance charges, exit fees, or prepayment premiums) of such

Exhibit III-9

Purchased Asset complied as of the date of origination with, or was exempt from, all applicable laws of the applicable jurisdiction (including state or federal laws, regulations and other requirements) pertaining to usury.

- (23) Authorized to do Business. To Seller's knowledge, and to the extent required under applicable law, as of the Purchase Date and as of each date that such entity held the Mortgage Note, each holder of the Mortgage Note was authorized to transact and do business in the jurisdiction in which each related Mortgaged Property is located, or the failure to be so authorized does not materially and adversely affect the enforceability of such Purchased Asset by Buyer.
- (24) Trustee under Deed of Trust. With respect to each Mortgage which is a deed of trust, a trustee, duly qualified under applicable law to serve as such, currently so serves and is named in the deed of trust or has been substituted in accordance with the Mortgage and applicable law or may be substituted in accordance with the Mortgage and applicable law by the related mortgagee, and except in connection with a trustee's sale after a default by the related Mortgagor or in connection with any full or partial release of the related Mortgaged Property or related security for such Purchased Asset, and except in connection with a trustee's sale after a default by the related Mortgagor, no fees are payable to such trustee except for *de minimis* fees paid.
- (25) Local Law Compliance. To Seller's knowledge, based upon any of a letter from any governmental authorities, a legal opinion, an architect's letter, a zoning consultant's report, an endorsement to the related Title Policy, or other affirmative investigation of local law compliance consistent with the investigation conducted by Seller for similar commercial, multifamily and manufactured housing community mortgage loans intended for securitization, with respect to the improvements located on or forming part of each Mortgaged Property securing a Purchased Asset, there are no material violations of applicable laws, zoning ordinances, rules, covenants, building codes, restrictions and land laws (collectively, "Zoning Regulations") other than those which (i) constitute a legal non- conforming use or structure, as to which the Mortgaged Property may be restored or repaired to the full extent necessary to maintain the use of the structure immediately prior to a casualty or the inability to restore or repair to the full extent necessary to maintain the use or structure immediately prior to the casualty would not materially and adversely affect the use or operation of the Mortgaged Property, (ii) are insured by the Title Policy or other insurance policy, (iii) are insured by law and ordinance insurance coverage in amounts customarily required by prudent commercial mortgage lenders for loans originated for securitization that provides coverage for additional costs to rebuild and/or repair the property to current Zoning Regulations or (iv) would not have a material adverse effect on the Purchased Asset. The terms of the Purchased Asset Documents require the Mortgagor to comply in all material respects with all applicable governmental regulations, zoning and building laws.

Exhibit III-10

- (26) Licenses and Permits. Each Mortgagor covenants in the Purchased Asset Documents that it shall keep all material licenses, permits, franchises, certificates of occupancy, consents and applicable governmental authorizations necessary for its operation of the Mortgaged Property in full force and effect, and to Seller's knowledge based upon a letter from any government authorities or other affirmative investigation of local law compliance consistent with the investigation conducted by Seller for similar commercial, multifamily and manufactured housing community mortgage loans intended for securitization, all such material licenses, permits and applicable governmental authorizations are in effect. The Purchased Asset Documents require the related Mortgagor to be qualified to do business in the jurisdiction in which the related Mortgaged Property is located and for the Mortgagor and the Mortgaged Property to be in compliance in all material respects with all regulations, zoning and building laws.
- (27) Recourse Obligations. The Purchased Asset Documents for each Purchased Asset provide that such Purchased Asset is non-recourse to the related parties thereto except that: (a) the related Mortgagor and a guarantor (which is a natural person or persons, or an entity distinct from the Mortgagor (but may be affiliated with Mortgagor) that has assets other than equity in the related Mortgaged property that are not *de minimis*) shall be fully liable for actual out-of-pocket losses, liabilities, costs and damages arising from certain acts of the related Mortgagor and/or its affiliates specified in the related Purchased Asset Documents, which acts generally include the following: (i) acts of fraud or intentional material misrepresentation, (ii) misappropriation of rents (following an event of default), insurance proceeds or condemnation awards, (iii) intentional material physical waste of the Mortgaged Property, (iv) intentional misconduct and (v) any breach of the environmental covenants contained in the related Loan Documents, and (b) the Purchased Asset shall become full recourse to the related Mortgagor and a guarantor (which is a natural person or persons, or an entity distinct from the Mortgagor (but may be affiliated with Mortgagor) that has assets other than equity in the related Mortgaged property that are not *de minimis*), upon any of the following events: (i) if any petition for bankruptcy, insolvency, dissolution or liquidation pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed, consented to, or acquiesced in by the Mortgagor, (ii) Mortgagor and/or its principals shall have colluded with other creditors to cause an involuntary bankruptcy filing with respect to the Mortgagor or (iii) upon the transfer of either the Mortgaged Property or equity interests in Mortgagor made in violation of the Purchased Asset Documents.
- (28) Mortgage Releases. The terms of the related Mortgage or related Purchased Asset Documents do not provide for release of any material portion of the Mortgaged Property from the lien of the Mortgage except (a) a partial release, accompanied by principal repayment of not less than a specified percentage at least equal to the lesser of (i) 115% of the related allocated loan amount of such portion of the Mortgaged Property and (ii) the outstanding principal balance of the Purchased Asset, (b) upon payment in full of such Purchased Asset, (c) releases of out-parcels that are unimproved or other portions of the Mortgaged Property which will not have a material adverse effect on the underwritten

Exhibit III-11

value of the Mortgaged Property and which were not afforded any material value in the appraisal obtained at the origination of the Purchased Asset and are not necessary for physical access to the Mortgaged Property or compliance with zoning requirements, or (d) as required pursuant to an order of condemnation.

- (29) Financial Reporting and Rent Rolls. The Purchased Asset Documents for each Purchased Asset require the Mortgagor to provide the owner or holder of the Mortgage with quarterly and/or monthly (other than for single-tenant properties) and annual operating statements, and quarterly and/or monthly (other than for single-tenant properties) rent rolls for properties that have leases contributing more than 5% of the in-place base rent and annual financial statements, which annual financial statements with respect to each Purchased Asset with more than one Mortgagor are in the form of an annual combined balance sheet of the Mortgagor entities (and no other entities), together with the related combined statements of operations, members' capital and cash flows, including a combining balance sheet and statement of income for the Mortgaged Properties on a combined basis.
- (30) Acts of Terrorism Exclusion. With respect to each Purchased Asset over \$20 million, the related special-form all-risk insurance policy and business interruption policy (issued by an insurer meeting the Insurance Rating Requirements) do not specifically exclude Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively, the "TRIA"), from coverage, or if such coverage is excluded, it is covered by a separate terrorism insurance policy. With respect to each other Purchased Asset, the related special-form all-risk insurance policy and business interruption policy (issued by an insurer meeting the Insurance Rating Requirements) does not specifically exclude Acts of Terrorism, as defined in the TRIA, from coverage, or if such coverage is excluded, it is covered by a separate terrorism insurance policy. With respect to each Purchased Asset, the related Purchased Asset Documents do not expressly waive or prohibit the mortgagee from requiring coverage for Acts of Terrorism, as defined in the TRIA, or damages related thereto except to the extent that any right to require such coverage may be limited by commercial availability on commercially reasonable terms; provided, however, that if the TRIA or a similar or subsequent statute is not in effect, then, provided that terrorism insurance is commercially available, the Mortgagor under each Purchased Asset is required to carry terrorism insurance, but in such event the Mortgagor shall not be required to spend on terrorism insurance coverage more than two times the amount of the insurance premium that is payable in respect of the property and business interruption/rental loss insurance required under the related Purchased Asset Documents (without giving effect to the cost of terrorism and earthquake components of such casualty and business interruption/rental loss insurance) at the time of the origination of the Purchased Asset, and if the cost of terrorism insurance exceeds such amount, the borrower is required to purchase the maximum amount of terrorism insurance available with funds equal to such amount.

Exhibit III-12

- (31) Due on Sale or Encumbrance. Subject to specific exceptions set forth below, such Purchased Asset contains a “due on sale” or other such provision for the acceleration of the payment of the unpaid principal balance of such Purchased Asset, and if, without the consent of the holder of the Mortgage (which consent, in some cases, may not be unreasonably withheld) and/or complying with the requirements of the related Purchased Asset Documents (which provide for transfers without the consent of the lender which are customarily acceptable to prudent commercial and multifamily mortgage lending institutions on the security of property comparable to the related Mortgaged Property, including, without limitation, transfers of worn-out or obsolete furnishings, fixtures, or equipment promptly replaced with property of equivalent value and functionality and transfers by leases entered into in accordance with the Purchased Asset Documents), (a) the related Mortgaged Property, or any equity interest of greater than 50% in the related Mortgagor, is directly or indirectly pledged, transferred or sold, other than as related to (i) family and estate planning transfers or transfers upon death or legal incapacity, (ii) transfers to certain affiliates as defined in the related Purchased Asset Documents, (iii) transfers that do not result in a change of Control of the related Mortgagor or transfers of passive interests so long as the guarantor retains Control, (iv) transfers to another holder of direct or indirect equity in the Mortgagor, a specific Person designated in the related Purchased Asset Documents or a Person satisfying specific criteria identified in the related Purchased Asset Documents, such as a qualified equityholder, (v) transfers of stock or similar equity units in publicly traded companies or (vi) a substitution or release of collateral within the parameters of Paragraph (28) herein, or (vii) to the extent set forth in any Exception Report, by reason of any mezzanine debt that existed at the origination of the related Purchased Asset, or future permitted mezzanine debt in each case as set forth in any Exception Report or (b) the related Mortgaged Property is encumbered with a subordinate lien or security interest against the related Mortgaged Property, other than any Permitted Encumbrances. The Mortgage or other Purchased Asset Documents provide that to the extent any rating agency fees are incurred in connection with the review of and consent to any transfer or encumbrance, the Mortgagor is responsible for such payment along with all other reasonable fees and expenses incurred by the Mortgagee relative to such transfer or encumbrance. For purposes of the foregoing representation, “Control” means the power to direct the management and policies of an entity, directly or indirectly, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise.
- (32) Single-Purpose Entity. Each Purchased Asset requires the borrower to be a Single-Purpose Entity for at least as long as the Purchased Asset is outstanding. Both the Purchased Asset Documents and the organizational documents of the Mortgagor with respect to each Purchased Asset with a principal amount on the Purchase Date of \$5 million or more provide that the borrower is a Single-Purpose Entity, and each Purchased Asset with a principal amount on the Purchase Date of \$40 million or more has a counsel’s opinion regarding non-consolidation of the Mortgagor. For purposes of this Paragraph (32), a “Single-Purpose Entity” shall mean an entity, other than an individual, whose organizational documents provide substantially to the effect that it was formed or

organized solely for the purpose of owning and operating one or more of the Mortgaged Properties securing the Purchased Assets and prohibit it from engaging in any business unrelated to such Mortgaged Property or Properties, and whose organizational documents further provide, or which entity represented in the related Purchased Asset Documents, substantially to the effect that it does not have any assets other than those related to its interest in and operation of such Mortgaged Property or Properties, or any indebtedness other than as permitted by the related Mortgage(s) or the other related Purchased Asset Documents, that it has its own books and records and accounts separate and apart from those of any other person, and that it holds itself out as a legal entity, separate and apart from any other person or entity.

- (33) Ground Leases. For purposes of this Exhibit III, a “Ground Lease” shall mean a lease creating a leasehold estate in real property where the fee owner as the ground lessor conveys for a term or terms of years its entire interest in the land and buildings and other improvements, if any, comprising the premises demised under such lease to the ground lessee (who may, in certain circumstances, own the building and improvements on the land), subject to the reversionary interest of the ground lessor as fee owner and does not include industrial development agency (IDA) or similar leases for purposes of conferring a tax abatement or other benefit.

With respect to any Purchased Asset where the Purchased Asset is secured by a leasehold estate under a Ground Lease in whole or in part, and the related Mortgage does not also encumber the related lessor’s fee interest in such Mortgaged Property, based upon the terms of the Ground Lease and any estoppel or other agreement received from the ground lessor in favor of Seller, its successors and assigns, Seller represents and warrants that:

- (a) The Ground Lease or a memorandum regarding such Ground Lease has been duly recorded or registered, as applicable, or submitted for recordation or registration (as applicable) in a form that is acceptable for recording or registration (as applicable) in the applicable jurisdiction. The Ground Lease or an estoppel or other agreement received from the ground lessor permits the interest of the lessee to be encumbered by the related Mortgage and does not restrict the use of the related Mortgaged Property by such lessee, its successors or assigns in a manner that would materially adversely affect the security provided by the related Mortgage. No material change in the terms of the Ground Lease had occurred since its recordation, except by any written instrument which are included in the related Purchased Asset File;
- (b) The lessor under such Ground Lease has agreed in a writing included in the related Purchased Asset File (or in such Ground Lease) that the Ground Lease may not be amended or modified, or canceled or terminated, without the prior written consent of the lender (except termination or cancellation if (i) notice of a default under the Ground Lease is provided to lender and (ii) such default is curable by lender as provided in the Ground Lease but remains uncured beyond

the applicable cure period), and no such consent has been granted by Seller since the origination of the Purchased Asset except as reflected in any written instruments which are included in the related Purchased Asset File;

- (c) The Ground Lease has an original term (or an original term plus one or more optional renewal terms, which, under all circumstances, may be exercised, and will be enforceable, by either Mortgagor or the mortgagee) that extends not less than 20 years beyond the stated maturity of the related Purchased Asset, or 10 years past the stated maturity if such Purchased Asset fully amortizes by the stated maturity (or with respect to a Purchased Asset that accrues on an actual 360 basis, substantially amortizes);
- (d) The Ground Lease either (i) is not subject to any liens or encumbrances superior to, or of equal priority with, the Mortgage, except for the related fee interest of the ground lessor and the Permitted Encumbrances, or (ii) is subject to a subordination, non-disturbance and attornment agreement to which the mortgagee on the lessor's fee interest in the Mortgaged Property is subject;
- (e) The Ground Lease does not place commercially unreasonable restrictions on the identity of the mortgagee and the Ground Lease is assignable to the holder of the Purchased Asset and its successors and assigns without the consent of the lessor thereunder, and in the event it is so assigned, it is further assignable by the holder of the Purchased Asset and its successors and assigns without the consent of the lessor, in each case, so long as the successor or assignee satisfies the requirements of a "permitted leasehold mortgagee" or comparable definition in the applicable Ground Lease;
- (f) Seller has not received any written notice of material default under or notice of termination of such Ground Lease. To Seller's knowledge, there is no material default under such Ground Lease and no condition that, but for the passage of time or giving of notice, would result in a material default under the terms of such Ground Lease and to Seller's knowledge, such Ground Lease is in full force and effect;
- (g) The Ground Lease or ancillary agreement between the lessor and the lessee requires the lessor to give to the lender written notice of any default, and provides that no notice of default or termination is effective against the lender unless such notice is given to the lender;
- (h) A lender is permitted a reasonable opportunity (including, where necessary, sufficient time to gain possession of the interest of the lessee under the Ground Lease through legal proceedings) to cure any default under the Ground Lease which is curable after the lender's receipt of notice of any default before the lessor may terminate the Ground Lease;

Exhibit III-15

- (i) The Ground Lease does not impose any restrictions on subletting that would be viewed as commercially unreasonable by a prudent commercial mortgage lender;
 - (j) Under the terms of the Ground Lease, an estoppel or other agreement received from the ground lessor and the related Mortgage (taken together), any related insurance proceeds or the portion of the condemnation award allocable to the ground lessee's interest (other than (i) *de minimis* amounts for minor casualties or (ii) in respect of a total or substantially total loss or taking as addressed in Paragraph (33)(k) below) will be applied either to the repair or to restoration of all or part of the related Mortgaged Property with (so long as such proceeds are in excess of the threshold amount specified in the related Purchased Asset Documents) the lender or a trustee appointed by it or the ground lessor having the right to hold and disburse such proceeds as repair or restoration progresses, or to the payment of the outstanding principal balance of the Purchased Asset, together with any accrued interest;
 - (k) In the case of a total or substantially total taking or loss, under the terms of the Ground Lease, an estoppel or other agreement and the related Mortgage (taken together), any related insurance proceeds, or portion of the condemnation award allocable to ground lessee's interest in respect of a total or substantially total loss or taking of the related Mortgaged Property to the extent not applied to restoration, will be applied first to the payment of the outstanding principal balance of the Purchased Asset, together with any accrued interest; and
 - (l) Provided that the lender cures any defaults which are susceptible to being cured, the ground lessor has agreed to enter into a new lease with the lender upon termination of the Ground Lease for any reason, including rejection of the Ground Lease in a bankruptcy proceeding.
- (34) Servicing. The servicing and collection practices used by Seller with respect to the Purchased Asset have been, in all material respects, legal and have met customary industry standards for servicing of similar commercial loans.
- (35) Origination and Underwriting. The origination practices of Seller, or to Seller's knowledge, the related originator if Seller was not the originator, with respect to each Purchased Asset have been, in all material respects, legal and as of the date of its origination, such Purchased Asset and the origination thereof complied in all material respects with, or was exempt from, all requirements of applicable law (including federal, state or local laws and regulations) relating to the origination of such Purchased Asset. At the time of origination of such Purchased Asset, the origination, due diligence and underwriting performed by or on behalf of Seller in connection with each Purchased Asset complied in all material respects with the terms, conditions and requirements of Seller's origination, due diligence, underwriting procedures, guidelines and standards for similar commercial and multifamily loans.

Exhibit III-16

- (36) Rent Rolls; Operating Histories. Seller has obtained a rent roll (each, a “Certified Rent Roll”) (other than with respect to hospitality properties) certified by the related Mortgagor or the related guarantor(s) as accurate and complete in all material respects as of a date within 180 days of the date of origination of the related Purchased Asset. Seller has obtained operating histories (the “Certified Operating Histories”) with respect to each Mortgaged Property certified by the related Mortgagor or the related guarantor(s) as accurate and complete in all material respects as of a date within 180 days of the date of origination of the related Purchased Asset. The Certified Operating Histories collectively report on operations for a period equal to (a) at least a continuous three-year period or (b) in the event the Mortgaged Property was owned, operated or constructed by the Mortgagor or an affiliate for less than three years then for such shorter period of time.
- (37) No Material Default; Payment Record. As of the Purchase Date, no Purchased Asset has been more than 30 days delinquent, without giving effect to any grace or cure period, in making required payments since origination, and as of the Purchase Date, no Purchased Asset is delinquent (beyond any applicable grace or cure period) in making required payments. As of the Purchase Date, to Seller’s knowledge, there is (a) no, and since origination there has been no, material default, breach, violation or event of acceleration existing under the related Purchased Asset Documents, or (b) no event (other than payments due but not yet delinquent) which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration, which default, breach, violation or event of acceleration, in the case of either clause (a) or (b), materially and adversely affects the value of the Purchased Asset, or the value, use or operation of the related Mortgaged Property, provided, however, that this Paragraph (37) does not cover any default, breach, violation or event of acceleration that specifically pertains to or arises out of an exception scheduled to any other representation and warranty made by Seller in any Exception Report. No person other than the holder of such Purchased Asset may declare any event of default under the Purchased Asset or accelerate any indebtedness under the Purchased Asset Documents.
- (38) Bankruptcy. As of the date of origination of the related Purchased Asset and to Seller’s knowledge as of the Purchase Date, neither the Mortgaged Property nor any portion thereof is the subject of, and no Mortgagor, guarantor or tenant occupying a single-tenant property is a debtor in state or federal bankruptcy, insolvency or similar proceeding.
- (39) Organization of Mortgagor. With respect to each Purchased Asset, in reliance on certified copies of the organizational documents of the Mortgagor delivered by the Mortgagor in connection with the origination of such Purchased Asset, the Mortgagor is an entity organized under the laws of a state of the United States of America, the District of Columbia or the Commonwealth of Puerto Rico.

Seller has obtained an organizational chart or other description of each Mortgagor which identifies all beneficial controlling owners of the Mortgagor (i.e., managing members,

general partners or similar controlling person for such Mortgagor) (the “Controlling Owner”) and all owners that hold a 20% or greater direct ownership share (the “Major Sponsors”). Seller (a) required questionnaires to be completed by each Controlling Owner and guarantor or performed other processes designed to elicit information from each Controlling Owner and guarantor regarding such Controlling Owner’s or guarantor’s prior history regarding any bankruptcies or other insolvencies, any felony convictions, and (b) performed or caused to be performed searches of the public records or services such as Lexis/Nexis, or a similar service designed to elicit information about each Controlling Owner, Major Sponsor and guarantor regarding such Controlling Owner’s, Major Sponsor’s or guarantor’s prior history regarding any bankruptcies or other insolvencies, any felony convictions, and provided, however, that manual public records searches were limited to the last 10 years (clause (a) and (b) collectively, the “Sponsor Diligence”). Based solely on the Sponsor Diligence, to the knowledge of Seller, no Major Sponsor or guarantor (i) was in a state or federal bankruptcy or insolvency proceeding, (ii) had a prior record of having been in a state of federal bankruptcy or insolvency (including insolvency under non-U.S. law), or (iii) had been convicted of a felony.

- (40) Environmental Conditions. At origination, each Mortgagor represented and warranted that to its knowledge no hazardous materials or any other substances or materials which are included under or regulated by applicable environmental laws are located on, or have been handled, manufactured, generated, stored, processed, or disposed of on or released or discharged from the Mortgaged Property, except for those substances commonly used in the operation and maintenance of properties of kind and nature similar to those of the Mortgaged Property in compliance with all applicable environmental laws and in a manner that does not result in contamination of the Mortgaged Property or in a material adverse effect on the value, use or operations of the Mortgaged Property, and except for the use of such substances or materials that was remediated or abated in all material respects.

A Phase I environmental site assessment (or update of a previous Phase I and or Phase II site assessment) and, with respect to certain Purchased Assets, a Phase II environmental site assessment (collectively, an “ESA”) meeting ASTM requirements was conducted by a reputable environmental consultant in connection with such Purchased Asset within 12 months prior to its origination date (or an update of a previous ESA was prepared), and such ESA either (i) did not identify the existence of recognized environmental conditions (as such term is defined in ASTM E1527-05 or its successor, “Environmental Conditions”) at the related Mortgaged Property or the need for further investigation with respect to any Environmental Condition that was identified, or (ii) if the existence of an Environmental Condition or need for further investigation was indicated in any such ESA, then at least one of the following statements is true: (A) an amount reasonably estimated by a reputable environmental consultant to be sufficient to cover the estimated cost to cure any material noncompliance with applicable environmental laws or the Environmental Condition has been escrowed by the related Mortgagor and is held or

controlled by the related lender; (B) if the only Environmental Condition relates to the presence of asbestos-containing materials, radon in indoor air, lead based paint or lead in drinking water, and the only recommended action in the ESA is the institution of such a plan, an operations or maintenance plan has been required to be instituted by the related Mortgagor that can reasonably be expected to mitigate the identified risk; (C) the Environmental Condition identified in the related environmental report was remediated or abated in all material respects prior to the date hereof, and, if and as appropriate, a no further action or closure letter was obtained from the applicable governmental regulatory authority (or the Environmental Condition affecting the related Mortgaged Property was otherwise listed by such governmental authority as “closed” or a reputable environmental consultant has concluded that no further action is required); (D) a secured creditor environmental policy or a pollution legal liability insurance policy that covers liability for the Environmental Condition was obtained from an insurer rated no less than “A-” (or the equivalent) by Moody’s, Standard & Poor’s and/or Fitch, Inc.; (E) a party not related to the Mortgagor was identified as the responsible party for such Environmental Condition and such responsible party has financial resources reasonably estimated to be adequate to address the situation; or (F) a party related to the Mortgagor having financial resources reasonably estimated to be adequate to address the situation is required to take action. To Seller’s knowledge, except as set forth in the ESA, there is no Environmental Condition (as such term is defined in ASTM E1527-05 or its successor) at the related Mortgaged Property as of the Purchase Date.

In the case of each Purchased Asset with respect to which there is an environmental insurance policy (the “Environmental Insurance Policy”), (i) such Environmental Insurance has been issued by issuer set forth in the related Exception Report (the “Policy Issuer”) and is effective as of the Purchase Date, (ii) as of origination and to Seller’s knowledge as of the Purchase Date the Environmental Insurance Policy is in full force and effect, there is no deductible and Seller is a named insured under such policy, (iii) (A) a property condition or engineering report was prepared, if the related Mortgaged Property was constructed prior to 1985, with respect to asbestos-containing materials (“ACM”) and, if the related Mortgaged Property is a multifamily property, with respect to radon gas (“RG”) and lead-based paint (“LBP”), and (B) if such report disclosed the existence of a material and adverse LBP, ACM or RG environmental condition or circumstance affecting the related Mortgaged Property, the related Mortgagor (1) was required to remediate the identified condition prior to closing the Purchased Asset or provide additional security or establish with the mortgagee a reserve in an amount deemed to be sufficient by Seller, for the remediation of the problem, and/or (2) agreed in the Purchased Asset Documents to establish an operations and maintenance plan after the closing of the Purchased Asset that should reasonably be expected to mitigate the environmental risk related to the identified LBP, ACM or RG condition, (iv) on the effective date of the Environmental Insurance Policy, Seller as originator had no knowledge of any material and adverse environmental condition or circumstance affecting the Mortgaged Property (other than the existence of LBP, ACM or RG) that was not disclosed to the Policy Issuer in one or more of the following: (A) the application for

Exhibit III-19

insurance, (B) a Mortgagor questionnaire that was provided to the Policy Issuer, or (C) an engineering or other report provided to the Policy Issuer, and (v) the premium of any Environmental Insurance Policy has been paid through the maturity of the policy's term and the term of such policy extends at least five years beyond the maturity of the Purchased Asset.

- (41) Lease Estoppels. With respect to each Purchased Asset secured by retail, office or industrial properties, Seller requested the related Mortgagor to obtain estoppels from each commercial tenant with respect to the rent roll delivered as of the origination date. With respect to each Purchased Asset predominantly secured by a retail, office or industrial property leased to a single tenant, Seller reviewed such estoppel obtained from such tenant no earlier than 90 days prior to the origination date of the related Purchased Asset. With respect to each Purchased Asset predominantly secured by a retail, office or industrial property leased to a single tenant, to Seller's knowledge, as of the Purchase Date (i) the related lease is in full force and effect and (ii) there exists no default under such lease, either by the lessee thereunder or by the lessor subject, in each case, to customary reservations of tenant's rights, such as with respect to CAM and pass-through audits and verification of landlord's compliance with co-tenancy provisions. With respect to each Purchased Asset predominantly secured by a retail, office or industrial property, Seller has received lease estoppels executed within 90 days of the origination date of the related Purchased Asset that collectively account for at least 65% of the in-place base rent for the Mortgaged Property that secure a Purchased Asset that is represented as of the origination date. To Seller's knowledge, as of the Purchase Date (i) each lease represented on the rent roll delivered as of the origination date is in full force and effect and (ii) there exists no material default under any such related lease that represents 20% or more of the in-place base rent for the Mortgaged Property either by the lessee thereunder or by the related Mortgagor, subject, in each case, to customary reservations of tenant's rights, such as with respect to CAM and pass-through audits and verification of landlord's compliance with co-tenancy provisions.
- (42) Appraisal. The Purchased Asset File contains an appraisal of the related Mortgaged Property with an appraisal date within six months of the Purchased Asset origination date, and within 12 months of the Purchase Date. The appraisal is signed by an appraiser who is a Member of the Appraisal Institute. Each appraiser has represented in such appraisal or in a supplemental letter that the appraisal satisfies the requirements of the "Uniform Standards of Professional Appraisal Practice" as adopted by the Appraisal Standards Board of the Appraisal Foundation and has certified that such appraiser had no interest, direct or indirect, in the Mortgaged Property or the borrower or in any loan made on the security thereof, and its compensation is not affected by the approval or disapproval of the Purchased Asset.
- (43) Purchased Asset Schedule. The information pertaining to each Purchased Asset which is set forth in the Purchased Asset Schedule is true and correct in all material respects as of

the Purchase Date and contains all information required by the Repurchase Agreement to be contained therein.

- (44) Cross-Collateralization. No Purchased Asset is cross-collateralized or cross-defaulted with any other mortgage loan.
- (45) Advance of Funds by Seller. After origination, as of the Purchase Date, no advance of funds has been made by Seller to the related Mortgagor other than in accordance with the Purchased Asset Documents, and, to Seller's knowledge, no funds have been received from any person other than the related Mortgagor or an affiliate for, or on account of, payments due on the Purchased Asset (other than as contemplated by the Purchased Asset Documents, such as, by way of example and not in limitation of the foregoing, amounts paid by the tenant(s) into a lender-controlled lockbox if required or contemplated under the related lease or Purchased Asset Documents). Except with respect to Future Advance Assets, Seller nor any affiliate thereof has any obligation to make any capital contribution to any Mortgagor under a Purchased Asset, other than contributions made on or prior to the date hereof.
- (46) Compliance with Anti-Money Laundering Laws. Seller has complied in all material respects with all applicable anti-money laundering laws and regulations (which includes without limitation the USA Patriot Act of 2001) (collectively, the "Anti-Money Laundering Laws"). Seller has established an anti-money laundering compliance program as required by the Anti-Money Laundering Laws, has conducted the requisite due diligence in connection with the origination of the Purchased Asset for purposes of the Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable Mortgagor and the origin of the assets used by the said Mortgagor to purchase the property in question, and maintains, and will maintain, sufficient information to identify the applicable Mortgagor as required by the Anti-Money Laundering Laws.
- (47) OFAC. No Purchased Asset is subject to nullification pursuant to Executive Order 13224, the regulations promulgated by OFAC (the "OFAC Regulations"), or in violation of Executive Order 13224 or the OFAC Regulations, and no Mortgagor is subject to the provisions of Executive Order 13224 or the OFAC Regulations or listed as a "blocked person" for purposes of the OFAC Regulations.
- (48) Floating Interest Rates. Each Purchased Asset bears interest at a floating rate of interest that is based on Term SOFR, plus a margin (which interest rate may be subject to a minimum or "floor" rate).

Exhibit III-21

REPRESENTATIONS AND WARRANTIES
REGARDING EACH PURCHASED ASSET THAT IS A MEZZANINE LOAN

With respect to each Purchased Asset that is a Mezzanine Loan and the related Mortgaged Property or Mortgaged Properties, on the related Purchase Date and at all times while this Agreement and any Transaction contemplated hereunder is in effect, Seller shall be deemed to make the following representations and warranties to Buyer as of such date; provided, however, that, with respect to any Purchased Asset, such representations and warranties shall be deemed to be modified by any Exception Report delivered by Seller to Buyer prior to the issuance of a Confirmation with respect thereto.

- (1) The representations and warranties set forth in Exhibit III-1 regarding Mortgage Loans shall be deemed incorporated herein in respect of each underlying Mortgage Loan and the related Mortgaged Property and Mortgagor related to the Purchased Asset; provided that if such representation is duplicative of any specific representation regarding the underlying Mortgage Loan, underlying Mortgaged Property or the Mortgagor, the representation hereunder shall control.
- (2) The Mezzanine Loan is a mezzanine loan secured by a pledge of all of the Capital Stock of a Mortgagor on the underlying Mortgage Loan that owns income producing commercial real estate.
- (3) Whole Loan; Ownership of Purchased Assets. At the time of the sale, transfer and assignment to Buyer, no Mezzanine Note was subject to any assignment (other than assignments to Seller), participation or pledge, and Seller had good title to, and was the sole owner of, each Purchased Asset free and clear of any and all liens, charges, pledges, encumbrances, participations, any other ownership interests on, in or to such Purchased Asset, but subject to any related intercreditor agreement provided to Buyer prior to the Purchase Date. Seller has full right and authority to sell, assign and transfer each Purchased Asset, and the assignment to Buyer constitutes a legal, valid and binding assignment of such Purchased Asset free and clear of any and all liens, pledges, charges or security interests of any nature encumbering such Purchased Asset, but subject to any related intercreditor agreement provided to Buyer prior to the Purchase Date.
- (4) Loan Document Status. Each related Mezzanine Note, Mezzanine Pledge Agreement, guaranty and other agreement executed by or on behalf of the Mezzanine Borrower, guarantor or other obligor in connection with such Purchased Asset is the legal, valid and binding obligation of the Mezzanine Borrower, guarantor or other obligor (subject to any non-recourse provisions contained in any of the foregoing agreements and any applicable state anti-deficiency, one-action or market value limit deficiency legislation), as applicable, and is enforceable in accordance with its terms, except (a) as such enforcement may be limited by (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting the enforcement of creditors'

rights generally and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law) and (b) that certain provisions in such Purchased Asset Documents (including, without limitation, provisions requiring the payment of default interest, late fees or prepayment/yield maintenance or prepayment fees, charges and/or premiums) are, or may be, further limited or rendered unenforceable by or under applicable law, but (subject to the limitations set forth in clause (a) above) such limitations or unenforceability will not render such Purchased Asset Documents invalid as a whole or materially interfere with the lender's realization of the principal benefits and/or security provided thereby (clauses (a) and (b) collectively, the "Standard Qualifications"). Except as set forth in the immediately preceding sentences, there is no valid offset, defense, counterclaim or right of rescission available to Mezzanine Borrower with respect to any of the related Mezzanine Notes or other Purchased Asset Documents, including, without limitation, any such valid offset, defense, counterclaim or right based on intentional fraud by Seller in connection with the origination of the Purchased Asset, that would deny the lender the principal benefits intended to be provided by the Mezzanine Note, or other Purchased Asset Documents.

- (5) Purchased Asset Document Provisions. The Purchased Asset Documents for each Purchased Asset contain provisions that render the rights and remedies of the holder thereof adequate for the practical realization against the Capital Stock of the principal benefits of the security intended to be provided thereby, including realization by foreclosure subject to the limitations set forth in the Standard Qualifications.
- (6) Hospitality Provisions. The Purchased Asset Documents for each Purchased Asset for which the underlying Mortgage Loan is secured by a hospitality property operated pursuant to a franchise agreement includes an executed comfort letter or similar agreement signed by the Mortgagor and franchisor of such property enforceable against such franchisor, either directly or as an assignee of the originator.
- (7) Waivers and Modifications. Since origination and except by written instruments set forth in the related Purchased Asset File or as otherwise provided in the related Purchased Asset Documents (a) the material terms of such Mezzanine Note, guaranty, Mezzanine Pledge Agreement and related Purchased Asset Documents have not been waived, impaired, modified, altered, satisfied, canceled, subordinated or rescinded in any respect that could have a material adverse effect on the Purchased Asset, (b) no related Capital Stock or any portion thereof has been released from the lien of the related Mezzanine Pledge Agreement in any manner which materially interferes with the security intended to be provided by such Mezzanine Pledge Agreement, and (c) neither Mezzanine Borrower nor the related guarantor nor the related participating Person has been released from its material obligations under the Purchased Asset Documents. With respect to each Purchased Asset, except as contained in a written document included in the Purchased Asset File, there have been no modifications, amendments or waivers, that could be reasonably expected to have a material adverse effect on such Purchased Asset consented to by Seller.

- (8) Lien. Any security agreement, Mezzanine Pledge Agreement or equivalent document related to and delivered in connection with the Purchased Asset establishes and creates a valid and enforceable lien on property described therein, except as such enforcement may be limited by Standard Qualifications.
- (9) Permitted Liens; Title Insurance. Seller's security interest in the collateral for the Mezzanine Loan is covered by a Title Policy in the original principal amount of such Purchased Asset after all advances of principal (including any advances held in escrow or reserves), that insures for the benefit of the owner of the Mezzanine Loan the first priority lien on the collateral for the Mezzanine Loan, which lien is subject only to the liens created by the Purchased Asset Documents. Such Title Policy (or, if it has yet to be issued, the coverage to be provided thereby) is in full force and effect, all premiums thereon have been paid and no claims have been made by Seller thereunder and no claims have been paid thereunder. Neither Seller, nor to Seller's knowledge, any other holder of the Purchased Asset, has done, by act or omission, anything that would materially impair the coverage under such Title Policy.
- (10) UCC Filings. Seller has filed or caused to be filed and (or, if not filed, have been submitted in proper form for filing), UCC-1 financing statements in the appropriate public filing offices necessary at the time of the origination of the Purchased Asset to perfect a valid security interest in all items of personal property owned by Mezzanine Borrower, to the extent perfection may be effected pursuant to applicable law by filing. Subject to the Standard Qualifications, each related Mezzanine Pledge Agreement (or equivalent document) creates a valid and enforceable lien and security interest on the items of personalty described above. No representation is made as to the perfection of any security interest in personal property to the extent that possession or control of such items or actions other than the filing of UCC-1 financing statements are required in order to effect such perfection. Each UCC-1 financing statement, if any, filed with respect to personal property owned by such Mezzanine Borrower and each UCC-2 or UCC-3 assignment, if any, of such financing statement to Seller was in suitable form for filing in the filing office in which such financing statement was filed.
- (11) Actions Concerning Purchased Asset. As of the date of origination and to Seller's knowledge as of the Purchase Date, there was no pending, filed or threatened action, suit or proceeding, arbitration or governmental investigation involving any Mezzanine Borrower, guarantor or Mortgagor, an adverse outcome of which would reasonably be expected to materially and adversely affect (a) such Mezzanine Borrower's ownership of the Capital Stock in Mortgagor, (b) the validity or enforceability of the Purchased Asset Documents, (c) such Mezzanine Borrower's or Mortgagor's ability to perform under the related Purchased Asset Documents, (d) such guarantor's ability to perform under the related guaranty, (e) the principal benefit of the security intended to be provided by the Purchased Asset Documents or (f) the current ability of the Mortgaged Property to generate net cash flow sufficient to service such Purchased Asset.

- (12) Escrow Deposits. As of the Purchase Date, all escrow deposits and payments required to be escrowed with lender pursuant to the Purchased Asset Documents are in the possession, or under the control, of Seller or its servicer, and there are no deficiencies (subject to any applicable grace or cure periods) in connection therewith, and all such escrows and deposits (or the right thereto) that are required to be escrowed with lender under the related Purchased Asset Documents are being conveyed by Seller to Buyer or its servicer. Any and all requirements under the Purchased Asset Documents as to disbursements of any funds escrowed, which requirements were to have been complied with on or before the Purchase Date, have been complied with in all material respects or the funds so escrowed have not been released. No other escrow amounts have been released except in accordance with the terms and conditions of the Purchased Asset Documents.
- (13) No Holdbacks. The principal balance of the Purchased Asset set forth on the Purchased Asset Schedule has been fully disbursed as of the Purchase Date and, except for Future Funding Assets, there is no requirement for future advances thereunder (except in those cases where the full amount of the Purchased Asset has been disbursed but a portion thereof is being held in escrow or reserve accounts pending the satisfaction of certain conditions relating to leasing, repairs or other matters with respect to the related Mortgaged Property, the Mortgagor or other considerations determined by Seller to merit such holdbacks), and any requirements or conditions to disbursements of any loan proceeds held in escrow have been satisfied with respect to any disbursements of any such escrow fund made on or prior to the date hereof.
- (14) Insurance. The Purchased Asset Documents require insurance proceeds in respect of a property loss to be applied either (a) to the repair or restoration of all or part of the underlying Mortgaged Property, with respect to all property losses in excess of 5% of the then outstanding principal amount of the related underlying Mortgage Loan, the mortgage lender (or a trustee appointed by it) having the right to hold and disburse such proceeds as the repair or restoration progresses, or (b) to the reduction of the outstanding principal balance of the underlying Mortgage Loan together with any accrued interest thereon, with any excess applied to the existing outstanding principal balance of the Mezzanine Loan.

All premiums on all insurance policies referred to in this Paragraph (14) required to be paid as of the Purchase Date have been paid, and such insurance policies name the lender under the Purchased Asset and its successors and assigns as a loss payee under a mortgagee endorsement clause or, in the case of the general liability insurance policy, as named or additional insured. Such insurance policies will inure to the benefit of Buyer. Each related Purchased Asset obligates the underlying Mortgagor to maintain all such insurance and, at such Mortgagor's failure to do so, authorizes the lender to maintain such insurance at the Mortgagor's cost and expense and to charge such Mortgagor for related premiums and other related expenses, including reasonable attorney's fees. All such insurance policies (other than commercial liability policies) require at least 10 days' prior notice to the lender of termination or cancellation arising because of nonpayment of

a premium and at least 30 days prior notice to the lender of termination or cancellation (or such lesser period, not less than 10 days, as may be required by applicable law) arising for any reason other than non- payment of a premium and no such notice has been received by Seller.

- (15) No Contingent Interest or Equity Participation. No Purchased Asset has a shared appreciation feature, any other contingent interest feature or a negative amortization feature (except that a Purchased Asset may provide for the accrual of the portion of interest in excess of the rate in effect prior to the anticipated Repayment Date) or an equity participation by Seller.
- (16) Compliance with Usury Laws. The interest rate (exclusive of any default interest, late charges, yield maintenance charges, exit fees, or prepayment premiums) of such Purchased Asset complied as of the date of origination with, or was exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury.
- (17) Authorized to do Business. To Seller's knowledge, and to the extent required under applicable law, as of the Purchase Date and as of each date that such entity held the Mezzanine Note, each holder of the Mezzanine Note was authorized to transact and do business in the jurisdiction in which the underlying Mortgaged Property is located, or the failure to be so authorized does not materially and adversely affect the enforceability of such Purchased Asset by Buyer.
- (18) Compliance With Laws. The Mezzanine Loan complies in all material respects with, or is exempt from, all requirements of federal, state or local law relating to such Mezzanine Loan. The terms of the Purchased Asset Documents require Mezzanine Borrower and the underlying Mortgagor to comply in all material respects with all applicable governmental regulations, zoning and building laws.
- (19) Licenses and Permits. The Purchased Asset Documents require that Mezzanine Borrower shall cause each underlying Mortgagor to keep all material licenses, permits, franchises, certificates of occupancy, consents and applicable governmental authorizations necessary for its operation of the underlying Mortgaged Property in full force and effect, and to Seller's knowledge based upon a letter from any government authorities or other affirmative investigation of local law compliance consistent with the investigation conducted by Seller for similar commercial, multifamily and manufactured housing community mortgage loans intended for securitization, all such material licenses, permits and applicable governmental authorizations are in effect. The Purchased Asset Documents require the related underlying Mortgagor to be qualified to do business in the jurisdiction in which the related underlying Mortgaged Property is located and for Mezzanine Borrower, the underlying Mortgagor and the Mortgaged Property to be in compliance in all material respects with all regulations, zoning and building laws.
- (20) Recourse Obligations. The Purchased Asset Documents for each Purchased Asset provide that such Purchased Asset is non-recourse to the related parties thereto except

that: (a) Mezzanine Borrower and a guarantor (which is a natural person or persons, or an entity distinct from Mezzanine Borrower (but may be affiliated with Mezzanine Borrower) that has assets other than equity in the underlying Mortgagor that are not *de minimis*) shall be fully liable for losses, liabilities, costs and damages arising from certain acts of Mezzanine Borrower and/or its principals specified in the related Purchased Asset Documents, which acts generally include the following: (i) acts of fraud or intentional material misrepresentation, (ii) misappropriation of rents (following an event of default), insurance proceeds or condemnation awards, (iii) intentional material physical waste of the underlying Mortgaged Property, (iv) intentional misconduct and (v) any breach of the environmental covenants contained in the related Purchased Asset Documents, and (b) the Purchased Asset shall become full recourse to Mezzanine Borrower and a guarantor (which is a natural person or persons, or an entity distinct from Mezzanine Borrower (but may be affiliated with Mezzanine Borrower) that has assets other than equity in the underlying Mortgagor that are not *de minimis*), upon any of the following events: (i) if any petition for bankruptcy, insolvency, dissolution or liquidation pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed or consented to by Mezzanine Borrower, (ii) Mezzanine Borrower and/or its principals shall have colluded with other creditors to cause an involuntary bankruptcy filing with respect to Mezzanine Borrower or (iii) upon the transfer of the equity interests in the underlying Mortgagor made in violation of the Purchased Asset Documents.

- (21) Collateral Release. The terms of the related Mezzanine Pledge Agreement or related Purchased Asset Documents do not provide for release of any material portion of the collateral securing the Mezzanine Loan from the lien of the Mezzanine Pledge Agreement except (a) a partial release, accompanied by principal repayment of not less than a specified percentage at least equal to the lesser of (i) 110% of the related allocated loan amount of such portion of the collateral securing the Mezzanine Loan and (ii) the outstanding principal balance of the Purchased Asset, or (b) upon payment in full of such Purchased Asset.
- (22) Financial Reporting and Rent Rolls. The Purchased Asset Documents for each Purchased Asset require Mezzanine Borrower to provide the mezzanine lender with quarterly (other than for single-tenant properties) and annual operating statements, and quarterly (other than for single-tenant properties) rent rolls for properties that have leases contributing more than 5% of the in-place base rent and annual financial statements, which annual financial statements with respect to each Purchased Asset with more than one underlying Mortgagor or more than one Mezzanine Borrower are in the form of an annual combined balance sheet, as applicable, of the Mezzanine Borrower entities and the underlying Mortgagor entities (and no other entities), together with the related combined statements of operations, members' capital and cash flows, including a combining balance sheet and statement of income for the underlying Mortgaged Properties on a combined basis.
- (23) Acts of Terrorism Exclusion. With respect to each Purchased Asset over \$20 million, the related special-form all-risk insurance policy and business interruption policy (issued by

an insurer meeting the Insurance Rating Requirements) do not specifically exclude Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively, the “TRIA”), from coverage, or if such coverage is excluded, it is covered by a separate terrorism insurance policy. With respect to each other Purchased Asset, the related special-form all-risk insurance policy and business interruption policy (issued by an insurer meeting the Insurance Rating Requirements) does not specifically exclude Acts of Terrorism, as defined in TRIA, from coverage, or if such coverage is excluded, it is covered by a separate terrorism insurance policy. With respect to each Purchased Asset, the related Purchased Asset Documents do not expressly waive or prohibit the mezzanine lender from requiring coverage for Acts of Terrorism, as defined in the TRIA, or damages related thereto except to the extent that any right to require such coverage may be limited by commercial availability on commercially reasonable terms; provided, however, that if the TRIA or a similar or subsequent statute is not in effect, then, provided that terrorism insurance is commercially available, the underlying Mortgagor under each Purchased Asset is required to carry terrorism insurance, but in such event the underlying Mortgagor shall not be required to spend on terrorism insurance coverage more than two times the amount of the insurance premium that is payable in respect of the property and business interruption/rental loss insurance required under the related Purchased Asset Documents (without giving effect to the cost of terrorism and earthquake components of such casualty and business interruption/rental loss insurance) at the time of the origination of the Purchased Asset, and if the cost of terrorism insurance exceeds such amount, the borrower is required to purchase the maximum amount of terrorism insurance available with funds equal to such amount.

- (24) Due on Sale or Encumbrance. Subject to specific exceptions set forth below, each Purchased Asset contains a “due on sale” or other such provision for the acceleration of the payment of the unpaid principal balance of such Purchased Asset if, without the consent of the mezzanine lender (which consent, in some cases, may not be unreasonably withheld) and/or complying with the requirements of the related Purchased Asset Documents (which provide for transfers without the consent of the lender which are customarily acceptable to prudent commercial and multifamily mortgage lending institutions on the security of property comparable to the collateral for the Mezzanine Loan, including, without limitation, transfers of worn-out or obsolete furnishings, fixtures, or equipment promptly replaced with property of equivalent value and functionality and transfers by leases entered into in accordance with the Purchased Asset Documents), (a) the related underlying Mortgaged Property or equity interest of greater than 50% in the related underlying Mortgagor, is directly or indirectly pledged, transferred or sold, other than as related to (i) family and estate planning transfers or transfers upon death or legal incapacity, (ii) transfers to certain affiliates as defined in the related Purchased Asset Documents, (iii) transfers that do not result in a change of Control of Mezzanine Borrower or the related underlying Mortgagor or transfers of passive interests so long as the guarantor retains Control, (iv) transfers to another holder of direct or indirect equity in the underlying Mortgagor, a specific Person designated in

the related Purchased Asset Documents or a Person satisfying specific criteria identified in the related Purchased Asset Documents, such as a qualified equityholder, (v) transfers of stock or similar equity units in publicly traded companies, (vi) a substitution or release of collateral within the parameters of Paragraph (21) herein, or (vii) to the extent set forth in any Exception Report, by reason of any mezzanine debt that existed at the origination of the related Purchased Asset, or future permitted mezzanine debt in each case as set forth in any Exception Report or (b) the related underlying Mortgaged Property is encumbered with a subordinate lien or security interest against the related underlying Mortgaged Property, other than any Permitted Encumbrances, or the collateral for the Mezzanine Loan is encumbered with a subordinate lien or security interest against such collateral, other than any liens granted pursuant to the Purchased Asset Documents. The Purchased Asset Documents provide that to the extent any rating agency fees are incurred in connection with the review of and consent to any transfer or encumbrance, the Mezzanine Borrower is responsible for such payment along with all other reasonable fees and expenses incurred by the mezzanine lender relative to such transfer or encumbrance. For purposes of the foregoing representation, "Control" means the power to direct the management and policies of an entity, directly or indirectly, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise.

- (25) Single-Purpose Entity. Each Purchased Asset requires Mezzanine Borrower to be a Single-Purpose Entity for at least as long as the Purchased Asset is outstanding. Both the Purchased Asset Documents and the organizational documents of Mezzanine Borrower with respect to each Purchased Asset with a principal amount on the Purchase Date of \$5 million or more provide that Mezzanine Borrower is a Single-Purpose Entity, and each Purchased Asset with a principal amount on the Purchase Date of \$40 million or more has a counsel's opinion regarding non-consolidation of Mezzanine Borrower. For purposes of this Paragraph (25), a "Single-Purpose Entity" shall mean an entity, other than an individual, whose organizational documents provide substantially to the effect that it was formed or organized solely for the purpose of owning the Capital Stock of the underlying Mortgagor securing the Purchased Assets and prohibit it from engaging in any business unrelated to owning such Capital Stock, and whose organizational documents further provide, or which entity represented in the related Purchased Asset Documents, substantially to the effect that it does not have any assets other than those related to its interest in the underlying Mortgagor, or any indebtedness other than as permitted by the related Mezzanine Pledge Agreement or the other related Purchased Asset Documents, that it has its own books and records and accounts separate and apart from those of any other person, and that it holds itself out as a legal entity, separate and apart from any other person or entity.
- (26) Ground Leases. With respect to any Purchased Asset where the underlying Mortgage Loan is secured by a leasehold estate under a Ground Lease in whole or in part, and the related underlying Mortgage does not also encumber the related lessor's fee interest in such Mortgaged Property, based upon the terms of the Ground Lease and any estoppel or

other agreement received from the ground lessor in favor of Seller, its successors and assigns, Seller represents and warrants that:

- (a) (i) the Ground Lease or a memorandum regarding such Ground Lease has been duly recorded or submitted for recordation in a form that is acceptable for recording in the applicable jurisdiction; (ii) the Ground Lease or an estoppel or other agreement received from the ground lessor permits the interest of the lessee to be encumbered by the related Mortgage and does not restrict the use of the related Mortgaged Property by such lessee, its successors or assigns in a manner that would materially adversely affect the security provided by the related Mortgage and (iii) no material change in the terms of the Ground Lease had occurred since its recordation, except by any written instrument which are included in the related Purchased Asset File;
- (b) the lessor under such Ground Lease has agreed in a writing included in the related Purchased Asset File (or in such Ground Lease) that the Ground Lease may not be amended or modified in any material respect, or canceled or terminated, without the prior written consent of the mezzanine lender (except termination or cancellation if (i) notice of a default under the Ground Lease is provided to mezzanine lender and (ii) such default is curable by mezzanine lender as provided in the Ground Lease but remains uncured beyond the applicable cure period), and no such consent has been granted by Seller since the origination of the Purchased Asset except as reflected in any written instruments which are included in the related Purchased Asset File;
- (c) the Ground Lease has an original term (or an original term plus one or more optional renewal terms, which, under all circumstances, may be exercised, and will be enforceable, by either the underlying Mortgagor or the mortgagee) that extends not less than 20 years beyond the stated maturity of the related Purchased Asset, or 10 years past the stated maturity if such Purchased Asset fully amortizes by the stated maturity (or with respect to a Purchased Asset that accrues on an actual 360 basis, substantially amortizes);
- (d) the Ground Lease either (i) is not subject to any liens or encumbrances superior to, or of equal priority with, the underlying Mortgage, except for the related fee interest of the ground lessor and the Permitted Encumbrances, or (ii) is subject to a subordination, non-disturbance and attornment agreement to which the mortgagee on the lessor's fee interest in the underlying Mortgaged Property is subject;
- (e) the Ground Lease does not place commercially unreasonable restrictions on the identity of the mortgagee and the Ground Lease is assignable to the holder of the Purchased Asset and its successors and assigns without the consent of the lessor thereunder, and in the event it is so assigned, it is further assignable by the holder

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of the Purchased Asset and its successors and assigns without the consent of the lessor;

- (f) Seller has not received any written notice of material default under or notice of termination of such Ground Lease and, to Seller's knowledge, there is no material default under such Ground Lease and no condition that, but for the passage of time or giving of notice, would result in a material default under the terms of such Ground Lease and to Seller's knowledge, such Ground Lease is in full force and effect;
- (g) the Ground Lease or ancillary agreement between the lessor and the lessee requires the lessor to give to the lender written notice of any default, and provides that no notice of default or termination is effective against the lender unless such notice is given to the lender;
- (h) a lender is permitted a reasonable opportunity (including, where necessary, sufficient time to gain possession of the interest of the lessee under the Ground Lease through legal proceedings) to cure any default under the Ground Lease which is curable after the lender's receipt of notice of any default before the lessor may terminate the Ground Lease;
- (i) the Ground Lease does not impose any restrictions on subletting that would be viewed as commercially unreasonable by a prudent commercial mortgage lender;
- (j) under the terms of the Ground Lease, an estoppel or other agreement received from the ground lessor and the related underlying Mortgage (taken together), any related insurance proceeds or the portion of the condemnation award allocable to the ground lessee's interest (other than (i) *de minimis* amounts for minor casualties or (ii) in respect of a total or substantially total loss or taking as addressed in Paragraph (26)(k) below) will be applied either to the repair or to restoration of all or part of the related underlying Mortgaged Property with (so long as such proceeds are in excess of the threshold amount specified in the related Purchased Asset Documents) the lender or a trustee appointed by it or the ground lessor having the right to hold and disburse such proceeds as repair or restoration progresses, or, to the payment of the outstanding principal balance of the underlying Mortgage Loan, together with any accrued interest, with excess, if any, applied to the Mezzanine Loan;
- (k) in the case of a total or substantially total taking or loss, under the terms of the Ground Lease, an estoppel or other agreement and the related underlying Mortgage (taken together), any related insurance proceeds, or portion of the condemnation award allocable to ground lessee's interest in respect of a total or substantially total loss or taking of the related underlying Mortgaged Property to the extent not applied to restoration, will be applied first, pro rata, to the payment

Exhibit III-31

of the outstanding principal balance of the underlying Mortgage Loan and the Purchased Asset, together with any accrued interest; and

- (l) provided that the lender cures any defaults which are susceptible to being cured, the ground lessor has agreed to enter into a new lease with the lender upon termination of the Ground Lease for any reason, including rejection of the Ground Lease in a bankruptcy proceeding.

If applicable, the ground lessor consented to and acknowledged that (i) the Mezzanine Loan is permitted / approved, (ii) any foreclosure of the Mezzanine Loan and related change in ownership of the ground lessee will not require the consent of the ground lessor or constitute a default under the ground lease, (iii) copies of default notices would be sent to mezzanine lender (or, in the alternative, mortgage lender has agreed to send such notice to mezzanine lender pursuant to the related intercreditor agreement) and (iv) it would accept cure from mezzanine lender on behalf of the ground lessee (or, in the alternative, mortgage lender has agreed to tender such cure on behalf of mezzanine lender pursuant to the related intercreditor agreement).

- (27) Servicing. The servicing and collection practices used by Seller with respect to the Purchased Asset have been, in all material respects, legal and have met customary industry standards for servicing of similar commercial loans.
- (28) Origination and Underwriting. The origination practices of Seller (or to Seller's knowledge, the related originator if Seller was not the originator) with respect to each Purchased Asset have been, in all material respects, legal and as of the date of its origination, such Purchased Asset and the origination thereof complied in all material respects with, or was exempt from, all requirements of federal, state or local laws and regulations relating to the origination of such Purchased Asset. At the time of origination of such Purchased Asset, the origination, due diligence and underwriting performed by or on behalf of Seller in connection with each Purchased Asset complied in all material respects with the terms, conditions and requirements of Seller's origination, due diligence, underwriting procedures, guidelines and standards for similar commercial and multifamily loans.
- (29) Rent Rolls; Operating Histories. Seller has obtained a rent roll (other than with respect to hospitality properties) certified by the related Mezzanine Borrower or the related guarantor(s) as accurate and complete in all material respects as of a date within 180 days of the date of origination of the related Purchased Asset. Seller has obtained operating histories (the "Certified Operating Histories") with respect to each underlying Mortgaged Property certified by the related Mezzanine Borrower or the related guarantor(s) as accurate and complete in all material respects as of a date within 180 days of the date of origination of the related Purchased Asset. The Certified Operating Histories collectively report on operations for a period equal to (a) at least a continuous three-year period or (b) in the event the underlying Mortgaged Property was owned, operated or constructed by

the underlying Mortgagor or an affiliate for less than three years then for such shorter period of time.

- (30) No Material Default; Payment Record. As of the Purchase Date, no Purchased Asset has been more than 30 days delinquent, without giving effect to any grace or cure period, in making required payments since origination, and as of the Purchase Date, no Purchased Asset is delinquent (beyond any applicable grace or cure period) in making required payments. As of the Purchase Date, to Seller's knowledge, there is (a) no, and since origination there has been no, material default, breach, violation or event of acceleration existing under the related Purchased Asset Documents, or (b) no event (other than payments due but not yet delinquent) which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration, which default, breach, violation or event of acceleration, in the case of either clause (a) or (b), materially and adversely affects the value of the Purchased Asset or the collateral for the Mezzanine Loan, or the value, use or operation of the underlying Mortgaged Property, provided, however, that this Paragraph (30) does not cover any default, breach, violation or event of acceleration that specifically pertains to or arises out of an exception scheduled to any other representation and warranty made by Seller in any Exception Report. No person other than the holder of such Purchased Asset may declare any event of default under the Purchased Asset or accelerate any indebtedness under the Purchased Asset Documents.
- (31) Bankruptcy. As of the date of origination of the related Purchased Asset and to Seller's knowledge as of the Purchase Date, no Mezzanine Borrower, guarantor or issuer is a debtor in state or federal bankruptcy, insolvency or similar proceeding.
- (32) Organization of Mezzanine Borrower. With respect to each Purchased Asset, in reliance on certified copies of the organizational documents of Mezzanine Borrower delivered by Mezzanine Borrower in connection with the origination of such Purchased Asset, Mezzanine Borrower is an entity organized under the laws of a state of the United States of America, the District of Columbia or the Commonwealth of Puerto Rico.

Seller has obtained an organizational chart or other description of each Mezzanine Borrower which identifies all beneficial controlling owners of the Mezzanine Borrower (i.e., managing members, general partners or similar controlling person for such Mezzanine Borrower) (the "Controlling Owner") and all owners that hold a 20% or greater direct ownership share (the "Major Sponsors"). Seller (a) required questionnaires to be completed by each Controlling Owner and guarantor or performed other processes designed to elicit information from each Controlling Owner and guarantor regarding such Controlling Owner's or guarantor's prior history regarding any bankruptcies or other insolvencies, any felony convictions, and (b) performed or caused to be performed searches of the public records or services such as Lexis/Nexis, or a similar service designed to elicit information about each Controlling Owner, Major Sponsor and guarantor regarding such Controlling Owner's, Major Sponsor's or guarantor's prior history regarding any bankruptcies or other insolvencies, any felony convictions, and

provided, however, that manual public records searches were limited to the last 10 years (clauses (a) and (b) collectively, the “Sponsor Diligence”). Based solely on the Sponsor Diligence, to the knowledge of Seller, no Major Sponsor or guarantor (i) was in a state or federal bankruptcy or insolvency proceeding, (ii) had a prior record of having been in a state of federal bankruptcy or insolvency, or (iii) had been convicted of a felony.

- (33) Environmental Conditions. In the case of each Purchased Asset with respect to which there is an environmental insurance policy (the “Environmental Insurance Policy”), (i) such Environmental Insurance has been issued by the issuer set forth in the related Exception Report (the “Policy Issuer”) and is effective as of the Purchase Date, (ii) as of origination and to Seller’s knowledge as of the Purchase Date the Environmental Insurance Policy is in full force and effect, there is no deductible and Seller is a named insured under such policy, (iii) (A) a property condition or engineering report was prepared, if the related underlying Mortgaged Property was constructed prior to 1985, with respect to asbestos-containing materials (“ACM”) and, if the related underlying Mortgaged Property is a multifamily property, with respect to radon gas (“RG”) and lead-based paint (“LBP”), and (B) if such report disclosed the existence of a material and adverse LBP, ACM or RG environmental condition or circumstance affecting the related underlying Mortgaged Property, the related underlying Mortgagor (1) was required to remediate the identified condition prior to closing the Purchased Asset or provide additional security or establish with the mortgagee a reserve in an amount deemed to be sufficient by Seller, for the remediation of the problem, and/or (2) agreed in the Purchased Asset Documents to establish an operations and maintenance plan after the closing of the Purchased Asset that should reasonably be expected to mitigate the environmental risk related to the identified LBP, ACM or RG condition, (iv) on the effective date of the Environmental Insurance Policy, Seller as originator had no knowledge of any material and adverse environmental condition or circumstance affecting the underlying Mortgaged Property (other than the existence of LBP, ACM or RG) that was not disclosed to the Policy Issuer in one or more of the following: (A) the application for insurance, (B) an underlying Mortgagor questionnaire that was provided to the Policy Issuer, or (C) an engineering or other report provided to the Policy Issuer, and (v) the premium of any Environmental Insurance Policy has been paid through the maturity of the policy’s term and the term of such policy extends at least five years beyond the maturity of the Purchased Asset.
- (34) Lease Estoppels. With respect to each Purchased Asset for which the underlying Mortgage Loan is secured by retail, office or industrial properties, Seller requested the related underlying Mortgagor to obtain estoppels from each commercial tenant with respect to the rent roll delivered as of the origination date. With respect to each Purchased Asset for which the underlying Mortgage Loan is predominantly secured by a retail, office or industrial property leased to a single tenant, Seller reviewed such estoppel obtained from such tenant no earlier than 90 days prior to the origination date of the related Purchased Asset, and to Seller’s knowledge, as of the Purchase Date (i) the related lease is in full force and effect and (ii) there exists no default under such lease, either by

Exhibit III-34

the lessee thereunder or by the lessor subject, in each case, to customary reservations of tenant's rights, such as with respect to common area maintenance ("CAM") and pass-through audits and verification of landlord's compliance with co-tenancy provisions. With respect to each Purchased Asset for which the underlying Mortgage Loan is predominantly secured by a retail, office or industrial property, Seller has received lease estoppels executed within 90 days of the origination date of the related Purchased Asset that collectively account for at least 65% of the in-place base rent for the underlying Mortgaged Property related to the Purchased Asset that is represented as of the origination date. To Seller's knowledge, as of the Purchase Date (i) each lease represented on the rent roll delivered as of the origination date is in full force and effect and (ii) there exists no material default under any such related lease that represents 20% or more of the in-place base rent for the underlying Mortgaged Property either by the lessee thereunder or by the related underlying Mortgagor, subject, in each case, to customary reservations of tenant's rights, such as with respect to CAM and pass-through audits and verification of landlord's compliance with co-tenancy provisions.

- (35) Appraisal. The Purchased Asset File contains an appraisal of the related underlying Mortgaged Property with an appraisal date within six months of the Purchased Asset origination date, and within 12 months of the Purchase Date. The appraisal is signed by an appraiser who is a Member of the Appraisal Institute. Each appraiser has represented in such appraisal or in a supplemental letter that the appraisal satisfies the requirements of the "Uniform Standards of Professional Appraisal Practice" as adopted by the Appraisal Standards Board of the Appraisal Foundation and has certified that such appraiser had no interest, direct or indirect, in the underlying Mortgaged Property or the borrower or in any loan made on the security thereof, and its compensation is not affected by the approval or disapproval of the Purchased Asset.
- (36) Purchased Asset Schedule. The information pertaining to each Purchased Asset which is set forth in the Purchased Asset Schedule is true and correct in all material respects as of the Purchased Date and contains all information required by the Repurchase Agreement to be contained therein.
- (37) Cross-Collateralization. No Purchased Asset is cross-collateralized or cross-defaulted with any other loan, other than the related Mortgage Loan.
- (38) Advance of Funds by Seller. After origination, as of the Purchase Date, no advance of funds has been made by Seller to Mezzanine Borrower other than in accordance with the Purchased Asset Documents, and, to Seller's knowledge, no funds have been received from any person other than Mezzanine Borrower or an affiliate for, or on account of, payments due on the Purchased Asset (other than as contemplated by the Purchased Asset Documents). Neither Seller nor any affiliate thereof has any obligation to make any capital contribution to any Mezzanine Borrower under a Purchased Asset, other than contributions made on or prior to the date hereof.

- (39) Compliance with Anti-Money Laundering Laws. Seller has complied in all material respects with the Prescribed Laws. Seller has established an anti-money laundering compliance program as required by the Prescribed Laws, has conducted the requisite due diligence in connection with the origination of the Purchased Asset for purposes of the Prescribed Laws, including with respect to the legitimacy of the applicable Mezzanine Borrower and the origin of the assets used by said Mezzanine Borrower to acquire the Capital Stock, and maintains, and will maintain, sufficient information to identify the applicable Mezzanine Borrower for purposes of the Prescribed Laws.
- (40) OFAC. (a) No Purchased Asset is (i) subject to nullification pursuant to Executive Order 13224 or the regulations promulgated by OFAC (the “OFAC Regulations”) or (ii) in violation of Executive Order 13224 or the OFAC Regulations, and (b) no Mezzanine Borrower is (i) subject to the provisions of Executive Order 13224 or the OFAC Regulations or (ii) listed as a “blocked person” for purposes of the OFAC Regulations.
- (41) Floating Interest Rates. Each Purchased Asset bears interest at a floating rate of interest that is based on Term SOFR plus a margin (which interest rate may be subject to a minimum or “floor” rate).
- (42) Other than consents and approvals obtained as of the Purchase Date or those already granted in the Purchased Asset Documents, no consent or approval by any Person is required in connection with Seller’s sale and/or Buyer’s acquisition of such Mezzanine Loan, for Buyer’s exercise of any rights or remedies in respect of such Mezzanine Loan or for Buyer’s sale, pledge or other disposition of such Mezzanine Loan. No third party holds any “right of first refusal”, “right of first negotiation”, “right of first offer”, purchase option, or other similar rights of any kind, and no other impediment exists to any such transfer or exercise of rights or remedies.
- (43) The related Purchased Asset Documents provide for the acceleration of the payment of the unpaid principal balance of the Mezzanine Loan if (i) Mezzanine Borrower voluntarily transfers or encumbers all or any portion of any related Capital Stock, or (ii) any direct or indirect interest in Mezzanine Borrower is voluntarily transferred or assigned, other than, in each case, as permitted under the terms and conditions of the related loan documents.
- (44) Pursuant to the terms of the related Purchased Asset Documents: (a) no material terms of any related underlying Mortgage Loan may be waived, canceled, subordinated or modified in any material respect and no material portion of such Mortgage or the underlying Mortgaged Property may be released without the consent of the holder of the Mezzanine Loan; (b) no material action in furtherance of an Act of Insolvency may be taken by the Mortgagor with respect to the underlying Mortgaged Property without the consent of the holder of the Mezzanine Loan; and (c) the holder of the Mezzanine Loan’s consent is required prior to the Mortgagor incurring any additional indebtedness.

Exhibit III-36

- (45) Article 8 Opt-In. The LLC Certificate of the issuer of the Capital Stock securing the Purchased Asset constitutes a “security” within the meaning of Article 8 of the UCC, and no amendment of the issuer’s operating agreement that amends the opt-in may be effected without the consent of the holder of the Mezzanine Loan.

Exhibit III-37

FORM OF BAILEE AGREEMENT

[SELLER'S NAME AND ADDRESS]

_____, 20__

[]

Re: Bailee Agreement (the "Bailee Agreement") in connection with the sale of [] by [SELLER] ("Seller") to Morgan Stanley Bank, N.A., as buyer (together with its permitted successors and assigns, "Buyer")

Ladies and Gentlemen:

In consideration of the mutual premises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Buyer and [] ("Bailee") hereby agree as follows:

1. Seller shall deliver to Bailee in connection with any Purchased Assets delivered to Bailee hereunder a Purchased Asset File Checklist to which shall be attached a Purchased Asset Schedule identifying the Purchased Assets that are being delivered to Bailee hereunder.

2. On or prior to the date indicated on the Purchased Asset File Checklist (the "Purchase Date"), Seller shall have delivered to Bailee, as bailee for hire, the Purchased Asset File for each of the Purchased Assets listed in the Purchased Asset Schedule attached to such Purchased Asset File Checklist.

3. Bailee shall issue and deliver to Buyer (as defined in Section 5 below) on or prior to the Purchase Date by facsimile or other electronic transmission an initial trust receipt and certification in the form of Attachment 1 attached hereto (the "Trust Receipt"), which Trust Receipt shall state that Bailee has received the documents comprising the Purchased Asset File as set forth in the Purchased Asset File Checklist, in addition to such other documents required to be delivered to Buyer pursuant to the Second Amended and Restated Master Repurchase and Securities Contract Agreement dated as of [], 2019, among Seller and Buyer (the "Repurchase Agreement").

4. On the applicable Purchase Date, in the event that Buyer fails to purchase any New Asset from Seller that is identified in the related Purchased Asset File Checklist, Buyer shall deliver by facsimile or other electronic transmission to Bailee at [] to the attention of [], an authorization (the "Facsimile Authorization") to release the Purchased Asset Files with respect to the Purchased Assets identified therein to Seller. Upon receipt of such Facsimile Authorization, Bailee shall release the Purchased Asset Files to Seller in accordance with Seller's instructions.

Exhibit IV

5. Following the Purchase Date, Bailee shall forward the Purchased Asset Files to Wells Fargo Bank, N.A. (“Custodian”) by insured overnight courier for receipt by Custodian no later than 2:00 p.m. on the third (3rd) (the “Delivery Date”).

6. From and after the applicable Purchase Date until the time of receipt of the Facsimile Authorization or the applicable Delivery Date, as applicable, Bailee (a) shall maintain continuous custody and control of the related Purchased Asset Files as bailee for Buyer and (b) is holding the related Purchased Asset Loans as sole and exclusive bailee for Buyer unless and until otherwise instructed in writing by Buyer.

7. Seller agrees to indemnify and hold Bailee and its partners, directors, officers, agents and employees harmless against any and all third party liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable attorney’s fees, that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising out of this Bailee Agreement or any action taken or not taken by it or them hereunder unless such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (other than special, indirect, punitive or consequential damages, which shall in no event be paid by Seller) were imposed on, incurred by or asserted against Bailee because of the breach by Bailee of its obligations hereunder, which breach was caused by negligence, lack of good faith or willful misconduct on the part of Bailee or any of its partners, directors, officers, agents or employees. The foregoing indemnification shall survive any resignation or removal of Bailee or the termination or assignment of this Bailee Agreement.

8. In the event that Bailee fails to deliver a Mortgage Note, Mezzanine Note, LLC Certificate or Participation Certificate, as applicable, or other material portion of a Purchased Asset File that was in its possession to Custodian within three (3) Business Days following the applicable Purchase Date, the same shall constitute a “Bailee Delivery Failure” under this Bailee Agreement.

9. Seller hereby represents, warrants and covenants that Bailee is not an affiliate of or otherwise controlled by Seller. Notwithstanding the foregoing, the parties hereby acknowledge that Bailee hereunder may act as counsel to Seller in connection with a proposed loan.

10. This Bailee Agreement may not be modified, amended or altered, except by written instrument, executed by all of the parties hereto.

11. This Bailee Agreement may not be assigned by Seller or Bailee without the prior written consent of Buyer.

12. For the purpose of facilitating the execution of this Bailee Agreement as herein provided and for other purposes, this Bailee Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such

Exhibit IV-2

counterparts shall constitute and be one and the same instrument. Electronically transmitted signature pages shall be binding to the same extent.

13. This Bailee Agreement shall be construed in accordance with the laws of the State of New York, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

14. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Repurchase Agreement.

[SIGNATURES COMMENCE ON NEXT PAGE]

Exhibit IV-3

Very truly yours,

[SELLER]

a Delaware limited liability company, Seller

By: _____

Name:

Title:]

ACCEPTED AND AGREED:

[_____] , Bailee

By: _____

Name:

Title:

ACCEPTED AND AGREED:

MORGAN STANLEY BANK, N.A.,

a national banking association, Buyer

By: _____

Name:

Title:

Exhibit IV-4

ATTACHMENT 1 TO BAILEE AGREEMENT

FORM OF BAILEE'S TRUST RECEIPT

_____, 20__

Morgan Stanley Bank, N.A.
1585 Broadway, 2nd Floor
New York, New York 10036
Attention: Geoffrey Kott & Anthony Preisano

Re: Bailee Agreement, dated [____], 20[____] (the "Bailee Agreement") among [SELLER] ("Seller"), Morgan Stanley Bank, N.A. ("Buyer") and ("Bailee")

Ladies and Gentlemen:

In accordance with the provisions of Section 3 of the Bailee Agreement, the undersigned, as Bailee, hereby certifies that as to the Purchased Asset(s) referred to therein, it has reviewed the Purchased Asset File(s) and has determined that (i) all documents listed in Schedule A attached to the Bailee Agreement are in its possession and (ii) such documents have been reviewed by it and appear regular on their face and relate to the Purchased Asset(s).

Bailee hereby confirms that it is holding the Purchase Loan File as agent and bailee for the exclusive use and benefit of Buyer pursuant to the terms of the Bailee Agreement.

All capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Bailee Agreement.

Bailee

By: _____
Name:
Title:

Exhibit IV-5

AUTHORIZED REPRESENTATIVES OF SELLER

Name Specimen Signature

[ATTACH]

Exhibit V

[RESERVED]

Exhibit VI

ANNEX I

NAMES AND ADDRESSES FOR COMMUNICATIONS BETWEEN PARTIES

BUYER:

Morgan Stanley Bank, N.A.
1585 Broadway, 25th Floor
New York, New York 10036
Attention: Anthony Preisano
Telephone: (212) 761-5688
Fax: (718) 233-3307
Email: Anthony.Preisano@morganstanley.com

with a copy to:

Morgan Stanley Bank, N.A.
1585 Broadway, 25th Floor
New York, New York 10036
Attention: Ian Marsh
Telephone: (212) 761-8175
Fax: (718) 233-3307
Email: Ian.Marsh@morganstanley.com

and to:

Morgan Stanley Bank, N.A.
One Utah Center, 201 South Main Street
Salt Lake City, Utah 84111

Morgan Stanley Bank, N.A. 1
New York Plaza, 41st Floor
New York, New York 10004
Attention: Tom O'Donnell
Telephone: (212) 276-0616
Fax: (646) 290-3126
Email: wltapes@morganstanley.com

and to:

Paul Hastings LLP
200 Park Avenue
New York, New York 10166
Attention: Lisa A. Chaney, Esq.
Telephone: (212) 318-6773
Fax: (212) 230-7793
Email: lisachaney@paulhastings.com

Annex I

SELLER:

BRIGHTSPIRE CREDIT 1, LLC, and BRIGHTSPIRE CREDIT 2, LLC
c/o BrightSpire Capital, Inc.
590 Madison Avenue, 33rd Floor
New York, New York 10022
Attention: Director Legal

with a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036-8704
Attention: Daniel L. Stanco
Email: Daniel.Stanco@ropesgray.com
Telephone: (212) 841-5758
Fax: (646) 728-2961

Annex I-2

ANNEX II

WIRING INSTRUCTIONS

Payments to Buyer: Payments to Buyer under this Agreement shall be made by transfer, via wire transfer, to the following account of Buyer:

Bank Name: Citibank NYC
ABA Number: 021000089
Account Number: 30440947
Account Name: MS Bank
Attention: Tom O'Donnell
Reference: Colony NorthStar Credit Real Estate

Buyer may consider on a case-by-case-basis in its sole and absolute discretion alternative funding arrangements.

Payments to Seller: Payments to any Seller under this Agreement shall be made by transfer, via wire transfer, to the following account of Seller (or its Affiliate):

BRIGHTSPIRE CREDIT 1, LLC and BRIGHTSPIRE CREDIT 2, LLC:

Bank Name: JP Morgan Chase Bank
Routing #: 021-000-021
Account Name: Credit RE Operating Company, LLC
Account #: 209-598-819

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO
17 CFR 240.13a-14(a)/15(d)-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Mazzei, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BrightSpire Capital, Inc.;
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(s) 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(s) 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.

By: /s/ Michael J. Mazzei

Michael J. Mazzei
Chief Executive Officer

Date: July 29, 2026

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO
17 CFR 240.13a-14(a)/15(d)-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Frank V. Saracino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BrightSpire Capital, Inc.;
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(s) 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(s) 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.

By: /s/ Frank V. Saracino

Frank V. Saracino
Chief Financial Officer

Date: July 29, 2026

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of BrightSpire Capital, Inc. (the "Company") for the three months ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Mazzei, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section §1350, as adopted pursuant to Section §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Michael J. Mazzei

Michael J. Mazzei
Chief Executive Officer

Date: July 29, 2026

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of BrightSpire Capital, Inc. (the “Company”) for the three months ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Frank V. Saracino, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section §1350, as adopted pursuant to Section §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Frank V. Saracino

Frank V. Saracino
Chief Financial Officer

Date: July 29, 2026

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.