

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 001-14788



Blackstone Mortgage Trust, Inc.

(Exact name of Registrant as specified in its charter)

Maryland

94-6181186

(State or other jurisdiction of
incorporation or organization)

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

345 Park Avenue , 24th Floor

New York , New York 10154

(Address of principal executive offices)(Zip Code)

(212) 655-0220

(Registrant's telephone number, including area code)

N/A

(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	BXMT	New York Stock Exchange

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 ☒

The number of the registrant's shares of class A common stock, par value \$0.01 per share, outstanding as of April 17, 2024 was 173,584,034 .

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Website Disclosure

We use our website (www.blackstonemortgagetrust.com) as a channel of distribution of company information. The information we post through this channel may be deemed material. Accordingly, investors should monitor this channel, in addition to following our press releases, Securities and Exchange Commission, or SEC, filings and public conference calls, and webcasts. In addition, you may automatically receive email alerts and other information about Blackstone Mortgage Trust when you enroll your email address by visiting the “Contact Us and Email Alerts” section of our website at <http://ir.blackstonemortgagetrust.com>. The contents of our website and any alerts are not, however, a part of this report.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Blackstone Mortgage Trust, Inc. Consolidated Balance Sheets (Unaudited) (in thousands, except share data)

	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 413,986	\$ 350,014
Loans receivable	23,189,312	23,787,012
Current expected credit loss reserve	(751,370)	(576,936)
Loans receivable, net	22,437,942	23,210,076
Real estate owned, net	60,203	—
Other assets	353,732	476,088
Total Assets	\$ 23,265,863	\$ 24,036,178
Liabilities and Equity		
Secured debt, net	\$ 12,387,289	\$ 12,683,095
Securitized debt obligations, net	2,328,073	2,505,417
Asset-specific debt, net	1,061,380	1,000,210
Loan participations sold, net	334,909	337,179
Term loans, net	2,098,415	2,101,632
Senior secured notes, net	337,083	362,763
Convertible notes, net	296,166	295,847
Other liabilities	257,961	362,531
Total Liabilities	19,101,276	19,648,674
Commitments and contingencies	—	—
Equity		
Class A common stock, \$ 0.01 par value, 400,000,000 shares authorized, 173,582,305 and 173,209,933 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	1,736	1,732
Additional paid-in capital	5,515,820	5,507,459
Accumulated other comprehensive income	9,870	9,454
Accumulated deficit	(1,382,673)	(1,150,934)
Total Blackstone Mortgage Trust, Inc. stockholders' equity	4,144,753	4,367,711
Non-controlling interests	19,834	19,793
Total Equity	4,164,587	4,387,504
Total Liabilities and Equity	\$ 23,265,863	\$ 24,036,178

Note: The consolidated balance sheets as of March 31, 2024 and December 31, 2023 include assets of consolidated variable interest entities, or VIEs, that can only be used to settle obligations of each respective VIE, and liabilities of consolidated VIEs for which creditors do not have recourse to Blackstone Mortgage Trust, Inc. As of March 31, 2024 and December 31, 2023, assets of the consolidated VIEs totaled \$ 2.8 billion and \$ 3.0 billion, respectively, and liabilities of the consolidated VIEs totaled \$ 2.3 billion and \$ 2.5 billion, respectively. Refer to Note 19 for additional discussion of the VIEs.

See accompanying notes to consolidated financial statements.

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

	Three Months Ended March 31,	
	2024	2023
Income from loans and other investments		
Interest and related income	\$ 486,122	\$ 491,384
Less: Interest and related expenses	343,730	317,197
Income from loans and other investments, net	142,392	174,187
Other expenses		
Management and incentive fees	18,927	31,050
General and administrative expenses	13,728	12,865
Total other expenses	32,655	43,915
Increase in current expected credit loss reserve	(234,868)	(9,823)
Gain on extinguishment of debt	2,963	—
(Loss) income before income taxes	(122,168)	120,449
Income tax provision	1,002	1,893
Net (loss) income	(123,170)	118,556
Net income attributable to non-controlling interests	(668)	(799)
Net (loss) income attributable to Blackstone Mortgage Trust, Inc.	\$ (123,838)	\$ 117,757
Net (loss) income per share of common stock		
Basic	\$ (0.71)	\$ 0.68
Diluted	\$ (0.71)	\$ 0.67
Weighted-average shares of common stock outstanding		
Basic	174,041,630	172,598,349
Diluted	174,041,630	180,869,409

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Net (loss) income	\$ (123,170)	\$ 118,556
Other comprehensive income (loss)		
Unrealized (loss) gain on foreign currency translation	(45,732)	21,858
Realized and unrealized gain (loss) on derivative financial instruments	46,148	(24,052)
Other comprehensive income (loss)	416	(2,194)
Comprehensive (loss) income	(122,754)	116,362
Comprehensive income attributable to non-controlling interests	(668)	(799)
Comprehensive (loss) income attributable to Blackstone Mortgage Trust, Inc.	\$ (123,422)	\$ 115,563

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Changes in Equity (Unaudited)
(in thousands)

	Blackstone Mortgage Trust, Inc.						
	Class A Common Stock	Additional Paid- In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity	Non- Controlling Interests	Total Equity
Balance at December 31, 2022	\$ 1,717	\$ 5,475,804	\$ 10,022	\$ (968,749)	\$ 4,518,794	\$ 25,406	\$ 4,544,200
Restricted class A common stock earned	6	7,486	—	—	7,492	—	7,492
Dividends reinvested	—	287	—	—	287	—	287
Deferred directors' compensation	—	163	—	—	163	—	163
Net income	—	—	—	117,757	117,757	799	118,556
Other comprehensive loss	—	—	(2,194)	—	(2,194)	—	(2,194)
Dividends declared on common stock and deferred stock units, \$ 0.62 per share	—	—	—	(107,072)	(107,072)	—	(107,072)
Distributions to non-controlling interests	—	—	—	—	—	(733)	(733)
Balance at March 31, 2023	<u>\$ 1,723</u>	<u>\$ 5,483,740</u>	<u>\$ 7,828</u>	<u>\$ (958,064)</u>	<u>\$ 4,535,227</u>	<u>\$ 25,472</u>	<u>\$ 4,560,699</u>
Balance at December 31, 2023	\$ 1,732	\$ 5,507,459	\$ 9,454	\$ (1,150,934)	\$ 4,367,711	\$ 19,793	\$ 4,387,504
Restricted class A common stock earned	4	7,907	—	—	7,911	—	7,911
Dividends reinvested	—	253	—	—	253	—	253
Deferred directors' compensation	—	201	—	—	201	—	201
Net (loss) income	—	—	—	(123,838)	(123,838)	668	(123,170)
Other comprehensive income	—	—	416	—	416	—	416
Dividends declared on common stock and deferred stock units, \$ 0.62 per share	—	—	—	(107,901)	(107,901)	—	(107,901)
Distributions to non-controlling interests	—	—	—	—	—	(627)	(627)
Balance at March 31, 2024	<u>\$ 1,736</u>	<u>\$ 5,515,820</u>	<u>\$ 9,870</u>	<u>\$ (1,382,673)</u>	<u>\$ 4,144,753</u>	<u>\$ 19,834</u>	<u>\$ 4,164,587</u>

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities		
Net (loss) income	\$ (123,170)	\$ 118,556
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Non-cash compensation expense	8,112	7,655
Amortization of deferred fees on loans	(16,433)	(21,755)
Amortization of deferred financing costs and premiums/discounts on debt obligations	10,550	14,811
Payment-in-kind interest	(2,329)	(556)
Increase in current expected credit loss reserve	234,868	9,823
Gain on extinguishment of debt	(2,963)	—
Unrealized loss on derivative financial instruments, net	482	541
Realized gain on derivative financial instruments, net	(4,895)	(8,948)
Changes in assets and liabilities, net		
Other assets	8,334	10,422
Other liabilities	(17,946)	(20,932)
Net cash provided by operating activities	94,610	109,617
Cash flows from investing activities		
Principal fundings of loans receivable	(301,678)	(369,256)
Principal collections, sales proceeds, and cost-recovery proceeds from loans receivable	637,242	562,072
Origination and other fees received on loans receivable	4,550	2,850
Payments under derivative financial instruments	(72,113)	(136,689)
Receipts under derivative financial instruments	4,815	5,370
Collateral deposited under derivative agreements	(16,990)	(79,970)
Return of collateral deposited under derivative agreements	120,490	172,710
Net cash provided by investing activities	376,316	157,087

continued...

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from financing activities		
Borrowings under secured debt	\$ 529,753	\$ 947,245
Repayments under secured debt	(671,610)	(521,407)
Repayments of securitized debt obligations	(178,058)	(1,807)
Borrowings under asset-specific debt	60,387	78,496
Repayments under asset-specific debt	—	(206,300)
Repayments of term loans	(5,499)	(5,499)
Repurchases of senior secured notes	(22,984)	—
Repayment of convertible notes	—	(220,000)
Payment of deferred financing costs	(8,315)	(7,265)
Distributions to non-controlling interests	(627)	(733)
Dividends paid on class A common stock	(107,390)	(106,455)
Net cash used in financing activities	(404,343)	(43,725)
Net increase in cash and cash equivalents	66,583	222,979
Cash and cash equivalents at beginning of period	350,014	291,340
Effects of currency translation on cash and cash equivalents	(2,611)	1,489
Cash and cash equivalents at end of period	\$ 413,986	\$ 515,808
Supplemental disclosure of cash flows information		
Payments of interest	\$ (343,609)	\$ (318,185)
Payments of income taxes	\$ (1,161)	\$ (900)
Supplemental disclosure of non-cash investing and financing activities		
Dividends declared, not paid	\$ (107,678)	\$ (106,816)
Loan principal payments held by servicer, net	\$ 90,006	\$ 19,756
Transfer of senior loan to real estate owned	\$ 60,203	\$ —

See accompanying notes to consolidated financial statements.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (Unaudited)

1. ORGANIZATION

References herein to “Blackstone Mortgage Trust,” “Company,” “we,” “us” or “our” refer to Blackstone Mortgage Trust, Inc., a Maryland corporation, and its subsidiaries unless the context specifically requires otherwise.

Blackstone Mortgage Trust is a real estate finance company that originates senior loans collateralized by commercial real estate in North America, Europe, and Australia. Our portfolio is composed primarily of loans secured by high-quality, institutional assets in major markets, sponsored by experienced, well-capitalized real estate investment owners and operators. These senior loans are capitalized by accessing a variety of financing options, including borrowing under our credit facilities, issuing CLOs or single-asset securitizations, and corporate financing, depending on our view of the most prudent financing option available for each of our investments. We are not in the business of buying or trading securities, and the only securities we own are the retained interests from our securitization financing transactions, which we have not financed. We are externally managed by BXMT Advisors L.L.C., or our Manager, a subsidiary of Blackstone Inc., or Blackstone, and are a real estate investment trust, or REIT, traded on the New York Stock Exchange, or NYSE, under the symbol “BXMT.” Our principal executive offices are located at 345 Park Avenue, 24th Floor, New York, New York 10154.

We conduct our operations as a REIT for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain an exclusion from registration under the Investment Company Act of 1940, as amended. We are organized as a holding company and conduct our business primarily through our various subsidiaries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The consolidated financial statements, including the notes thereto, are unaudited and exclude some of the disclosures required in audited financial statements. We believe we have made all necessary adjustments, consisting of only normal recurring items, so that the consolidated financial statements are presented fairly and that estimates made in preparing our consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. The accompanying unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission, or the SEC.

Basis of Presentation

The accompanying consolidated financial statements include, on a consolidated basis, our accounts, the accounts of our wholly-owned subsidiaries, majority-owned subsidiaries, and variable interest entities, or VIEs, of which we are the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

Certain reclassifications have been made in the presentation of the prior period statement of cash flows related to payment-in-kind interest and principal fundings of loans receivable and in new financings by spread in Note 6 to conform to the current period presentation.

Principles of Consolidation

We consolidate all entities that we control through either majority ownership or voting rights. In addition, we consolidate all VIEs of which we are considered the primary beneficiary. VIEs are defined as entities in which equity investors (i) do not have an interest with the characteristics of a controlling financial interest and/or (ii) do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The entity that consolidates a VIE is known as its primary beneficiary and is generally the entity with (i) the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the right to receive benefits from the VIE or the obligation to absorb losses of the VIE that could be significant to the VIE.

In 2017, we entered into a joint venture, or our Multifamily Joint Venture, with Walker & Dunlop Inc. to originate, hold, and finance multifamily bridge loans. Pursuant to the terms of the agreements governing the joint venture, Walker &

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Dunlop contributed 15 % of the venture's equity capital and we contributed 85 %. We consolidate the Multifamily Joint Venture as we have a controlling financial interest. The non-controlling interests included on our consolidated balance sheets represent the equity interests in our Multifamily Joint Venture that are owned by Walker & Dunlop. A portion of our Multifamily Joint Venture's consolidated equity and results of operations are allocated to these non-controlling interests based on Walker & Dunlop's pro rata ownership of our Multifamily Joint Venture.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ materially from those estimates.

Revenue Recognition

Interest income from our loans receivable portfolio is recognized over the life of each investment using the effective interest method and is recorded on the accrual basis. Recognition of fees, premiums, and discounts associated with these investments is deferred and recorded over the term of the loan as an adjustment to yield. Income accrual is generally suspended for loans at the earlier of the date at which payments become 90 days past due or when, in our opinion, recovery of income and principal becomes doubtful. Interest received is then recorded as income or as a reduction in the amortized cost basis, based on the specific facts and circumstances, until accrual is resumed when the loan becomes contractually current and performance is demonstrated to be resumed. In addition, for loans we originate, the related origination expenses are deferred and recognized as a reduction to interest income, however expenses related to loans we acquire are included in general and administrative expenses as incurred.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in banks and liquid investments with original maturities of three months or less. We may have bank balances in excess of federally insured amounts; however, we deposit our cash and cash equivalents with high credit-quality institutions to minimize credit risk exposure. We have not experienced, and do not expect, any losses on our cash or cash equivalents. As of both March 31, 2024 and December 31, 2023, we had no restricted cash on our consolidated balance sheets.

Through our subsidiaries, we have oversight of certain servicing accounts held with third-party servicers, or Servicing Accounts, which relate to borrower escrows and other cash balances aggregating \$ 582.3 million and \$ 640.6 million as of March 31, 2024 and December 31, 2023, respectively. This cash is maintained in segregated bank accounts, and these amounts are not included in the assets and liabilities presented in our consolidated balance sheets. Cash in these Servicing Accounts will be transferred by the respective third-party servicer to the borrower or us under the terms of the applicable loan agreement upon occurrence of certain future events. We do not generate any revenue or incur any expenses as a result of these Servicing Accounts.

Loans Receivable

We originate and purchase commercial real estate debt and related instruments generally to be held as long-term investments at amortized cost.

Current Expected Credit Losses Reserve

The current expected credit loss, or CECL, reserve required under the Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 326 "Financial Instruments – Credit Losses," or ASC 326, reflects our current estimate of potential credit losses related to our loans and notes receivable included in our consolidated balance sheets. Changes to the CECL reserves are recognized through net income on our consolidated statements of operations. While ASC 326 does not require any particular method for determining the CECL reserves, it does specify the reserves should be based on relevant information about past events, including historical loss experience, current portfolio and market conditions, and reasonable and supportable forecasts for the duration of each respective loan. In addition, other than a few narrow exceptions, ASC 326 requires that all financial instruments subject to the CECL model have some amount of loss reserve to reflect the principle underlying the CECL model that all loans and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

We estimate our CECL reserves primarily using the Weighted-Average Remaining Maturity, or WARM method, which has been identified as an acceptable loss-rate method for estimating CECL reserves in FASB Staff Q&A Topic 326, No. 1. The WARM method requires us to reference historic loan loss data across a comparable data set and apply such loss rate to each of our loans over their expected remaining term, taking into consideration expected economic conditions over the relevant timeframe. We apply the WARM method for the majority of our loan portfolio, which consists of loans that share similar risk characteristics. In certain instances, for loans with unique risk characteristics, we may instead use a probability-weighted model that considers the likelihood of default and expected loss given default for each such individual loan.

Application of the WARM method to estimate CECL reserves requires judgment, including (i) the appropriate historical loan loss reference data, (ii) the expected timing and amount of future loan fundings and repayments, and (iii) the current credit quality of our portfolio and our expectations of performance and market conditions over the relevant time period. To estimate the historic loan losses relevant to our portfolio, we have augmented our historical loan performance, with market loan loss data licensed from Trepp LLC. This database includes commercial mortgage-backed securities, or CMBS, issued since January 1, 1999 through February 29, 2024. Within this database, we focused our historical loss reference calculations on the most relevant subset of available CMBS data, which we determined based on loan metrics that are most comparable to our loan portfolio including asset type, geography, and origination loan-to-value, or LTV. We believe this CMBS data, which includes month-over-month loan and property performance, is the most relevant, available, and comparable dataset to our portfolio.

Our loans typically include commitments to fund incremental proceeds to our borrowers over the life of the loan. These future funding commitments are also subject to the CECL model. The CECL reserve related to future loan fundings is recorded as a component of other liabilities on our consolidated balance sheets. This CECL reserve is estimated using the same process outlined above for our outstanding loan balances, and changes in this component of the CECL reserve will similarly impact our consolidated net income. For both the funded and unfunded portions of our loans, we consider our internal risk rating of each loan as the primary credit quality indicator underlying our assessment.

The CECL reserves are measured on a collective basis wherever similar risk characteristics exist within a pool of similar assets. We have identified the following pools and measure the reserve for credit losses using the following methods:

- **U.S. Loans:** WARM method that incorporates a subset of historical loss data, expected weighted-average remaining maturity of our loan pool, and an economic view.
- **Non-U.S. Loans:** WARM method that incorporates a subset of historical loss data, expected weighted-average remaining maturity of our loan pool, and an economic view.
- **Unique Loans:** a probability of default and loss given default model, assessed on an individual basis.
- **Impaired Loans:** impairment is indicated when it is deemed probable that we will not be able to collect all amounts due to us pursuant to the contractual terms of the loan. Determining that a loan is impaired requires significant judgment from management and is based on several factors including (i) the underlying collateral performance, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts that impact the borrower's ability to pay the contractual amounts due under the terms of the loan. If a loan is determined to be impaired, we record the impairment as a component of our CECL reserves by applying the practical expedient for collateral dependent loans. The CECL reserves are assessed on an individual basis for these loans by comparing the estimated fair value of the underlying collateral, less costs to sell, to the book value of the respective loan. These valuations require significant judgments, which include assumptions regarding capitalization rates, discount rates, leasing, creditworthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors deemed relevant by us. Actual losses, if any, could ultimately differ materially from these estimates. We only expect to charge-off the impairment losses in our consolidated financial statements prepared in accordance with GAAP 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, in our determination, it is nearly certain that all amounts due will not be collected.

Contractual Term and Unfunded Loan Commitments

Expected credit losses are estimated over the contractual term of each loan, adjusted for expected repayments. As part of our quarterly review of our loan portfolio, we assess the expected repayment date of each loan, which is used to determine the contractual term for purposes of computing our CECL reserves.

Additionally, the expected credit losses over the contractual period of our loans are subject to the obligation to extend credit through our unfunded loan commitments. The CECL reserve for unfunded loan commitments is adjusted quarterly,

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

as we consider the expected timing of future funding obligations over the estimated life of the loan. The considerations in estimating our CECL reserve for unfunded loan commitments are similar to those used for the related outstanding loans receivable.

Credit Quality Indicator

Our risk rating is our primary credit quality indicator in assessing our current expected credit loss reserve. We perform a quarterly risk review of our portfolio of loans, and assign each loan a risk rating based on a variety of factors, including, without limitation, origination LTV, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship. Based on a 5-point scale, our loans are rated "1" through "5," from less risk to greater risk, relative to our loan portfolio in the aggregate, which ratings are defined as follows:

1 - Very Low Risk

2 - Low Risk

3 - Medium Risk

4 - High Risk/Potential for Loss: A loan that has a risk of realizing a principal loss.

5 - Impaired/Loss Likely: A loan that has a very high risk of realizing a principal loss or has otherwise incurred a principal loss.

Estimation of Economic Conditions

In addition to the WARM method computations and probability-weighted models described above, our CECL reserves are also adjusted to reflect our estimation of the current and future economic conditions that impact the performance of the commercial real estate assets securing our loans. These estimations include unemployment rates, interest rates, expectations of inflation and/or recession, and other macroeconomic factors impacting the likelihood and magnitude of potential credit losses for our loans during their anticipated term. In addition to the CMBS data we have licensed from Trepp LLC, we have also licensed certain macroeconomic financial forecasts to inform our view of the potential future impact that broader economic conditions may have on our loan portfolio's performance. We generally also incorporate information from other sources, including information and opinions available to our Manager, to further inform these estimations. This process requires significant judgments about future events that, while based on the information available to us as of the balance sheet date, are ultimately indeterminate and the actual economic condition impacting our portfolio could vary significantly from the estimates we made as of March 31, 2024.

Real Estate Owned

We may assume legal title or physical possession of the collateral underlying a loan through a foreclosure or the execution of a deed-in-lieu of foreclosure. These real estate acquisitions are classified as real estate owned, or REO, on our consolidated balance sheet and are initially recognized at fair value on the acquisition date in accordance with the ASC Topic 805, "Business Combinations."

Upon acquisition of REO, we assess the fair value of acquired tangible and intangible assets, which may include land, buildings, tenant improvements, "above-market" and "below-market" leases, acquired in-place leases, other identified intangible assets and assumed liabilities, as applicable, and allocate the fair value to the acquired assets and assumed liabilities. We assess and consider fair value based on estimated cash flow projections that utilize discount and/or capitalization rates that we deem appropriate, as well as other available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known and anticipated trends, and market and economic conditions. We capitalize acquisition-related costs associated with asset acquisitions.

Real estate assets held for investment, except for land, are depreciated using the straight-line method over the assets' estimated useful lives of up to 40 years for buildings and 10 years for tenant improvements. Renovations and/or replacements that improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives. The cost of ordinary repairs and maintenance are expensed as incurred.

Real estate assets held for investment are assessed for impairment on a quarterly basis. If the depreciated cost basis of the asset exceeds the undiscounted cash flows, the asset is considered impaired and the depreciated cost basis is reduced to the fair value. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. The evaluation of anticipated future cash flows is highly subjective and is based in part on assumptions regarding future

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

occupancy, rental rates, capital requirements and anticipated holding periods that could differ materially from actual results.

Real estate assets are classified as held for sale in the period when they meet the criteria under ASC Topic 360 "Property, Plant, and Equipment." Once a real estate asset is classified as held for sale, depreciation is suspended and the asset is reported at the lower of its carrying value or fair value less cost to sell.

As of March 31, 2024, we had one REO asset which was vacant and classified as held for investment.

Derivative Financial Instruments

We classify all derivative financial instruments as either other assets or other liabilities on our consolidated balance sheets at fair value.

On the date we enter into a derivative contract, we designate each contract as (i) a hedge of a net investment in a foreign operation, or net investment hedge, (ii) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability, or cash flow hedge, (iii) a hedge of a recognized asset or liability, or fair value hedge, or (iv) a derivative instrument not to be designated as a hedging derivative, or non-designated hedge. For all derivatives other than those designated as non-designated hedges, we formally document our hedge relationships and designation at the contract's inception. This documentation includes the identification of the hedging instruments and the hedged items, its risk management objectives, strategy for undertaking the hedge transaction and our evaluation of the effectiveness of its hedged transaction.

On a quarterly basis, we also formally assess whether the derivative we designated in each hedging relationship is expected to be, and has been, highly effective in offsetting changes in the value or cash flows of the hedged items. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued and the changes in fair value of the instrument are included in net income prospectively. Our net investment hedges are assessed using a method based on changes in spot exchange rates. Gains and losses, representing hedge components excluded from the assessment of effectiveness, are recognized in interest income on our consolidated statements of operations over the contractual term of our net investment hedges on a systematic and rational basis, as documented at hedge inception in accordance with our accounting policy election. All other changes in the fair value of our derivative instruments that qualify as hedges are reported as a component of accumulated other comprehensive income (loss) on our consolidated financial statements. Deferred gains and losses are reclassified out of accumulated other comprehensive income (loss) and into net income in the same period or periods during which the hedged transaction affects earnings, and are presented in the same line item as the earnings effect of the hedged item. For cash flow hedges, this is typically when the periodic swap settlements are made, while for net investment hedges, this occurs when the hedged item is sold or substantially liquidated. To the extent a derivative does not qualify for hedge accounting and is deemed a non-designated hedge, the changes in its fair value are included in net income concurrently.

Proceeds or payments from periodic settlements of derivative instruments are classified on our consolidated statement of cash flows in the same section as the underlying hedged item.

Secured Debt and Asset-Specific Debt

We record investments financed with secured debt or asset-specific debt as separate assets and the related borrowings under any secured debt or asset-specific debt are recorded as separate liabilities on our consolidated balance sheets. Interest income earned on the investments and interest expense incurred on the secured debt or asset-specific debt are reported separately on our consolidated statements of operations.

Loan Participations Sold

In certain instances, we have executed a syndication of a non-recourse loan interest to a third-party. Depending on the particular structure of the syndication, the loan interest may remain on our GAAP balance sheet or, in other cases, the sale will be recognized and the loan interest will no longer be included in our consolidated financial statements. When these sales are not recognized under GAAP we reflect the transaction by recording a loan participation sold liability on our consolidated balance sheet, however this gross presentation does not impact stockholders' equity or net income. When the sales are recognized, our balance sheet only includes our remaining loan interest, and excludes the interest in the loan that we sold.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Term Loans

We record our term loans as liabilities on our consolidated balance sheets. Where applicable, any issue discount or transaction expenses are deferred and amortized through the maturity date of the term loans as additional non-cash interest expense.

Senior Secured Notes

We record our senior secured notes as liabilities on our consolidated balance sheets. Where applicable, any issue discount or transaction expenses are deferred and amortized through the maturity date of the senior secured notes as additional non-cash interest expense.

Convertible Notes

Convertible note proceeds, unless issued with a substantial premium or an embedded conversion feature, are classified as debt. Additionally, shares issuable under our convertible notes are included in diluted earnings per share in our consolidated financial statements, if the effect is dilutive, using the if-converted method, regardless of settlement intent. Where applicable, any issue discount or transaction expenses are deferred and amortized through the maturity date of the convertible notes as additional non-cash interest expense.

Deferred Financing Costs

The deferred financing costs that are included as a reduction in the net book value of the related liability on our consolidated balance sheets include issuance and other costs related to our debt obligations. These costs are amortized as interest expense using the effective interest method over the life of the related obligations.

Underwriting Commissions and Offering Costs

Underwriting commissions and offering costs incurred in connection with common stock offerings are reflected as a reduction of additional paid-in capital. Costs incurred that are not directly associated with the completion of a common stock offering are expensed when incurred.

Fair Value of Financial Instruments

The "Fair Value Measurements and Disclosures" Topic of the FASB, or ASC 820, defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements under GAAP. Specifically, this guidance defines fair value based on exit price, or the price that would be received upon the sale of an asset or the transfer of a liability in an orderly transaction between market participants at the measurement date.

ASC 820 also establishes a fair value hierarchy that prioritizes and ranks the level of market price observability used in measuring financial instruments. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument, and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination, as follows:

- Level 1: Generally includes only unadjusted quoted prices that are available in active markets for identical financial instruments as of the reporting date.
- Level 2: Pricing inputs include quoted prices in active markets for similar instruments, quoted prices in less active or inactive markets for identical or similar instruments where multiple price quotes can be obtained, and other observable inputs, such as interest rates, yield curves, credit risks, and default rates.
- Level 3: Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. These inputs require significant judgment or estimation by management of third-parties when determining fair value and generally represent anything that does not meet the criteria of Levels 1 and 2.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Certain of our other assets are reported at fair value, as of quarter-end, either (i) on a recurring basis or (ii) on a nonrecurring basis, as a result of impairment or other events. Our assets that are recorded at fair value are discussed further in Note 18. We generally value our assets recorded at fair value by either (i) discounting expected cash flows based on assumptions regarding the collection of principal and interest and estimated market rates, or (ii) obtaining assessments from third-parties. For collateral-dependent loans that are identified as impaired, we measure impairment by comparing our estimation of the fair value of the underlying collateral, less costs to sell, to the book value of the respective loan. These valuations require significant judgments, which include assumptions regarding capitalization rates, discount rates, leasing, creditworthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors.

As of March 31, 2024, we had an aggregate \$602.6 million asset-specific CECL reserve related to 17 of our loans receivable with an aggregate amortized cost basis of \$2.4 billion, net of cost-recovery proceeds. The CECL reserve was recorded based on our estimation of the fair value of the loans' aggregate underlying collateral as of March 31, 2024. These loans receivable are therefore measured at fair value on a nonrecurring basis using significant unobservable inputs, and are classified as Level 3 assets in the fair value hierarchy. We estimated the fair value of these loans receivable by considering a variety of inputs including property performance, market data, and comparable sales, as applicable. The significant unobservable inputs used include the exit capitalization rate assumption used to forecast the future sale price of the underlying real estate collateral, which ranged from 6.00 % to 8.55 %, and the unlevered discount rate, which ranged from 7.28 % to 11.00 %.

On March 19, 2024, we acquired legal title to an office property located in Mountain View, CA through a deed-in-lieu of foreclosure. At the time of acquisition, we determined the fair value of the real estate assets to be \$60.2 million based on a variety of inputs including, but not limited to, estimated cash flow projections, leasing assumptions, required capital expenditures, market data, and comparable sales. This REO asset is measured at fair value on a nonrecurring basis using significant unobservable inputs and is classified as a Level 3 asset in the fair value hierarchy. The significant unobservable inputs used include the exit capitalization rate assumption used to forecast the future sale price of the asset of 7.00 % and a discount rate of 9.50 %.

We are also required by GAAP to disclose fair value information about financial instruments, which are not otherwise reported at fair value in our consolidated balance sheet, to the extent it is practicable to estimate a fair value for those instruments. These disclosure requirements exclude certain financial instruments and all non-financial instruments.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments, for which it is practicable to estimate that value:

- Cash and cash equivalents: The carrying amount of cash and cash equivalents approximates fair value.
- Loans receivable, net: The fair values of these loans were estimated using a discounted cash flow methodology, taking into consideration various factors including capitalization rates, discount rates, leasing, credit worthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors.
- Derivative financial instruments: The fair value of our foreign currency and interest rate contracts was estimated using advice from a third-party derivative specialist, based on contractual cash flows and observable inputs comprising foreign currency rates and credit spreads.
- Secured debt, net: The fair value of these instruments was estimated based on the rate at which a similar credit facility would currently be priced.
- Securitized debt obligations, net: The fair value of these instruments was estimated by utilizing third-party pricing service providers. In determining the value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades, or valuation estimates from their internal pricing models to determine the reported price.
- Asset-specific debt, net: The fair value of these instruments was estimated based on the rate at which a similar agreement would currently be priced.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

- Loan participations sold, net: The fair value of these instruments was estimated based on the value of the related loan receivable asset.
- Term loans, net: The fair value of these instruments was estimated by utilizing third-party pricing service providers. In determining the value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades, or valuation estimates from their internal pricing models to determine the reported price.
- Senior secured notes, net: The fair value of these instruments was estimated by utilizing third-party pricing service providers. In determining the value of a particular investment, pricing service providers may use broker-dealer quotations, reported trades, or valuation estimates from their internal pricing models to determine the reported price.
- Convertible notes, net: Each series of the convertible notes is actively traded and their fair values were obtained using quoted market prices.

Income Taxes

Our financial results generally do not reflect provisions for current or deferred income taxes on our REIT taxable income. We believe that we operate in a manner that will continue to allow us to be taxed as a REIT and, as a result, we generally do not expect to pay substantial corporate level taxes other than those payable by our taxable REIT subsidiaries. If we were to fail to meet these requirements, we may be subject to federal, state, and local income tax on current and past income, and penalties. Refer to Note 16 for additional information.

Stock-Based Compensation

Our stock-based compensation consists of awards issued to our Manager, certain individuals employed by an affiliate of our Manager, and certain members of our board of directors that vest over the life of the awards, as well as deferred stock units issued to certain members of our board of directors. Stock-based compensation expense is recognized for these awards in net income on a variable basis over the applicable vesting period of the awards, based on the value of our class A common stock. Refer to Note 17 for additional information.

Earnings per Share

Basic earnings per share, or Basic EPS, is computed in accordance with the two-class method and is based on (i) the net earnings allocable to our class A common stock, including restricted class A common stock and deferred stock units, divided by (ii) the weighted-average number of shares of our class A common stock, including restricted class A common stock and deferred stock units outstanding during the period. Our restricted class A common stock is considered a participating security, as defined by GAAP, and has been included in our Basic EPS under the two-class method as these restricted shares have the same rights as our other shares of class A common stock, including participating in any gains or losses.

Diluted earnings per share, or Diluted EPS, is determined using the if-converted method, and is based on (i) the net earnings, adjusted for interest expense incurred on our convertible notes during the relevant period, net of incentive fees, allocable to our class A common stock, including restricted class A common stock and deferred stock units, divided by (ii) the weighted-average number of shares of our class A common stock, including restricted class A common stock, deferred stock units, and shares of class A common stock issuable under our convertible notes. Refer to Note 14 for additional discussion of earnings per share.

Foreign Currency

In the normal course of business, we enter into transactions not denominated in United States, or U.S., dollars. Foreign exchange gains and losses arising on such transactions are recorded as a gain or loss in our consolidated statements of operations. In addition, we consolidate entities that have a non-U.S. dollar functional currency. Non-U.S. dollar denominated assets and liabilities are translated to U.S. dollars at the exchange rate prevailing at the reporting date and income, expenses, gains, and losses are translated at the average exchange rate over the applicable period. Cumulative translation adjustments arising from the translation of non-U.S. dollar denominated subsidiaries are recorded in other comprehensive income (loss).

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Recent Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update, or ASU, 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," or ASU 2023-09. ASU 2023-09 requires additional disaggregated disclosures on an entity's effective tax rate reconciliation and additional details on income taxes paid. ASU 2023-09 is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2024 and early adoption is permitted. We do not expect the adoption of ASU 2023-09 to have a material impact on our consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," or ASU 2023-07. ASU 2023-07 enhances the disclosures required for reportable segments on an annual and interim basis. ASU 2023-07 is effective on a retrospective basis for annual periods beginning after December 15, 2023, for interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. We do not expect the adoption of ASU 2023-07 to have a material impact on our consolidated financial statements.

3. LOANS RECEIVABLE, NET

The following table details overall statistics for our loans receivable portfolio (\$ in thousands):

	March 31, 2024	December 31, 2023
Number of loans	173	178
Principal balance	\$ 23,317,882	\$ 23,923,719
Net book value	\$ 22,437,942	\$ 23,210,076
Unfunded loan commitments ⁽¹⁾	\$ 2,089,678	\$ 2,430,664
Weighted-average cash coupon ⁽²⁾	+ 3.36 %	+ 3.37 %
Weighted-average all-in yield ⁽²⁾	+ 3.68 %	+ 3.71 %
Weighted-average maximum maturity (years) ⁽³⁾	2.2	2.4

- (1) Unfunded commitments will primarily be funded to finance our borrowers' construction or development of real estate-related assets, capital improvements of existing assets, or lease-related expenditures. These commitments will generally be funded over the term of each loan, subject in certain cases to an expiration date.
- (2) The weighted-average cash coupon and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, and other indices, as applicable to each loan. As of both March 31, 2024 and December 31, 2023, substantially all of our loans by principal balance earned a floating rate of interest, primarily indexed to SOFR. Floating rate exposure as of March 31, 2024 and December 31, 2023 includes an interest rate swap we entered into with a notional amount of \$ 229.9 million that effectively converts certain of our fixed rate loan exposure to floating rate exposure. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. Excludes loans accounted for under the cost-recovery method.
- (3) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date. As of March 31, 2024, 13 % of our loans by principal balance were subject to yield maintenance or other prepayment restrictions and 87 % were open to repayment by the borrower without penalty. As of December 31, 2023, 14 % of our loans by principal balance were subject to yield maintenance or other prepayment restrictions and 86 % were open to repayment by the borrower without penalty.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The following table details the index rate floors for our loans receivable portfolio as of March 31, 2024 (\$ in thousands):

Index Rate Floors	Loans Receivable Principal Balance		
	USD	Non-USD ⁽¹⁾	Total
Fixed Rate	\$ 3,056	\$ —	\$ 3,056
0.00% or no floor ⁽²⁾⁽³⁾	4,696,417	6,576,621	11,273,038
0.01% to 1.00% floor	5,462,854	796,480	6,259,334
1.01% to 2.00% floor	2,140,690	297,798	2,438,488
2.01% to 3.00% floor	2,021,299	302,252	2,323,551
3.01% or more floor	811,712	208,703	1,020,415
Total ⁽⁴⁾	<u>\$ 15,136,028</u>	<u>\$ 8,181,854</u>	<u>\$ 23,317,882</u>

- (1) Includes Euro, British Pound Sterling, Swedish Krona, Australian Dollar, Swiss Franc, and Danish Krone currencies.
- (2) Includes an interest rate swap we entered into with a notional amount of \$ 229.9 million that effectively converts certain of our fixed rate loan exposure to floating rate exposure.
- (3) Includes all floating rate impaired loans.
- (4) As of March 31, 2024, the weighted-average index rate floor of our loans receivable principal balance was 0.75 %. Excluding 0.0% index rate floors and loans with no floor, the weighted-average index rate floor was 1.30 %.

Activity relating to our loans receivable portfolio was as follows (\$ in thousands):

	Principal Balance	Deferred Fees / Other Items ⁽¹⁾	Net Book Value
Loans Receivable, as of December 31, 2023	\$ 23,923,719	\$ (136,707)	\$ 23,787,012
Loan fundings	301,678	—	301,678
Loan repayments, sales, and cost-recovery proceeds	(582,248)	(16,818)	(599,066)
Charge-offs	(73,176)	12,163	(61,013)
Transfer to real estate owned	(60,203)	—	(60,203)
Transfer to other assets ⁽²⁾	(8,800)	—	(8,800)
Payment-in-kind interest	2,329	—	2,329
Unrealized (loss) gain on foreign currency translation	(185,417)	909	(184,508)
Deferred fees and other items	—	(4,550)	(4,550)
Amortization of fees and other items	—	16,433	16,433
Loans Receivable, as of March 31, 2024	<u>\$ 23,317,882</u>	<u>\$ (128,570)</u>	<u>\$ 23,189,312</u>
CECL reserve			(751,370)
Loans Receivable, net, as of March 31, 2024			<u>\$ 22,437,942</u>

- (1) Other items primarily consist of purchase and sale discounts or premiums, exit fees, deferred origination expenses, and cost-recovery proceeds.
- (2) This amount relates to a loan that was partially satisfied through the issuance of a note receivable, which is included within other assets in our consolidated balance sheets. See Note 5 for further information.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The tables below detail the property type and geographic distribution of the properties securing the loans in our portfolio (\$ in thousands):

March 31, 2024

Property Type	Number of Loans	Net Book Value	Total Loan Exposure ⁽¹⁾	Net Loan Exposure ⁽²⁾	Net Loan Exposure Percentage of Portfolio
Office	52	\$ 9,015,982	\$ 9,386,225	\$ 7,506,985	36 %
Multifamily	72	5,914,046	6,056,082	5,786,137	27
Hospitality	22	4,039,811	4,074,078	3,679,394	18
Industrial	12	2,206,047	2,218,051	2,183,685	10
Retail	6	710,899	734,077	682,268	3
Life Sciences / Studio	4	384,230	572,064	383,073	2
Other	5	918,297	919,390	887,326	4
Total loans receivable	173	\$ 23,189,312	\$ 23,959,967	\$ 21,108,868	100 %
CECL reserve		(751,370)			
Loans receivable, net		\$ 22,437,942			

Geographic Location	Number of Loans	Net Book Value	Total Loan Exposure ⁽¹⁾	Net Loan Exposure ⁽²⁾	Net Loan Exposure Percentage of Portfolio
<u>United States</u>					
Sunbelt	64	\$ 5,538,223	\$ 5,673,573	\$ 5,193,296	24 %
Northeast	29	5,281,002	5,323,035	4,202,278	20
West	29	2,886,106	3,487,130	2,703,588	13
Midwest	9	932,127	934,675	780,034	4
Northwest	6	407,043	410,193	407,341	2
Subtotal	137	15,044,501	15,828,606	13,286,537	63
<u>International</u>					
United Kingdom	19	3,432,167	3,400,320	3,145,930	15
Australia	5	1,375,690	1,383,254	1,380,532	6
Ireland	3	1,178,065	1,182,682	1,174,101	6
Spain	3	1,081,016	1,083,096	1,043,111	5
Sweden	1	445,621	447,711	447,305	2
Other Europe	5	632,252	634,298	631,352	3
Subtotal	36	8,144,811	8,131,361	7,822,331	37
Total loans receivable	173	\$ 23,189,312	\$ 23,959,967	\$ 21,108,868	100 %
CECL reserve		(751,370)			
Loans receivable, net		\$ 22,437,942			

- (1) Total loan exposure reflects our aggregate exposure to each loan investment. As of March 31, 2024, total loan exposure, includes (i) loans with an outstanding principal balance of \$ 23.3 billion that are included in our consolidated financial statements, (ii) \$ 742.6 million of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$ 100.5 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. See Note 2 for further discussion of loan participations sold.
- (2) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of March 31, 2024, which is our total loan exposure net of (i) \$ 742.6 million of non-consolidated senior interests, (ii) \$ 1.1 billion of asset-specific debt, (iii) \$ 234.8 million of senior loan participations sold, (iv) \$ 57.9 million of cost-recovery proceeds, and (v) our total loans receivable CECL reserve of \$ 751.4 million. Our non-consolidated senior interests, asset-specific debt, and loan participations sold are structurally non-recourse and term-matched to the corresponding collateral loans.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

December 31, 2023

Property Type	Number of Loans	Net Book Value	Total Loan Exposure ⁽¹⁾	Net Loan Exposure ⁽²⁾	Net Loan Exposure Percentage of Portfolio
Office	54	\$ 9,253,609	\$ 10,072,963	\$ 7,956,472	36 %
Multifamily	73	5,876,128	5,997,886	5,756,192	26
Hospitality	23	4,161,525	4,194,588	3,804,091	17
Industrial	12	2,189,808	2,201,497	2,190,914	10
Retail	6	814,241	834,825	785,573	4
Life Sciences/Studio	4	385,098	561,517	384,219	2
Other	6	1,106,603	1,107,752	1,074,527	5
Total loans receivable	178	\$ 23,787,012	\$ 24,971,028	\$ 21,951,988	100 %
CECL reserve		(576,936)			
Loans receivable, net		\$ 23,210,076			

Geographic Location	Number of Loans	Net Book Value	Total Loan Exposure ⁽¹⁾	Net Loan Exposure ⁽²⁾	Net Loan Exposure Percentage of Portfolio
<u>United States</u>					
Sunbelt	65	\$ 5,658,172	\$ 5,786,395	\$ 5,402,732	25 %
Northeast	30	5,386,940	5,426,951	4,340,660	20
West	31	3,088,644	4,108,074	2,910,559	13
Midwest	9	944,132	945,222	913,973	4
Northwest	6	382,591	385,978	383,382	2
Subtotal	141	15,460,479	16,652,620	13,951,306	64
<u>International</u>					
United Kingdom	20	3,470,120	3,439,678	3,181,489	14
Australia	5	1,429,144	1,437,870	1,432,146	7
Ireland	3	1,191,068	1,197,337	1,188,554	5
Spain	3	1,117,790	1,120,375	1,078,811	5
Sweden	1	474,262	476,718	476,281	2
Other Europe	5	644,149	646,430	643,401	3
Subtotal	37	8,326,533	8,318,408	8,000,682	36
Total loans receivable	178	\$ 23,787,012	\$ 24,971,028	\$ 21,951,988	100 %
CECL reserve		(576,936)			
Loans receivable, net		\$ 23,210,076			

- (1) Total loan exposure reflects our aggregate exposure to each loan investment. As of December 31, 2023, total loan exposure, includes (i) loans with an outstanding principal balance of \$ 23.9 billion that are included in our consolidated financial statements, (ii) \$ 1.1 billion of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$ 100.9 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. See Note 2 for further discussion of loan participations sold.
- (2) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of December 31, 2023, which is our total loan exposure net of (i) \$ 1.1 billion of non-consolidated senior interests, (ii) \$ 1.0 billion of asset-specific debt, (iii) \$ 236.8 million of senior loan participations sold, (iv) \$ 53.0 million of cost-recovery proceeds, and (v) our total loans receivable CECL reserve of \$ 576.9 million. Our non-consolidated senior interests, asset-specific debt, and loan participations sold are structurally non-recourse and term-matched to the corresponding collateral loans.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Loan Risk Ratings

As further described in Note 2, we evaluate our loan portfolio on a quarterly basis. In conjunction with our quarterly loan portfolio review, we assess the risk factors of each loan, and assign a risk rating based on several factors. Factors considered in the assessment include, but are not limited to, risk of loss, origination LTV, debt yield, collateral performance, structure, exit plan, and sponsorship. Loans are rated "1" (less risk) through "5" (greater risk), which ratings are defined in Note 2.

The following table allocates the net book value, total loan exposure, and net loan exposure balances based on our internal risk ratings (\$ in thousands):

March 31, 2024				
Risk Rating	Number of Loans	Net Book Value	Total Loan Exposure ⁽¹⁾	Net Loan Exposure ⁽²⁾
1	18	\$ 791,251	\$ 839,963	\$ 791,925
2	34	5,889,271	5,904,694	4,816,066
3	88	11,425,297	11,750,476	11,075,625
4	16	2,692,813	3,013,626	2,634,523
5	17	2,390,680	2,451,208	1,790,729
Total loans receivable	173	\$ 23,189,312	\$ 23,959,967	\$ 21,108,868
CECL reserve		(751,370)		
Loans receivable, net		\$ 22,437,942		

December 31, 2023				
Risk Rating	Number of Loans	Net Book Value	Total Loan Exposure ⁽¹⁾	Net Loan Exposure ⁽²⁾
1	15	\$ 763,101	\$ 811,217	\$ 763,223
2	36	6,143,184	6,618,319	5,095,395
3	99	12,277,518	12,573,282	11,964,620
4	15	2,725,930	3,036,837	2,668,025
5	13	1,877,279	1,931,373	1,460,725
Total loans receivable	178	\$ 23,787,012	\$ 24,971,028	\$ 21,951,988
CECL reserve		(576,936)		
Loans receivable, net		\$ 23,210,076		

- (1) Total loan exposure reflects our aggregate exposure to each loan investment. As of March 31, 2024, total loan exposure, includes (i) loans with an outstanding principal balance of \$ 23.3 billion that are included in our consolidated financial statements, (ii) \$ 742.6 million of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$ 100.5 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. As of December 31, 2023, total loan exposure, includes (i) loans with an outstanding principal balance of \$ 23.9 billion that are included in our consolidated financial statements (ii) \$ 1.1 billion of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$ 100.9 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. See Note 2 for further discussion of loan participations sold.
- (2) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of March 31, 2024, which is our total loan exposure net of (i) \$ 742.6 million of non-consolidated senior interests, (ii) \$ 1.1 billion of asset-specific debt, (iii) \$ 234.8 million of senior loan participations sold, (iv) \$ 57.9 million of cost-recovery proceeds, and (v) our total loans receivable CECL reserve of \$ 751.4 million. Our net loan exposure as of December 31, 2023 is our total loan exposure net of (i) \$ 1.1 billion of non-consolidated senior interests, (ii) \$ 1.0 billion of asset-specific debt, (iii) \$ 236.8 million of senior loan participations sold, and (iv) \$ 53.0 million of cost-recovery proceeds, and (v) our total loans receivable CECL reserve of \$ 576.9 million. Our non-consolidated senior interests, asset-specific debt, and loan participations sold are structurally non-recourse and term-matched to the corresponding collateral loans.

Our loan portfolio had a weighted-average risk rating of 3.0 as of both March 31, 2024 and December 31, 2023, respectively.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Current Expected Credit Loss Reserve

The CECL reserves required under GAAP reflect our current estimate of potential credit losses related to the loans included in our consolidated balance sheets. Refer to Note 2 for further discussion of our CECL reserves. The following table presents the activity in our loans receivable CECL reserve by investment pool for the three months ended March 31, 2024 and 2023 (\$ in thousands):

	U.S. Loans ⁽¹⁾	Non-U.S. Loans	Unique Loans	Impaired Loans	Total
Loans Receivable, Net					
CECL reserves as of December 31, 2023	\$ 78,335	\$ 31,560	\$ 49,371	\$ 417,670	\$ 576,936
(Decrease) increase in CECL reserves	(3,807)	(770)	(5,918)	245,942	235,447
Charge-offs of CECL reserves	—	—	—	(61,013)	(61,013)
CECL reserves as of March 31, 2024	\$ 74,528	\$ 30,790	\$ 43,453	\$ 602,599	\$ 751,370
CECL reserves as of December 31, 2022	\$ 67,880	\$ 22,519	\$ 45,960	\$ 189,778	\$ 326,137
Increase (decrease) in CECL reserves	5,314	(2,823)	483	7,480	10,454
CECL reserves as of March 31, 2023	\$ 73,194	\$ 19,696	\$ 46,443	\$ 197,258	\$ 336,591

During the three months ended March 31, 2024, we recorded an increase of \$ 235.4 million in the CECL reserves against our loans receivable portfolio, primarily related to seven new impaired loans, offset by charge-offs of our CECL reserves of \$ 61.0 million, bringing our total loans receivable CECL reserve to \$ 751.4 million as of March 31, 2024. These charge-offs related to three previously impaired loans that were resolved during the three months ended March 31, 2024. The resolutions were the result of (i) a deed-in-lieu of foreclosure related to an office asset in Mountain View, CA, which is now included on our consolidated balance sheet as an REO asset, (ii) the sale of an office asset in Miami, FL to a new borrower, resulting in a repayment of \$ 9.5 million and a reduction to the outstanding principal balance of the loan, and (iii) a repayment of a multifamily asset in New York, NY. As of March 31, 2024, the income accrual was suspended on the seven additional loans that were impaired as the recovery of income and principal was doubtful. During the three months ended March 31, 2024, we recorded \$ 16.8 million of interest income on these seven loans.

As of March 31, 2024, we had an aggregate \$ 602.6 million asset-specific CECL reserve related to 17 of our loans receivable, with an aggregate amortized cost basis of \$ 2.4 billion, net of cost-recovery proceeds. This CECL reserve was recorded based on our estimation of the fair value of each of the loan's underlying collateral as of March 31, 2024. No income was recorded on our impaired loans subsequent to determining that they were impaired. During the three months ended March 31, 2024, we received an aggregate \$ 16.8 million of cash proceeds from such loans that were applied as a reduction to the amortized cost basis of each respective loan.

As of March 31, 2024, one of our impaired loans with an amortized cost basis of \$ 138.8 million was past its current maturity date. This loan was also more than 90 days past due on its interest payment and had a risk rating of "5." Additionally, as of March 31, 2024, one other impaired loan with an amortized cost basis of \$ 223.4 million was less than 30 days past due on its interest payment and had a risk rating of "5." As of March 31, 2024, all other borrowers were compliant with the contractual terms of each respective loan, including any required payment of interest. Refer to Note 2 for further discussion of our policies on revenue recognition and our CECL reserves.

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Notes to Consolidated Financial Statements (continued) (Unaudited)

Our primary credit quality indicator is our risk ratings, which are further discussed above. The following tables present the net book value of our loan portfolio as of March 31, 2024 and December 31, 2023, respectively, by year of origination, investment pool, and risk rating (\$ in thousands):

Risk Rating		Net Book Value of Loans Receivable by Year of Origination ⁽¹⁾												
		As of March 31, 2024												
		2024		2023		2022		2021		2020		Prior		Total
U.S. loans														
1	\$	—	\$	—	\$	172,638	\$	355,295	\$	72,105	\$	106,843	\$	706,881
2		—		—		196,555		1,899,702		—		1,552,428		3,648,685
3		—		—		1,539,991		3,434,609		580,897		633,740		6,189,237
4		—		—		413,313		664,662		—		1,031,042		2,109,017
5		—		—		—		—		—		—		—
Total U.S. loans	\$	—	\$	—	\$	2,322,497	\$	6,354,268	\$	653,002	\$	3,324,053	\$	12,653,820
Non-U.S. loans														
1	\$	—	\$	—	\$	—	\$	84,370	\$	—	\$	—	\$	84,370
2		—		—		1,017,187		1,098,418		91,147		33,834		2,240,586
3		—		—		676,148		1,035,810		—		2,219,300		3,931,258
4		—		—		—		—		—		—		—
5		—		—		—		—		—		—		—
Total Non-U.S. loans	\$	—	\$	—	\$	1,693,335	\$	2,218,598	\$	91,147	\$	2,253,134	\$	6,256,214
Unique loans														
1	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
2		—		—		—		—		—		—		—
3		—		—		856,787		—		—		448,015		1,304,802
4		—		—		—		—		—		583,796		583,796
5		—		—		—		—		—		—		—
Total unique loans	\$	—	\$	—	\$	856,787	\$	—	\$	—	\$	1,031,811	\$	1,888,598
Impaired loans														
1	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
2		—		—		—		—		—		—		—
3		—		—		—		—		—		—		—
4		—		—		—		—		—		—		—
5		—		—		319,969		889,086		138,840		1,042,785		2,390,680
Total impaired loans	\$	—	\$	—	\$	319,969	\$	889,086	\$	138,840	\$	1,042,785	\$	2,390,680
Total loans receivable														
1	\$	—	\$	—	\$	172,638	\$	439,665	\$	72,105	\$	106,843	\$	791,251
2		—		—		1,213,742		2,998,120		91,147		1,586,262		5,889,271
3		—		—		3,072,926		4,470,419		580,897		3,301,055		11,425,297
4		—		—		413,313		664,662		—		1,614,838		2,692,813
5		—		—		319,969		889,086		138,840		1,042,785		2,390,680
Total loans receivable	\$	—	\$	—	\$	5,192,588	\$	9,461,952	\$	882,989	\$	7,651,783	\$	23,189,312
CECL reserve														
Loans receivable, net														
Gross charge-offs ⁽²⁾														
		—		—		—		(54,313)		—		(6,700)	\$	(61,013)

(1) Date loan was originated or acquired by us. Origination dates are subsequently updated to reflect material loan modifications.

(2) Represents charge-offs by year of origination during the three months ended March 31, 2024.

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Notes to Consolidated Financial Statements (continued) (Unaudited)

		Net Book Value of Loans Receivable by Year of Origination ⁽¹⁾							
		As of December 31, 2023							
Risk Rating		2023	2022	2021	2020	2019	Prior	Total	
U.S. loans									
1	\$	—	\$ 172,575	\$ 443,739	\$ 39,877	\$ 52,939	\$ 53,971	\$ 763,101	
2		—	195,755	1,883,162	32,179	200,917	1,438,175	3,750,188	
3		—	1,870,610	3,730,842	613,688	380,726	359,257	6,955,123	
4		—	317,665	924,070	—	193,168	679,885	2,114,788	
5		—	—	—	—	—	—	—	
Total U.S. loans	\$	—	\$ 2,556,605	\$ 6,981,813	\$ 685,744	\$ 827,750	\$ 2,531,288	\$ 13,583,200	
Non-U.S. loans									
1	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
2		—	1,034,196	1,230,762	93,423	34,615	—	2,392,996	
3		—	643,018	1,084,137	—	2,249,931	—	3,977,086	
4		—	—	—	—	—	—	—	
5		—	—	—	—	—	—	—	
Total Non-U.S. loans	\$	—	\$ 1,677,214	\$ 2,314,899	\$ 93,423	\$ 2,284,546	\$ —	\$ 6,370,082	
Unique loans									
1	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
2		—	—	—	—	—	—	—	
3		—	894,599	—	—	264,457	186,253	1,345,309	
4		—	—	—	—	—	611,142	611,142	
5		—	—	—	—	—	—	—	
Total unique loans	\$	—	\$ 894,599	\$ —	\$ —	\$ 264,457	\$ 797,395	\$ 1,956,451	
Impaired loans									
1	\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
2		—	—	—	—	—	—	—	
3		—	—	—	—	—	—	—	
4		—	—	—	—	—	—	—	
5		—	—	508,264	140,000	—	1,229,015	1,877,279	
Total impaired loans	\$	—	\$ —	\$ 508,264	\$ 140,000	\$ —	\$ 1,229,015	\$ 1,877,279	
Total loans receivable									
1	\$	—	\$ 172,575	\$ 443,739	\$ 39,877	\$ 52,939	\$ 53,971	\$ 763,101	
2		—	1,229,951	3,113,924	125,602	235,532	1,438,175	6,143,184	
3		—	3,408,227	4,814,979	613,688	2,895,114	545,510	12,277,518	
4		—	317,665	924,070	—	193,168	1,291,027	2,725,930	
5		—	—	508,264	140,000	—	1,229,015	1,877,279	
Total loans receivable	\$	—	\$ 5,128,418	\$ 9,804,976	\$ 919,167	\$ 3,376,753	\$ 4,557,698	\$ 23,787,012	
CECL reserve								(576,936)	
Loans receivable, net								\$ 23,210,076	

(1) Date loan was originated or acquired by us. Origination dates are subsequently updated to reflect material loan modifications.

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Notes to Consolidated Financial Statements (continued) (Unaudited)

Loan Modifications Pursuant to ASC 326

During the twelve months ended March 31, 2024, we entered into seven loan modifications that require disclosure pursuant to ASC 326. Five of these loans were collateralized by office assets and two were collateralized by hospitality assets.

Four of the loan modifications included other-than-insignificant payment delays, specifically the option to pay interest in-kind. For one of the loans, the maximum maturity date was extended by one year, the borrower contributed \$ 2.0 million of additional reserves, and the interest rate increased by 5.11 %. The second modification included an additional 4.00 % exit fee. The third modification included an additional 2.00 % exit fee and the interest rate increased by 2.00 %. The fourth modification included an additional 3.00 % exit fee and the interest rate increased by 4.00 %. As of March 31, 2024, the aggregate amortized cost basis of these loans was \$ 634.2 million, or 2.7 % of our aggregate loans receivable portfolio, with an aggregate \$ 10.0 million of unfunded commitments. The loans were performing pursuant to their contractual terms as of March 31, 2024, had risk ratings of "5" as of March 31, 2024, and have asset-specific CECL reserves.

The other three loan modifications included a combination of changes to the contractual terms of the loans, including term extensions, other-than-insignificant payment delays, and/or interest rate reductions. The first loan modification included a term extension of 19 months, a rate reduction of 2.74 % and conversion to fixed rate, with a portion of the interest paid in-kind. The borrower repaid \$ 4.9 million of the loan at the time of modification, with an additional \$ 2.5 million of repayment due during the initial maturity period. The second loan modification included a term extension of 4.5 years, a rate increase of 8.50 % with interest paid in-kind, a borrower contribution of \$ 2.0 million of additional reserves, and a \$ 50.0 million increase in our total loan commitment. The third modification included a term extension of 2.5 years, and the loan was bifurcated into a separate senior loan and mezzanine loan. The senior loan is paying interest current while the mezzanine loan is paying interest in-kind. As of March 31, 2024, the aggregate amortized cost basis of these loans was \$ 632.8 million, or 2.7 % of our aggregate loans receivable portfolio, with an aggregate \$ 39.3 million of unfunded commitments. The loans were performing pursuant to their contractual terms as of March 31, 2024. As of March 31, 2024, two of these loans had a risk rating of "4" and two loans had a risk rating of "5."

Loans with a risk rating of "4" are included in the determination of our general CECL reserve and loans with a risk rating of "5" have an asset-specific CECL reserve. Loan modifications that allow the option to pay interest in-kind increase our potential economics and the size of our secured claim, as interest is capitalized and added to the outstanding principal balance for applicable loans. As of March 31, 2024, no income was recorded on our loans subsequent to determining that they were impaired and risk rated "5."

Multifamily Joint Venture

As discussed in Note 2, we entered into a Multifamily Joint Venture in April 2017. As of March 31, 2024 and December 31, 2023, our Multifamily Joint Venture held \$ 614.4 million and \$ 612.9 million of loans, respectively, which are included in the loan disclosures above. Refer to Note 2 for additional discussion of our Multifamily Joint Venture.

4. REAL ESTATE OWNED

On March 19, 2024, we acquired legal title to an office property located in Mountain View, CA through a deed-in-lieu of foreclosure transaction. The office property previously collateralized a senior mortgage loan with an amortized cost basis of \$ 90.2 million that was risk rated a "5" with a CECL reserve of \$ 29.1 million at the time of the transaction. The acquisition was accounted for as an asset acquisition under ASC Topic 805 "Business Combinations," and upon acquisition we recognized the office property as an REO asset held for investment. The REO asset was recorded on our consolidated balance sheet at \$ 60.2 million based on its estimated fair value at acquisition. This resulted in a CECL reserve charge-off of \$ 29.1 million during the three months ended March 31, 2024. See Note 2 for additional information on REO.

The following table presents the REO asset included in our consolidated balance sheets (\$ in thousands):

	March 31, 2024
Assets	
Land and land improvements	\$ 40,824
Building	19,379
Real estate owned, net	<u>\$ 60,203</u>

As of March 31, 2024, we had no REO liabilities and no impairment charges have been recognized for our REO asset. No income or expenses were recognized during the three months ended March 31, 2024. As of December 31, 2023, we did not have any REO assets or liabilities.

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5. OTHER ASSETS AND LIABILITIES

Other Assets

The following table details the components of our other assets (\$ in thousands):

	March 31, 2024	December 31, 2023
Accrued interest receivable	\$ 206,227	\$ 214,835
Loan portfolio payments held by servicer ⁽¹⁾	114,247	152,423
Derivative assets	25,922	1,890
Accounts receivable and other assets	6,079	2,420
Prepaid expenses	1,257	1,020
Collateral deposited under derivative agreements	—	103,500
Total	\$ 353,732	\$ 476,088

- (1) Primarily represents loan principal held by our third-party loan servicer as of the balance sheet date which were remitted to us during the subsequent remittance cycle.

Other Liabilities

The following table details the components of our other liabilities (\$ in thousands):

	March 31, 2024	December 31, 2023
Accrued dividends payable	\$ 107,678	\$ 107,390
Accrued interest payable	86,643	97,820
Secured debt repayments pending servicer remittance ⁽¹⁾	24,240	13,526
Accrued management and incentive fees payable	18,927	26,342
Current expected credit loss reserves for unfunded loan commitments ⁽²⁾	12,644	15,371
Accounts payable and other liabilities	6,839	7,265
Derivative liabilities	990	94,817
Total	\$ 257,961	\$ 362,531

- (1) Represents pending transfers from our third-party loan servicer that were remitted to our banking counterparties during the subsequent remittance cycle.
- (2) Represents the CECL reserve related to our unfunded loan commitments. See Note 2 for further discussion of the CECL reserves.

Current Expected Credit Loss Reserves for Unfunded Loan Commitments

As of March 31, 2024, we had aggregate unfunded commitments of \$ 2.1 billion related to 90 loans receivable. The expected credit losses over the contractual period of our loans is impacted by our obligation to extend further credit through our unfunded loan commitments. See Note 2 for further discussion of the CECL reserves related to our unfunded loan commitments, and Note 21 for further discussion of our unfunded loan commitments. During the three months ended March 31, 2024, we recorded a decrease in the CECL reserves related to our unfunded loan commitments of \$ 2.7 million, bringing our total unfunded loan commitments CECL reserve to \$ 12.6 million as of March 31, 2024. During the three months ended March 31, 2023, we recorded a decrease in the CECL reserves related to our unfunded loan commitments of \$ 631,000, bringing our total unfunded loan commitments CECL reserve to \$ 15.7 million as of March 31, 2023.

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6. SECURED DEBT, NET

Our secured debt includes our secured credit facilities and our acquisition facility. During the three months ended March 31, 2024, we obtained approval for \$ 407.6 million of new borrowings against \$ 545.9 million of collateral assets.

The following table details our secured debt (\$ in thousands):

	Secured Debt	
	Borrowings Outstanding	
	March 31, 2024	December 31, 2023
Secured credit facilities	\$ 12,403,449	\$ 12,697,058
Acquisition facility	—	—
Total secured debt	\$ 12,403,449	\$ 12,697,058
Deferred financing costs ⁽¹⁾	(16,160)	(13,963)
Net book value of secured debt	\$ 12,387,289	\$ 12,683,095

- (1) Costs incurred in connection with our secured debt are recorded on our consolidated balance sheets when incurred and recognized as a component of interest expense over the life of each related facility.

Secured Credit Facilities

Our secured credit facilities are bilateral agreements we use to finance diversified pools of senior loan collateral with sufficient flexibility to accommodate our investment and asset management strategy. The facilities are uniformly structured to provide currency, index, and term-matched financing without capital markets based mark-to-market provisions. Our credit facilities are diversified across 15 counterparties, primarily consisting of top global financial institutions to minimize our counterparty risk exposure.

The following table details our secured credit facilities by spread over the applicable base rates as of March 31, 2024 (\$ in thousands):

March 31, 2024							Recourse Limitation	
Currency	Lenders ⁽¹⁾	Borrowings	Wtd. Avg. Maturity ⁽²⁾	Loan Count	Collateral ⁽³⁾	Wtd. Avg. Maturity ⁽⁴⁾	Wtd. Avg.	Range
USD	14	\$ 6,465,606	July 2026	123	\$ 10,312,999	July 2026	35 %	25 % - 100 %
GBP	7	2,340,817	September 2026	18	3,106,835	September 2026	26 %	25 % - 50 %
EUR	7	2,025,182	September 2025	11	2,728,563	September 2025	40 %	25 % - 100 %
Others ⁽⁵⁾	4	1,571,844	July 2027	7	1,984,069	July 2027	25 %	25 %
Total	15	\$ 12,403,449	July 2026	159	\$ 18,132,466	July 2026	33 %	25 % - 100 %

- (1) Represents the number of lenders with fundings advanced in each respective currency, as well as the total number of facility lenders.
(2) Our secured debt agreements are generally term-matched to their underlying collateral. Therefore, the weighted-average maturity is generally allocated based on the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower. In limited instances, the maturity date of the respective secured credit facility is used.
(3) Represents the principal balance of the collateral assets and the book value of the REO asset.
(4) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date.
(5) Includes Australian Dollar, Danish Krone, Swedish Krona, and Swiss Franc currencies.

The availability of funding under our secured credit facilities is based on the amount of approved collateral, which collateral is proposed by us in our discretion and approved by the respective counterparty in its discretion, resulting in a mutually agreed collateral portfolio construction. Certain structural elements of our secured credit facilities, including the

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limitation on recourse to us and facility economics, are influenced by the specific collateral portfolio construction of each facility, and therefore vary within and among the facilities.

The following tables detail the spread of our secured debt as of March 31, 2024 and December 31, 2023 (\$ in thousands):

Spread ⁽¹⁾	Three Months Ended March 31, 2024			March 31, 2024		
	New	Total	Wtd. Avg.		Wtd. Avg.	Net Interest
	Financings ⁽²⁾	Borrowings	All-in Cost ⁽¹⁾⁽³⁾⁽⁴⁾	Collateral ⁽⁵⁾	All-in Yield ⁽¹⁾⁽³⁾	Margin ⁽⁶⁾
+ 1.50% or less	\$ 23,000	\$ 5,632,133	+ 1.52 %	\$ 8,305,372	+ 3.24 %	+ 1.72 %
+ 1.51% to + 1.75%	—	2,496,771	+ 1.81 %	3,471,486	+ 3.52 %	+ 1.71 %
+ 1.76% to + 2.00%	—	1,649,419	+ 2.10 %	2,582,739	+ 3.86 %	+ 1.76 %
+ 2.01% or more	384,616	2,625,126	+ 2.62 %	3,772,869	+ 4.25 %	+ 1.63 %
Total	\$ 407,616	\$ 12,403,449	+ 1.89 %	\$ 18,132,466	+ 3.58 %	+ 1.69 %

Spread ⁽¹⁾	Year Ended December 31, 2023			December 31, 2023		
	New	Total	Wtd. Avg.		Wtd. Avg.	Net Interest
	Financings ⁽²⁾	Borrowings	All-in Cost ⁽¹⁾⁽³⁾⁽⁴⁾	Collateral ⁽⁵⁾	All-in Yield ⁽¹⁾⁽³⁾	Margin ⁽⁷⁾
+ 1.50% or less	\$ —	\$ 5,647,848	+ 1.53 %	\$ 8,341,383	+ 3.24 %	+ 1.71 %
+ 1.51% to + 1.75%	—	2,679,699	+ 1.82 %	3,723,365	+ 3.49 %	+ 1.67 %
+ 1.76% to + 2.00%	42,908	1,850,809	+ 2.11 %	2,913,067	+ 3.92 %	+ 1.81 %
+ 2.01% or more	69,170	2,518,702	+ 2.64 %	3,616,503	+ 4.30 %	+ 1.66 %
Total	\$ 112,078	\$ 12,697,058	+ 1.89 %	\$ 18,594,318	+ 3.58 %	+ 1.69 %

- (1) The spread, all-in cost, and all-in yield are expressed over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, and other indices as applicable.
- (2) Represents the amount of new borrowings we obtained approval for during the three months ended March 31, 2024 and year ended December 31, 2023, respectively.
- (3) In addition to spread, the cost includes the associated deferred fees and expenses related to the respective borrowings. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. All-in yield excludes loans accounted for under the cost-recovery method and the REO asset.
- (4) Represents the weighted-average all-in cost as of March 31, 2024 and December 31, 2023, respectively, and is not necessarily indicative of the spread applicable to recent or future borrowings.
- (5) Represents the principal balance of the collateral assets and the book value of the REO asset.
- (6) Represents the difference between the weighted-average all-in yield and weighted-average all-in cost.

Our secured credit facilities generally permit us to increase or decrease the amount advanced against the pledged collateral in our discretion within certain maximum/minimum amounts and frequency limitations. As of March 31, 2024, there was an aggregate \$ 1.2 billion available to be drawn at our discretion under our credit facilities.

Acquisition Facility

As of March 31, 2024, we had a \$ 100.0 million full recourse secured credit facility that was designed to finance eligible first mortgage originations for up to nine months as a bridge to term financing without obtaining discretionary lender approval. The cost of borrowing under the facility was variable, dependent on the type of loan collateral. This facility matured on April 3, 2024.

During the three months ended March 31, 2024, we had no borrowings under the acquisition facility and we recorded interest expense of \$ 122,000 , including \$ 33,000 of amortization of deferred fees and expenses.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

During the year ended December 31, 2023, we had no borrowings under the acquisition facility and we recorded interest expense of \$ 722,000 including \$ 233,000 of amortization of deferred fees and expenses.

Financial Covenants

We are subject to the following financial covenants related to our secured debt: (i) our ratio of earnings before interest, taxes, depreciation, and amortization, or EBITDA, to fixed charges, as defined in the agreements, shall be not less than 1.4 to 1.0; (ii) our tangible net worth, as defined in the agreements, shall not be less than \$ 3.6 billion as of each measurement date plus 75 % to 85 % of the net cash proceeds of future equity issuances subsequent to March 31, 2024; (iii) cash liquidity shall not be less than the greater of (x) \$ 10.0 million or (y) no more than 5 % of our recourse indebtedness; and (iv) our indebtedness shall not exceed 83.33 % of our total assets. As of March 31, 2024 and December 31, 2023, we were in compliance with these covenants.

7. SECURITIZED DEBT OBLIGATIONS, NET

We have financed certain pools of our loans through collateralized loan obligations, or CLOs. The CLOs are consolidated in our financial statements and have issued securitized debt obligations that are non-recourse to us. Refer to Note 19 for further discussion of our CLOs. The following tables detail our securitized debt obligations and the underlying collateral assets that are financed by our CLOs (\$ in thousands):

	March 31, 2024					
Securitized Debt Obligations	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾⁽³⁾	Term ⁽⁴⁾	
<u>2021 FL4 Collateralized Loan Obligation</u>						
Senior CLO Securities Outstanding	1	\$ 785,452	\$ 784,138	+ 1.70 %	May 2038	
Underlying Collateral Assets	26	981,703	981,703	+ 3.16 %	March 2026	
<u>2020 FL3 Collateralized Loan Obligation</u>						
Senior CLO Securities Outstanding	1	689,384	689,384	+ 2.19 %	November 2037	
Underlying Collateral Assets	15	880,634	880,634	+ 2.86 %	January 2026	
<u>2020 FL2 Collateralized Loan Obligation</u>						
Senior CLO Securities Outstanding	1	854,620	854,551	+ 1.62 %	February 2038	
Underlying Collateral Assets	15	1,111,495	1,111,495	+ 2.85 %	February 2026	
<u>Total</u>						
Senior CLO Securities Outstanding ⁽⁵⁾	3	\$ 2,329,456	\$ 2,328,073	+ 1.82 %		
Underlying Collateral Assets	56	\$ 2,973,832	\$ 2,973,832	+ 2.94 %		

- (1) The book value of underlying collateral assets excludes any applicable CECL reserves.
- (2) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, purchase discounts, and accrual of exit fees.
- (3) The weighted-average all-in yield and cost are expressed as a spread over SOFR, which is the relevant floating benchmark rate for each securitized debt obligation. All-in yield excludes loans accounted for under the cost-recovery method.
- (4) Underlying Collateral Assets term represents the weighted-average final maturity of such loans, assuming all extension options are exercised by the borrower. Repayments of securitized debt obligations are tied to timing of the related collateral loan asset repayments. The term of these obligations represents the rated final distribution date of the securitizations.
- (5) During the three months ended March 31, 2024, we recorded \$ 41.5 million of interest expense related to our securitized debt obligations.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

December 31, 2023					
Securitized Debt Obligations	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾⁽³⁾	Term ⁽⁴⁾
<u>2021 FL4 Collateralized Loan Obligation</u>					
Senior CLO Securities Outstanding	1	\$ 803,750	\$ 801,800	+ 1.70 %	May 2038
Underlying Collateral Assets	26	1,000,000	1,000,000	+ 3.28 %	December 2025
<u>2020 FL3 Collateralized Loan Obligation</u>					
Senior CLO Securities Outstanding	1	714,352	714,352	+ 2.18 %	November 2037
Underlying Collateral Assets	15	905,602	905,602	+ 2.87 %	September 2025
<u>2020 FL2 Collateralized Loan Obligation</u>					
Senior CLO Securities Outstanding	1	989,412	989,265	+ 1.57 %	February 2038
Underlying Collateral Assets	15	1,246,287	1,246,287	+ 2.85 %	October 2025
<u>Total</u>					
Senior CLO Securities Outstanding ⁽⁴⁾	3	\$ 2,507,514	\$ 2,505,417	+ 1.79 %	
Underlying Collateral Assets	56	\$ 3,151,889	\$ 3,151,889	+ 2.99 %	

- (1) The book value of underlying collateral assets excludes any applicable CECL reserves.
- (2) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, purchase discounts, and accrual of exit fees.
- (3) The weighted-average all-in yield and cost are expressed as a spread over the relevant floating benchmark rates, which include SOFR and USD LIBOR, as applicable to each securitized debt obligation. All-in yield excludes loans accounted for under the cost-recovery method.
- (4) Underlying Collateral Assets term represents the weighted-average final maturity of such loans, assuming all extension options are exercised by the borrower. Repayments of securitized debt obligations are tied to timing of the related collateral loan asset repayments. The term of these obligations represents the rated final distribution date of the securitizations.
- (5) During the year ended December 31, 2023, we recorded \$ 171.4 million of interest expense related to our securitized debt obligations.

8. ASSET-SPECIFIC DEBT, NET

The following table details our asset-specific debt (\$ in thousands):

March 31, 2024					
Asset-Specific Debt	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾	Wtd. Avg. Term ⁽³⁾
Financing provided	2	\$ 1,064,484	\$ 1,061,380	+ 3.16 %	April 2026
Collateral assets	2	\$ 1,268,225	\$ 1,261,171	+ 3.90 %	April 2026
December 31, 2023					
Asset-Specific Debt	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾	Wtd. Avg. Term ⁽³⁾
Financing provided	2	\$ 1,004,097	\$ 1,000,210	+ 3.14 %	March 2026
Collateral assets	2	\$ 1,194,408	\$ 1,186,559	+ 3.98 %	March 2026

- (1) The book value of underlying collateral assets excludes any applicable CECL reserves.
- (2) These floating rate loans and related liabilities are currency and index-matched to the applicable benchmark rate relevant in each arrangement. In addition to cash coupon, yield/cost includes the amortization of deferred origination fees and financing costs.
- (3) The weighted-average term is determined based on the maximum maturity of the corresponding loans, assuming all extension options are exercised by the borrower. Our non-recourse, asset-specific debt is term-matched in each case to the corresponding collateral loans.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

9. LOAN PARTICIPATIONS SOLD, NET

The sale of a non-recourse interest in a loan through a participation agreement generally does not qualify for sale accounting under GAAP. For such transactions, we therefore present the whole loan as an asset and the loan participation sold as a liability on our consolidated balance sheet until the loan is repaid. We generally have no obligation to pay principal and interest under these liabilities, and the gross presentation of loan participations sold does not impact our stockholders' equity or net income.

The following table details our loan participations sold (\$ in thousands):

March 31, 2024						
Loan Participations Sold	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾	Term ⁽³⁾	
<u>Senior Participations</u>						
Loan Participation	1	\$ 234,788	\$ 234,552	+ 3.22 %	March 2027	
Total Loan	1	293,485	292,526	+ 4.86 %	March 2027	
<u>Junior Participations</u>						
Loan Participation	2	\$ 100,492	\$ 100,357	+ 7.42 %	February 2026	
Total Loan	2	416,177	415,004	+ 4.73 %	February 2026	
<u>Total</u>						
Loan Participation ⁽⁴⁾	3	\$ 335,280	\$ 334,909			
Total Loan	3	\$ 709,662	\$ 707,530			
December 31, 2023						
Loan Participations Sold	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾	Term ⁽³⁾	
<u>Senior Participations</u>						
Loan Participation	1	\$ 236,797	\$ 236,499	+ 3.22 %	March 2027	
Total Loan	1	295,996	294,783	+ 4.86 %	March 2027	
<u>Junior Participations</u>						
Loan Participation	2	\$ 100,924	\$ 100,680	+ 7.50 %	February 2026	
Total Loan	2	401,569	399,603	+ 4.75 %	February 2026	
<u>Total</u>						
Loan Participation ⁽⁴⁾	3	\$ 337,721	\$ 337,179			
Total Loan	3	\$ 697,565	\$ 694,386			

(1) The book value of underlying collateral assets excludes any applicable CECL reserves.

(2) This non-debt participation sold structure is inherently matched in terms of currency and interest rate. In addition to cash coupon, yield/cost includes the amortization of deferred fees and financing costs.

(3) The term is determined based on the maximum maturity of the loan, assuming all extension options are exercised by the borrower. Our loan participations sold are inherently non-recourse and term-matched to the corresponding loan.

(4) During the three months ended March 31, 2024, we recorded \$ 8.0 million of interest expense related to our loan participations sold. During the year ended December 31, 2023, we recorded \$ 20.6 million of interest expense related to our loan participations sold.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

10. TERM LOANS, NET

As of March 31, 2024, the following senior term loan facilities, or Term Loans, were outstanding (\$ in thousands):

Term Loans	Face Value	Interest Rate ⁽¹⁾	All-in Cost ⁽¹⁾⁽²⁾	Maturity
B-1 Term Loan	\$ 908,474	+ 2.36 %	+ 2.65 %	April 23, 2026
B-3 Term Loan	409,886	+ 2.86 %	+ 3.54 %	April 23, 2026
B-4 Term Loan	811,363	+ 3.50 %	+ 4.11 %	May 9, 2029
Total face value	<u>\$ 2,129,723</u>			

(1) The B-3 Term Loan and the B-4 Term Loan borrowings are subject to a floor of 0.50 %. The Term Loans are indexed to one-month SOFR.

(2) Includes issue discount and transaction expenses that are amortized through interest expense over the life of the Term Loans.

The Term Loans are partially amortizing, with an amount equal to 1.0 % per annum of the aggregate initial principal balance due in quarterly installments. The issue discount and transaction expenses on the B-1 Term Loan were \$ 3.1 million and \$ 12.6 million, respectively. The issue discount and transaction expenses of the B-3 Term Loan were \$ 9.6 million and \$ 5.4 million, respectively. The issue discount and transaction expenses of the B-4 Term Loan were \$ 17.3 million and \$ 10.3 million, respectively. These discounts and expenses are amortized into interest expense over the life of each Term Loan. During the three months ended March 31, 2024, we recorded \$ 46.7 million of interest expense related to our Term Loans, including \$ 2.3 million of amortization of deferred fees and expenses.

The following table details the net book value of our Term Loans on our consolidated balance sheets (\$ in thousands):

	March 31, 2024	December 31, 2023
Face value	\$ 2,129,723	\$ 2,135,221
Deferred financing costs and unamortized discount	(31,308)	(33,589)
Net book value	<u>\$ 2,098,415</u>	<u>\$ 2,101,632</u>

The Term Loans contain the financial covenant that our indebtedness shall not exceed 83.33 % of our total assets. As of March 31, 2024 and December 31, 2023, we were in compliance with this covenant. Refer to Note 2 for additional discussion of our accounting policies for the Term Loans.

11. SENIOR SECURED NOTES, NET

As of March 31, 2024, the following senior secured notes, or Senior Secured Notes, were outstanding (\$ in thousands):

Senior Secured Notes	Face Value	Interest Rate	All-in Cost ⁽¹⁾	Maturity
Senior Secured Notes	\$ 339,918	3.75 %	4.02 %	January 15, 2027

(1) Includes transaction expenses that are amortized through interest expense over the life of the Senior Secured Notes.

The transaction expenses on the Senior Secured Notes were \$ 6.3 million, which are amortized into interest expense over the life of the Senior Secured Notes. During the three months ended March 31, 2024, we recorded \$ 3.6 million of interest expense related to our Senior Secured Notes, including \$ 267,000 of amortization of deferred fees and expenses.

During the three months ended March 31, 2024, we repurchased an aggregate principal amount of \$ 26.2 million of the Senior Secured Notes at a weighted-average price of 88 %. This resulted in a gain on extinguishment of debt of \$ 3.0 million during the three months ended March 31, 2024. There was no repurchase activity during the three months ended March 31, 2023.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The following table details the net book value of our Senior Secured Notes on our consolidated balance sheets (\$ in thousands):

	March 31, 2024	December 31, 2023
Face value	\$ 339,918	\$ 366,090
Deferred financing costs	(2,835)	(3,327)
Net book value	\$ 337,083	\$ 362,763

The Senior Secured Notes contain the financial covenant that our indebtedness shall not exceed 83.33 % of our total assets. As of March 31, 2024 and December 31, 2023, we were in compliance with this covenant. Under certain circumstances, we may, at our option, release all of the collateral securing our Senior Secured Notes, in which case we would also be required to maintain a total unencumbered assets to total unsecured indebtedness ratio of 1.20 or greater. This covenant is not currently in effect as the collateral securing our Senior Secured Notes has not been released.

12. CONVERTIBLE NOTES, NET

As of March 31, 2024, the following convertible senior notes, or Convertible Notes, were outstanding (\$ in thousands):

Convertible Notes Issuance	Face Value	Interest Rate	All-in Cost ⁽¹⁾	Conversion Price ⁽²⁾	Maturity
March 2022 convertible notes	\$ 300,000	5.50 %	5.94 %	\$ 36.27	March 15, 2027

- (1) Includes issuance costs that are amortized through interest expense over the life of the Convertible Notes using the effective interest method.
- (2) Represents the price of class A common stock per share based on a conversion rate of 27.5702 for the Convertible Notes. The conversion rate represents the number of shares of class A common stock issuable per \$ 1,000 principal amount of Convertible Notes. The cumulative dividend threshold has not been exceeded as of March 31, 2024.

Other than as provided by the optional redemption provisions with respect to our Convertible Notes, we may not redeem the Convertible Notes prior to maturity. The Convertible Notes are convertible at the holders' option into shares of our class A common stock, only under specific circumstances, prior to the close of business on December 14, 2026 at the applicable conversion rate in effect on the conversion date. Thereafter, the Convertible Notes are convertible at the option of the holder at any time until the second scheduled trading day immediately preceding the maturity date. The last reported sale price of our class A common stock of \$ 19.91 on March 28, 2024, the last trading day in the three months ended March 31, 2024, was less than the per share conversion price of the Convertible Notes.

The following table details the net book value of our Convertible Notes on our consolidated balance sheets (\$ in thousands):

	March 31, 2024	December 31, 2023
Face value	\$ 300,000	\$ 300,000
Deferred financing costs and unamortized discount	(3,834)	(4,153)
Net book value	\$ 296,166	\$ 295,847

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The following table details our interest expense related to the Convertible Notes (\$ in thousands):

	Three Months Ended March 31,	
	2024	2023
Cash coupon	\$ 4,125	\$ 6,264
Discount and issuance cost amortization	319	631
Total interest expense	<u>\$ 4,444</u>	<u>\$ 6,895</u>

Accrued interest payable for the Convertible Notes was \$ 733,000 and \$ 4.9 million as of March 31, 2024 and December 31, 2023, respectively. Refer to Note 2 for additional discussion of our accounting policies for the Convertible Notes.

13. DERIVATIVE FINANCIAL INSTRUMENTS

The objective of our use of derivative financial instruments is to minimize the risks and/or costs associated with our investments and/or financing transactions. These derivatives may or may not qualify as net investment, cash flow, or fair value hedges under the hedge accounting requirements of ASC 815 – “Derivatives and Hedging.” Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements and other identified risks. Refer to Note 2 for additional discussion of the accounting for designated and non-designated hedges.

The use of derivative financial instruments involves certain risks, including the risk that the counterparties to these contractual arrangements do not perform as agreed. To mitigate this risk, we only enter into derivative financial instruments with counterparties that have appropriate credit ratings and are major financial institutions with which we and our affiliates also have other financial relationships.

Net Investment Hedges of Foreign Currency Risk

Certain of our international investments expose us to fluctuations in foreign interest rates and currency exchange rates. These fluctuations may impact the value of our cash receipts and payments in terms of our functional currency, the U.S. dollar. We use foreign currency forward contracts to protect the value or fix the amount of certain investments or cash flows in terms of the U.S. dollar.

Designated Hedges of Foreign Currency Risk

The following table details our outstanding foreign exchange derivatives that were designated as net investment hedges of foreign currency risk (notional amounts in thousands):

March 31, 2024			December 31, 2023		
Foreign Currency Derivatives	Number of Instruments	Notional Amount	Foreign Currency Derivatives	Number of Instruments	Notional Amount
Buy USD / Sell SEK Forward	2	kr 972,981	Buy USD / Sell SEK Forward	2	kr 973,246
Buy USD / Sell EUR Forward	9	€ 674,926	Buy USD / Sell GBP Forward	7	£ 696,919
Buy USD / Sell GBP Forward	8	£ 668,465	Buy USD / Sell EUR Forward	8	€ 673,644
Buy USD / Sell AUD Forward	8	A\$ 483,758	Buy USD / Sell AUD Forward	10	A\$ 471,989
Buy USD / Sell DKK Forward	2	kr. 195,565	Buy USD / Sell DKK Forward	2	kr. 195,674
Buy USD / Sell CHF Forward	1	CHF 7,352	Buy USD / Sell CHF Forward	4	CHF 8,352

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Non-designated Hedges of Foreign Currency Risk

The following table details our outstanding foreign exchange derivatives that were non-designated hedges of foreign currency risk (notional amounts in thousands):

March 31, 2024			December 31, 2023		
Non-designated Hedges	Number of Instruments	Notional Amount	Non-designated Hedges	Number of Instruments	Notional Amount
Buy GBP / Sell USD Forward	4	£ 48,700	Buy SEK / Sell USD Forward	1	kr 30,800
Buy USD / Sell GBP Forward	4	£ 48,700	Buy USD / Sell SEK Forward	1	kr 30,800
			Buy GBP / Sell USD Forward	2	£ 26,900
			Buy USD / Sell GBP Forward	2	£ 26,900
			Buy AUD / Sell USD Forward	1	A\$ 7,600
			Buy USD / Sell AUD Forward	1	A\$ 7,600

Cash Flow Hedges of Interest Rate Risk

Certain of our financing transactions expose us to a fixed versus floating rate mismatch between our assets and liabilities. We use derivative financial instruments, which include interest rate swaps, and may also include interest rate caps, interest rate options, floors, and other interest rate derivative contracts, to hedge interest rate risk associated with our borrowings where there is potential for an index mismatch.

The following table details our outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (notional amount in thousands):

March 31, 2024					
Interest Rate Derivatives	Number of Instruments	Notional Amount	Fixed Rate	Index	Wtd. Avg. Maturity (Years)
Interest Rate Swaps	1	\$ 229,858	4.60 %	SOFR	0.6

December 31, 2023					
Interest Rate Derivatives	Number of Instruments	Notional Amount	Fixed Rate	Index	Wtd. Avg. Maturity (Years)
Interest Rate Swaps	1	\$ 229,858	4.60 %	SOFR	0.9

Amounts reported in accumulated other comprehensive income (loss) related to derivatives will be reclassified to interest expense as interest payments are made on our floating rate debt. During the twelve months following March 31, 2024, we estimate that an additional \$ 723,000 will be reclassified from accumulated other comprehensive income (loss) as a decrease to interest expense.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Financial Statement Impact of Hedges of Foreign Currency and Interest Rate Risks

The following table presents the effect of our derivative financial instruments on our consolidated statements of operations (\$ in thousands):

Derivatives in Hedging Relationships	Location of Income (Expense) Recognized	Increase (Decrease) to Net Interest Income Recognized from Derivatives	
		Three Months Ended March 31,	
		2024	2023
Designated Hedges	Interest Income ⁽¹⁾	\$ 4,412	\$ 8,407
Designated Hedges	Interest Expense ⁽²⁾	425	—
Non-Designated Hedges	Interest Income ⁽¹⁾	(6)	17
Non-Designated Hedges	Interest Expense ⁽³⁾	7	19
Total		\$ 4,838	\$ 8,443

- (1) Represents the forward points earned on our foreign currency forward contracts, which reflect the interest rate differentials between the applicable base rate for our foreign currency investments and prevailing US interest rates. These forward contracts effectively convert the foreign currency rate exposure for such investments to USD-equivalent interest rates.
- (2) Represents the financial statement impact of proceeds (payments) from periodic settlements related to our interest rate swap, which is designated as a cash flow hedge.
- (3) Represents the spot rate movement in our non-designated foreign currency hedges, which are marked-to-market and recognized in interest expense.

Valuation and Other Comprehensive Income

The following table summarizes the fair value of our derivative financial instruments (\$ in thousands):

	Fair Value of Derivatives in an Asset Position ⁽¹⁾ as of		Fair Value of Derivatives in a Liability Position ⁽²⁾ as of	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
Derivatives designated as hedging instruments:				
Foreign exchange contracts	\$ 24,638	\$ 30	\$ 868	\$ 92,922
Interest rate derivatives	724	317	—	—
Total derivatives designated as hedging instruments	\$ 25,362	\$ 347	\$ 868	\$ 92,922
Derivatives not designated as hedging instruments:				
Foreign exchange contracts	\$ 560	\$ 1,543	\$ 122	\$ 1,895
Interest rate derivatives	—	—	—	—
Total derivatives not designated as hedging instruments	\$ 560	\$ 1,543	\$ 122	\$ 1,895
Total Derivatives	\$ 25,922	\$ 1,890	\$ 990	\$ 94,817

- (1) Included in other assets in our consolidated balance sheets.
- (2) Included in other liabilities in our consolidated balance sheets.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The following table presents the effect of our derivative financial instruments on our consolidated statements of comprehensive income and operations (\$ in thousands):

	Amount of (Loss) Gain Recognized in OCI on Derivatives				Amount of Gain (Loss) Reclassified from Accumulated OCI into Income	
	Three Months Ended March 31,			Location of Gain (Loss) Reclassified	Three Months Ended March 31,	
Derivatives in Hedging Relationships	2024	2023		from Accumulated OCI into Income	2024	2023
Net Investment Hedges						
Foreign exchange contracts ⁽¹⁾	\$ 45,741	\$ (24,052)		Interest Expense	\$ —	\$ —
Cash Flow Hedges						
Interest rate derivatives	832	—		Interest Expense ⁽²⁾	425	—
Total	\$ 46,573	\$ (24,052)			\$ 425	\$ —

- (1) During the three months ended March 31, 2024 and 2023, we paid net cash settlements of \$67.3 million and \$131.3 million on our foreign currency forward contracts, respectively. Those amounts are included as a component of accumulated other comprehensive income on our consolidated balance sheets.
- (2) During the three months ended March 31, 2024, we recorded total interest and related expenses of \$343.7 million which was reduced by \$425,000 related to income generated by our cash flow hedges.

Credit-Risk Related Contingent Features

We have entered into agreements with certain of our derivative counterparties that contain provisions where if we were to default on any of our indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, we may also be declared in default on our derivative obligations. In addition, certain of our agreements with our derivative counterparties require that we post collateral to secure net liability positions. As of March 31, 2024, we were in a net asset position with our counterparties. As of March 31, 2024, we had no collateral posted with our counterparties. As of December 31, 2023, we were in a net liability position with our counterparties. As of December 31, 2023, we had \$103.5 million of collateral posted with our counterparties.

14. EQUITY

Stock and Stock Equivalents

Authorized Capital

As of March 31, 2024, we had the authority to issue up to 500,000,000 shares of stock, consisting of 400,000,000 shares of class A common stock and 100,000,000 shares of preferred stock. Subject to applicable NYSE listing requirements, our board of directors is authorized to cause us to issue additional shares of authorized stock without stockholder approval. In addition, to the extent not issued, currently authorized stock may be reclassified between class A common stock and preferred stock. We did not have any shares of preferred stock issued and outstanding as of March 31, 2024 and December 31, 2023.

Class A Common Stock and Deferred Stock Units

Holders of shares of our class A common stock are entitled to vote on all matters submitted to a vote of stockholders and are entitled to receive dividends authorized by our board of directors and declared by us, in all cases subject to the rights of the holders of shares of outstanding preferred stock, if any.

We also issue restricted class A common stock under our stock-based incentive plans. Refer to Note 17 for additional discussion of these long-term incentive plans. In addition to our class A common stock, we also issue deferred stock units to certain members of our board of directors for services rendered. These deferred stock units are non-voting, but carry the right to receive dividends in the form of additional deferred stock units in an amount equivalent to the cash dividends paid to holders of shares of class A common stock. Vested deferred stock units will be settled for shares of class A common stock when the recipient ceases to be a director.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The following table details the movement in our outstanding shares of class A common stock, including restricted class A common stock and deferred stock units:

Common Stock Outstanding ⁽¹⁾	Three Months Ended March 31,	
	2024	2023
Beginning balance	173,569,397	172,106,593
Issuance of class A common stock ⁽²⁾	1,436	1,377
Issuance of restricted class A common stock, net ⁽³⁾⁽⁴⁾	370,936	481,724
Issuance of deferred stock units	10,709	10,903
Ending balance	173,952,478	172,600,597

- (1) Includes 370,173 and 316,479 deferred stock units held by members of our board of directors as of March 31, 2024 and 2023, respectively.
- (2) Represents shares issued under our dividend reinvestment program during the three months ended March 31, 2024 and 2023, respectively.
- (3) Includes 1,774 restricted shares issued to our board of directors during the three months ended March 31, 2023. No restricted shares were issued to our board of directors during the three months ended March 31, 2024.
- (4) Net of 92,167 shares of restricted class A common stock forfeited under our stock-based incentive plans during the three months ended March 31, 2024. There were no forfeitures during the three months ended March 31, 2023.

Dividend Reinvestment and Direct Stock Purchase Plan

We have adopted a dividend reinvestment and direct stock purchase plan under which we registered and reserved for issuance, in the aggregate, 10,000,000 shares of class A common stock. Under the dividend reinvestment component of this plan, our class A common stockholders can designate all or a portion of their cash dividends to be reinvested in additional shares of class A common stock. The direct stock purchase component allows stockholders and new investors, subject to our approval, to purchase shares of class A common stock directly from us. During the three months ended March 31, 2024 and 2023, we issued 1,436 shares and 1,377 shares, respectively, of class A common stock under the dividend reinvestment component of the plan. As of March 31, 2024, a total of 9,973,525 shares of class A common stock remained available for issuance under the dividend reinvestment and direct stock purchase plan.

At the Market Stock Offering Program

As of March 31, 2024, we are party to seven equity distribution agreements, or ATM Agreements, pursuant to which we may sell, from time to time, up to an aggregate sales price of \$ 699.1 million of our class A common stock. Sales of class A common stock made pursuant to our ATM Agreements may be made in negotiated transactions or transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act of 1933, as amended. Actual sales depend on a variety of factors including market conditions, the trading price of our class A common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the three months ended March 31, 2024 or March 31, 2023, we did not issue any shares of our class A common stock under ATM Agreements. As of March 31, 2024, sales of our class A common stock with an aggregate sales price of \$ 480.9 million remained available for issuance under our ATM Agreements.

Dividends

We generally intend to distribute substantially all of our taxable income, which does not necessarily equal net income as calculated in accordance with GAAP, to our stockholders each year to comply with the REIT provisions of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. Our dividend policy remains subject to revision at the discretion of our board of directors. All distributions will be made at the discretion of our board of directors and will depend upon our taxable income, our financial condition, our maintenance of REIT status, applicable law, and other factors as our board of directors deems relevant.

On March 15, 2024, we declared a dividend of \$ 0.62 per share, or \$ 107.7 million in aggregate, that was paid on April 15, 2024 to stockholders of record as of March 28, 2024.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The following table details our dividend activity (\$ in thousands, except per share data):

	Three Months Ended March 31,	
	2024	2023
Dividends declared per share of common stock	\$ 0.62	\$ 0.62
Class A common stock dividends declared	\$ 107,678	\$ 106,816
Deferred stock unit dividends declared	223	256
Total dividends declared	<u>\$ 107,901</u>	<u>\$ 107,072</u>

Earnings Per Share

We calculate our basic and diluted earnings per share using the two-class method for all periods presented as the unvested shares of our restricted class A common stock qualify as participating securities, as defined by GAAP. These restricted shares have the same rights as our other shares of class A common stock, including participating in any dividends, and therefore have been included in our basic and diluted net income per share calculation. The shares issuable under our Convertible Notes are included in dilutive earnings per share using the if-converted method.

The following table sets forth the calculation of basic and diluted net income per share of class A common stock based on the weighted-average of both restricted and unrestricted class A common stock outstanding (\$ in thousands, except per share data):

	Three Months Ended March 31,	
	2024	2023
<u>Basic Earnings</u>		
Net (loss) income ⁽¹⁾	\$ (123,838)	\$ 117,757
Weighted-average shares outstanding, basic	174,041,630	172,598,349
Per share amount, basic	<u>\$ (0.71)</u>	<u>\$ 0.68</u>
<u>Diluted Earnings</u>		
Net (loss) income ⁽¹⁾	\$ (123,838)	\$ 117,757
Add back: Interest expense on Convertible Notes, net ⁽²⁾⁽³⁾	—	3,556
Diluted earnings	<u>\$ (123,838)</u>	<u>\$ 121,313</u>
Weighted-average shares outstanding, basic	174,041,630	172,598,349
Effect of dilutive securities - Convertible Notes ⁽³⁾	—	8,271,060
Weighted-average common shares outstanding, diluted	<u>174,041,630</u>	<u>180,869,409</u>
Per share amount, diluted	<u>\$ (0.71)</u>	<u>\$ 0.67</u>

(1) Represents net (loss) income attributable to Blackstone Mortgage Trust.

(2) Represents the interest expense on our Convertible Notes, net of incentive fees.

(3) For the three months ended March 31, 2024, our Convertible Notes were not included in the calculation of diluted earnings per share, as the impact is antidilutive. For the three months ended March 31, 2023, represents 8.3 million of weighted average shares, using the if-converted method, related to our March 2022 Convertible Notes. Refer to Note 12 for further discussion of our convertible notes.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Other Balance Sheet Items

Accumulated Other Comprehensive Income

As of March 31, 2024, total accumulated other comprehensive income was \$ 9.9 million, primarily representing \$ 230.0 million of net realized and unrealized gains related to changes in the fair value of derivative instruments offset by \$ 220.1 million of cumulative unrealized currency translation adjustments on assets and liabilities denominated in foreign currencies. As of December 31, 2023, total accumulated other comprehensive income was \$ 9.5 million, primarily representing \$ 183.9 million of net realized and unrealized gains related to changes in the fair value of derivative instruments offset by \$ 174.4 million of cumulative unrealized currency translation adjustments on assets and liabilities denominated in foreign currencies.

Non-Controlling Interests

The non-controlling interests included on our consolidated balance sheets represent the equity interests in our Multifamily Joint Venture that are not owned by us. A portion of our Multifamily Joint Venture's consolidated equity and results of operations are allocated to these non-controlling interests based on their pro rata ownership of our Multifamily Joint Venture. As of March 31, 2024, our Multifamily Joint Venture's total equity was \$ 132.2 million, of which \$ 112.4 million was owned by us, and \$ 19.8 million was allocated to non-controlling interests. As of December 31, 2023, our Multifamily Joint Venture's total equity was \$ 132.0 million, of which \$ 112.2 million was owned by us, and \$ 19.8 million was allocated to non-controlling interests.

15. OTHER EXPENSES

Our other expenses consist of the management and incentive fees we pay to our Manager and our general and administrative expenses.

Management and Incentive Fees

Pursuant to a management agreement between our Manager and us, or our Management Agreement, our Manager earns a base management fee in an amount equal to 1.50 % per annum multiplied by our Equity, as defined in the Management Agreement. In addition, our Manager is entitled to an incentive fee in an amount equal to the product of (i) 20 % and (ii) the excess of (a) our Core Earnings (as defined in our Management Agreement) for the previous 12-month period over (b) an amount equal to 7.00 % per annum multiplied by our Equity, provided that our Core Earnings over the prior three-year period is greater than zero. Core Earnings, as defined in our Management Agreement, is generally equal to our GAAP net income (loss), including realized gains and losses not otherwise recognized in current period GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), (iv) net income (loss) attributable to our legacy portfolio, (v) certain non-cash items, and (vi) incentive management fees.

During the three months ended March 31, 2024 and 2023, we incurred \$ 18.9 million and \$ 18.6 million, respectively, of management fees payable to our manager. During the three months ended March 31, 2024, we did not incur incentive fees payable to our Manager. During the three months ended March 31, 2023, we incurred \$ 12.5 million of incentive fees payable to our Manager.

As of March 31, 2024 and December 31, 2023 we had accrued management and incentive fees payable to our Manager of \$ 18.9 million and \$ 26.3 million, respectively.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

General and Administrative Expenses

General and administrative expenses consisted of the following (\$ in thousands):

	Three Months Ended March 31,	
	2024	2023
Professional services	\$ 4,140	\$ 3,279
Operating and other costs	1,476	1,931
Subtotal ⁽¹⁾	5,616	5,210
<u>Non-cash compensation expenses</u>		
Restricted class A common stock earned	7,911	7,492
Director stock-based compensation	201	163
Subtotal	8,112	7,655
Total general and administrative expenses	\$ 13,728	\$ 12,865

(1) During the three months ended March 31, 2024 and 2023, we recognized an aggregate \$ 223,000 and \$ 308,000 , respectively, of expenses related to our Multifamily Joint Venture.

16. INCOME TAXES

We have elected to be taxed as a REIT under the Internal Revenue Code for U.S. federal income tax purposes. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state, and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of March 31, 2024 and December 31, 2023, we were in compliance with all REIT requirements.

Securitization transactions could result in the creation of taxable mortgage pools for federal income tax purposes. As a REIT, so long as we own 100% of the equity interests in a taxable mortgage pool, we generally would not be adversely affected by the characterization of the securitization as a taxable mortgage pool. Certain categories of stockholders, however, such as foreign stockholders eligible for treaty or other benefits, stockholders with net operating losses, and certain tax-exempt stockholders that are subject to unrelated business income tax, or UBTI, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the taxable mortgage pool. We have not made UBTI distributions to our common stockholders and do not intend to make such UBTI distributions in the future.

During the three months ended March 31, 2024 and 2023, we recorded a current income tax provision of \$ 1.0 million, and \$ 1.9 million, respectively, primarily related to activities of our U.S. and foreign taxable subsidiaries and various state and local taxes. We did not have any deferred tax assets or liabilities as of March 31, 2024 or December 31, 2023.

We have net operating losses, or NOLs, generated by our predecessor business that may be carried forward and utilized in current or future periods. As a result of our issuance of 25,875,000 shares of class A common stock in May 2013, the availability of our NOLs is generally limited to \$ 2.0 million per annum by change of control provisions promulgated by the Internal Revenue Service with respect to the ownership of Blackstone Mortgage Trust. As of March 31, 2024, we had estimated NOLs of \$ 159.0 million that will expire in 2029, unless they are utilized by us prior to expiration. Previously, we recorded a full valuation allowance against such NOLs as we expected that they would expire unutilized. However, although uncertain, we may utilize a portion of NOLs prior to expiration. We do not expect the utilization of NOLs to have a material impact on our consolidated financial statements. We have recorded a full valuation allowance against such NOLs as it is probable that they will expire unutilized.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

As of March 31, 2024, tax years 2020 through 2023 remain subject to examination by taxing authorities.

17. STOCK-BASED INCENTIVE PLANS

We are externally managed by our Manager and do not currently have any employees. However, as of March 31, 2024, our Manager, certain individuals employed by an affiliate of our Manager, and certain members of our board of directors were compensated, in part, through our issuance of stock-based instruments.

Under our two current stock incentive plans, a maximum of 10,400,000 shares of our class A common stock may be issued to our Manager, our directors and officers, and certain employees of affiliates of our Manager. As of March 31, 2024, there were 7,373,003 shares available under our current stock incentive plans. Prior to the adoption and shareholder approval of our new stock incentive plans in June 2022, we had stock-based incentive awards outstanding under nine stock incentive plans. In connection with the adoption of our new stock incentive plans, we consolidated all outstanding deferred stock units, or DSUs, under the new plans and retired the seven remaining historical plans. As such, no new awards may be issued under these expired plans, although our 2018 plans will continue to govern outstanding awards, other than DSUs, previously issued thereunder until such awards become vested or expire.

The following table details the movement in our outstanding shares of restricted class A common stock and the weighted-average grant date fair value per share:

	Restricted Class A Common Stock	Weighted-Average Grant Date Fair Value Per Share
Balance as of December 31, 2023	2,180,181	\$ 24.41
Granted	463,103	21.41
Vested	(205,121)	27.21
Forfeited	(92,167)	24.40
Balance as of March 31, 2024	2,345,996	\$ 23.57

These shares generally vest in installments over a period of three years, pursuant to the terms of the respective award agreements and the terms of our current benefit plans. The 2,345,996 shares of restricted class A common stock outstanding as of March 31, 2024 will vest as follows: 1,055,359 shares will vest in 2024; 848,837 shares will vest in 2025; and 441,800 shares will vest in 2026. As of March 31, 2024, total unrecognized compensation cost relating to unvested share-based compensation arrangements was \$50.8 million based on the grant date fair value of shares granted. This cost is expected to be recognized over a weighted-average period of 1.1 years from March 31, 2024.

18. FAIR VALUES

Assets and Liabilities Measured at Fair Value

The following table summarizes our assets and liabilities measured at fair value on a recurring basis (\$ in thousands):

	March 31, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<u>Assets</u>								
Derivatives	\$ —	\$ 25,922	\$ —	\$ 25,922	\$ —	\$ 1,890	\$ —	\$ 1,890
<u>Liabilities</u>								
Derivatives	\$ —	\$ 990	\$ —	\$ 990	\$ —	\$ 94,817	\$ —	\$ 94,817

Refer to Note 2 for further discussion regarding fair value measurement.

Fair Value of Financial Instruments

As discussed in Note 2, GAAP requires disclosure of fair value information about financial instruments, whether or not recognized at fair value in the statement of financial position, for which it is practicable to estimate that value.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

The following table details the book value, face amount, and fair value of the financial instruments described in Note 2 (\$ in thousands):

	March 31, 2024			December 31, 2023		
	Book Value	Face Amount	Fair Value	Book Value	Face Amount	Fair Value
Financial assets						
Cash and cash equivalents	\$ 413,986	\$ 413,986	\$ 413,986	\$ 350,014	\$ 350,014	\$ 350,014
Loans receivable, net	22,437,942	23,317,882	22,275,189	23,210,076	23,923,719	23,015,737
Financial liabilities						
Secured debt, net	12,387,289	12,403,449	12,162,645	12,683,095	12,697,058	12,425,609
Securitized debt obligations, net	2,328,073	2,329,456	2,161,784	2,505,417	2,507,514	2,323,441
Asset-specific debt, net	1,061,380	1,064,484	1,051,739	1,000,210	1,004,097	992,357
Loan participations sold, net	334,909	335,280	331,626	337,179	337,721	333,745
Secured term loans, net	2,098,415	2,129,723	2,102,411	2,101,632	2,135,221	2,102,950
Senior secured notes, net	337,083	339,918	302,283	362,763	366,090	327,081
Convertible notes, net	296,166	300,000	273,521	295,847	300,000	272,076

Estimates of fair value for cash and cash equivalents and convertible notes are measured using observable, quoted market prices, or Level 1 inputs. Estimates of fair value for securitized debt obligations, the Term Loans, and the Senior Secured notes are measured using observable, quoted market prices, in inactive markets, or Level 2 inputs. All other fair value significant estimates are measured using unobservable inputs, or Level 3 inputs. See Note 2 for further discussion regarding fair value measurement of certain of our assets and liabilities.

19. VARIABLE INTEREST ENTITIES

We have financed a portion of our loans through the CLOs, all of which are VIEs. We are the primary beneficiary of, and therefore consolidate, the CLOs on our balance sheet as we (i) control the relevant interests of the CLOs that give us power to direct the activities that most significantly affect the CLOs, and (ii) have the right to receive benefits and obligation to absorb losses of the CLOs through the subordinate interests we own.

The following table details the assets and liabilities of our consolidated VIEs (\$ in thousands):

	March 31, 2024	December 31, 2023
Assets		
Loans receivable	\$ 2,973,831	\$ 3,061,278
Current expected credit loss reserve	(168,521)	(183,508)
Loans receivable, net	2,805,310	2,877,770
Other assets	13,462	103,692
Total assets	\$ 2,818,772	\$ 2,981,462
Liabilities		
Securitized debt obligations, net	\$ 2,328,073	\$ 2,505,417
Other liabilities	7,518	8,101
Total liabilities	\$ 2,335,591	\$ 2,513,518

Assets held by these VIEs are restricted and can be used only to settle obligations of the VIEs, including the subordinate interests owned by us. The liabilities of these VIEs are non-recourse to us and can only be satisfied from the assets of the VIEs. The consolidation of these VIEs results in an increase in our gross assets, liabilities, interest income and interest expense, however it does not affect our stockholders' equity or net income. We are not obligated to provide, have not provided, and do not intend to provide material financial support to these consolidated VIEs.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

20. TRANSACTIONS WITH RELATED PARTIES

We are managed by our Manager pursuant to the Management Agreement, the current term of which expires on December 19, 2024, and will be automatically renewed for a one-year term upon such date and each anniversary thereafter unless earlier terminated.

As of March 31, 2024, our consolidated balance sheet included \$ 18.9 million of accrued management fees payable to our Manager and no accrued incentive fees. As of December 31, 2023, our consolidated balance sheet included \$ 26.3 million of accrued management and incentive fees payable to our Manager. During the three months ended March 31, 2024, we paid aggregate management and incentive fees of \$ 26.3 million, compared to \$ 33.8 million during the same period of 2023. In addition, during the three months ended March 31, 2024, we incurred expenses of \$ 221,000 that were paid by our Manager and will be reimbursed by us, compared to \$ 382,000 of such expenses during the same period of 2023.

As of March 31, 2024, our Manager held 1,207,623 shares of unvested restricted class A common stock, which had an aggregate grant date fair value of \$ 29.3 million, and vest in installments over three years from the date of issuance. During the three months ended March 31, 2024 and 2023, we recorded non-cash expenses related to shares held by our Manager of \$ 4.3 million and \$ 3.9 million, respectively. Refer to Note 17 for further details on our restricted class A common stock.

As of March 31, 2024, our Manager, its affiliates, Blackstone employees, and our directors held an aggregate 12,848,779 shares, or 7.4 %, of our class A common stock, of which 7,582,044 shares, or 4.4 %, were held by subsidiaries of Blackstone, including our Manager. Additionally, our directors held 370,173 of deferred stock units as of March 31, 2024.

CT Investment Management Co., LLC, or CTIMCO, an affiliate of our Manager, is the special servicer of the CLOs. CTIMCO did not earn any special servicing fees related to the CLOs during the three months ended March 31, 2024 and 2023.

We have engaged EQ Management, LLC, a portfolio company owned by a Blackstone-advised investment vehicle, to provide management services and operational services, as well as a limited scope of corporate support services, to our REO asset. During the three months ended March 31, 2024, we did not incur any expenses for these services.

In the first quarter of 2024, in order to provide insurance for our REO asset, we became a member of Gryphon Mutual Property Americas IC, or Gryphon, a captive insurance company owned by us and other Blackstone-advised investment vehicles. A Blackstone affiliate provides oversight and advisory services to Gryphon and receives fees based on a percentage of premiums paid for such policies. The fees and expenses of Gryphon, including insurance premiums and fees paid to its manager, are paid annually and borne by us and the other Blackstone-advised investment vehicles that are members of Gryphon pro rata based on insurance premiums paid for each party's respective properties.

During the three months ended March 31, 2024, we paid \$ 109,000 to Gryphon for insurance costs, inclusive of premiums, capital surplus contributions, taxes, and our pro rata share of other expenses. This amount covers the period starting on the date we became a member of Gryphon and ending in July, when the annual payment for the upcoming policy period will be due for us and the other Blackstone-advised investment vehicles that are members of Gryphon. Of this amount, \$ 2,000 was attributable to the fee paid to a Blackstone affiliate to provide oversight and management services to Gryphon.

We have engaged Revantage Corporate Services, LLC and Revantage Global Services Europe S.à r.l., portfolio companies owned by Blackstone-advised investment vehicles, to provide, as applicable, corporate support services, operational services, and management services. These services are provided on an allocated cost basis. During the three months ended March 31, 2024 and 2023, we incurred \$ 251,000 and \$ 214,000 , respectively, of expenses to this service provider.

Additionally, we have engaged an affiliate of our Manager to provide internal audit services. During both the three months ended March 31, 2024 and 2023, we incurred \$ 24,000 of expenses to this service provider.

Affiliates of our Manager own an interest in the controlling entity of BTIG, LLC, or BTIG. We utilized BTIG as a broker to engage third-parties to facilitate our repurchase of our Senior Secured Notes. During the three months ended March 31, 2024, we repurchased \$ 26.2 million of our Senior Secured Notes utilizing BTIG as a broker. BTIG received aggregate fees of \$ 40,000 in such capacity. The fees were on terms equivalent to those of other brokers under similar arrangements. BTIG did not act as a broker to engage third parties to repurchase our Senior Secured Notes during the three months ended March 31, 2023.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

In the first quarter of 2024, a Blackstone-advised investment vehicle originated a loan to one of our unaffiliated third-party borrowers, the proceeds of which repaid a \$ 98.6 million performing senior loan owned by us. The transaction was initiated by the third-party borrower with the loan terms and pricing on market terms.

In the first quarter of 2019, we originated £ 240.1 million of a total £ 490.0 million senior loan to a borrower that is wholly owned by a Blackstone-advised investment vehicle. The loan terms were negotiated by our third-party co-lender, and we forgo all non-economic rights under the loan, including voting rights, so long as a Blackstone-advised investment vehicle controls the borrower. In the second quarter of 2023, the loan was modified to include, among other changes, an extension of the loan's maturity date, an additional borrower equity contribution and partial repayment, and an increase in the loan's contractual interest rate (a portion of which is paid-in-kind). The terms of the modification were negotiated by our third-party co-lender, and we agreed to the modification on such terms.

21. COMMITMENTS AND CONTINGENCIES

Unfunded Commitments Under Loans Receivable

As of March 31, 2024, we had aggregate unfunded commitments of \$ 2.1 billion across 90 loans receivable, and \$ 1.0 billion of committed or identified financings for those commitments, resulting in net unfunded commitments of \$ 1.0 billion. The unfunded loan commitments comprise funding for capital expenditures and construction, leasing costs, and interest and carry costs. Loan funding commitments are generally subject to certain conditions, including, without limitation, the progress of capital projects, leasing, and cash flows at the properties securing our loans. Therefore, the exact timing and amounts of such future loan fundings are uncertain and will depend on the current and future performance of the underlying collateral assets. We expect to fund our loan commitments over the remaining term of the related loans, which have a weighted-average future funding period of 2.2 years.

Principal Debt Repayments

Our contractual principal debt repayments as of March 31, 2024 were as follows (\$ in thousands):

Year	Secured Debt ⁽¹⁾	Asset-Specific Debt ⁽¹⁾	Term Loans ⁽²⁾	Senior Secured Notes	Convertible Notes ⁽³⁾	Total ⁽⁴⁾
2024 (remaining)	\$ 2,232,905	\$ —	\$ 16,497	\$ —	\$ —	\$ 2,249,402
2025	1,661,438	848,368	21,997	—	—	2,531,803
2026	4,042,308	—	1,302,575	—	—	5,344,883
2027	3,251,934	—	8,258	339,918	300,000	3,900,110
2028	524,681	—	8,258	—	—	532,939
Thereafter	690,183	216,116	772,138	—	—	1,678,437
Total obligation	<u>\$ 12,403,449</u>	<u>\$ 1,064,484</u>	<u>\$ 2,129,723</u>	<u>\$ 339,918</u>	<u>\$ 300,000</u>	<u>\$ 16,237,574</u>

- (1) Our secured debt and asset-specific debt agreements are generally term-matched to their underlying collateral. Therefore, the allocation of payments under such agreements is generally allocated based on the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower. In limited instances, the maturity date of the respective debt agreement is used.
- (2) The Term Loans are partially amortizing, with an amount equal to 1.0 % per annum of the initial principal balance due in quarterly installments. Refer to Note 10 for further details on our Term Loans.
- (3) Reflects the outstanding principal balance of Convertible Notes, excluding any potential conversion premium. Refer to Note 12 for further details on our Convertible Notes.
- (4) Total does not include \$ 2.3 billion of consolidated securitized debt obligations, \$ 742.6 million of non-consolidated senior interests, and \$ 335.3 million of loan participations sold, as the satisfaction of these liabilities will not require cash outlays from us.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued) (Unaudited)

Board of Directors' Compensation

As of March 31, 2024, of the nine members of our board of directors, our seven non-employee directors are entitled to annual compensation of \$ 210,000 each, of which \$ 95,000 is paid in cash and \$ 115,000 is paid in the form of deferred stock units or, at their election, shares of restricted common stock. As of March 31, 2024, the other two board members, the chair of the board and our chief executive officer, are not compensated by us for their service as directors. In addition, (i) the chairs of our audit, compensation, and corporate governance committees receive additional annual cash compensation of \$ 20,000 , \$ 15,000 , and \$ 10,000 , respectively and (ii) the members of our audit and investment risk management committees receive additional annual cash compensation of \$ 10,000 and \$ 7,500 , respectively.

Litigation

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of March 31, 2024, we were not involved in any material legal proceedings.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References herein to "Blackstone Mortgage Trust," "Company," "we," "us," or "our" refer to Blackstone Mortgage Trust, Inc. and its subsidiaries unless the context specifically requires otherwise.

The following discussion should be read in conjunction with the unaudited consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q. In addition to historical data, this discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which reflect our current views with respect to, among other things, our business, operations and financial performance. You can identify these forward-looking statements by the use of words such as "intend," "goal," "estimate," "expect," "project," "projections," "plans," "seeks," "anticipates," "should," "could," "may," "designed to," "foreseeable future," "believe," "scheduled," and similar expressions. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Our actual results or outcomes may differ materially from those in this discussion and analysis as a result of various factors, including but not limited to those discussed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023 and elsewhere in this Quarterly Report on Form 10-Q.

Introduction

Blackstone Mortgage Trust is a real estate finance company that originates senior loans collateralized by commercial real estate in North America, Europe, and Australia. Our portfolio is composed primarily of loans secured by high-quality, institutional assets in major markets, sponsored by experienced, well-capitalized real estate investment owners and operators. These senior loans are capitalized by accessing a variety of financing options, including borrowing under our credit facilities, issuing CLOs or single-asset securitizations, and corporate financing, depending on our view of the most prudent financing option available for each of our investments. We are not in the business of buying or trading securities, and the only securities we own are the retained interests from our securitization financing transactions, which we have not financed. We are externally managed by BXMT Advisors L.L.C., or our Manager, a subsidiary of Blackstone Inc., or Blackstone, and are a real estate investment trust, or REIT, traded on the New York Stock Exchange, or NYSE, under the symbol "BXMT."

We benefit from the deep knowledge, experience and information advantages of our Manager, which is a part of Blackstone's real estate platform. Blackstone has built the world's preeminent global real estate business, with a proven track record of successfully navigating market cycles and emerging stronger through periods of volatility. The market-leading real estate expertise derived from the strength of the Blackstone platform deeply informs our credit and underwriting process, and we believe gives us the tools to expertly manage the assets in our portfolio and work with our borrowers throughout periods of economic stress and uncertainty.

We conduct our operations as a REIT for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain an exclusion from registration under the Investment Company Act of 1940, as amended. We are organized as a holding company and conduct our business primarily through our various subsidiaries.

Recent Developments

Macroeconomic Environment

The three months ended March 31, 2024 have shown a mix of positive and challenging developments leading to continued volatility in global markets. Investor concerns over inflation, interest rates, slowing economic growth, political and regulatory uncertainty and geopolitical conditions have persisted. If inflation and other economic indicators do not meet central banks' relevant expectations, interest rates could remain higher for longer than expected by market participants and observers, which could create further uncertainty for the economy and our borrowers.

I. Key Financial Measures and Indicators

As a real estate finance company, we believe the key financial measures and indicators for our business are earnings per share, dividends declared, Distributable Earnings, and book value per share. For the three months ended March 31, 2024, we recorded a basic net loss per share of \$0.71, declared a dividend of \$0.62 per share, and reported \$0.33 per share of

Distributable Earnings. In addition, our book value as of March 31, 2024 was \$23.83 per share, which is net of cumulative CECL reserves of \$4.40 per share.

As further described below, Distributable Earnings is a measure that is not prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. Distributable Earnings 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 loan portfolio and operations. In addition, Distributable Earnings is a performance metric we consider when declaring our dividends.

Earnings Per Share and Dividends Declared

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

	Three Months Ended	
	March 31, 2024	December 31, 2023
Net loss ⁽¹⁾	\$ (123,838)	\$ (2,376)
Weighted-average shares outstanding, basic	174,041,630	172,824,083
Per share amount, basic	\$ (0.71)	\$ (0.01)
Dividends declared per share	\$ 0.62	\$ 0.62

- (1) Represents net loss attributable to Blackstone Mortgage Trust. Refer to Note 14 to our consolidated financial statements for the calculation of diluted net income per share.

Distributable Earnings

Distributable Earnings is a non-GAAP measure, which we define as GAAP net income (loss), including realized gains and losses not otherwise recognized in current period GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), and (iv) certain non-cash items. Distributable Earnings may also be adjusted from time to time to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by our Manager, subject to approval by a majority of our independent directors. Distributable Earnings mirrors the terms of our management agreement between our Manager and us, or our Management Agreement, for purposes of calculating our incentive fee expense.

Our CECL reserves have been excluded from Distributable Earnings consistent with other unrealized gains (losses) pursuant to our existing policy for reporting Distributable Earnings. We expect to only recognize such potential credit losses in Distributable Earnings if and when such amounts are realized and deemed non-recoverable upon a realization event. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but realization and non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected. The timing of any such credit loss realization in our Distributable Earnings may differ materially from the timing of CECL reserves or charge-offs in our consolidated financial statements prepared in accordance with GAAP. The realized loss amount reflected in Distributable Earnings will equal the difference between the cash received, or expected to be received, and the book value of the asset, and is reflective of our economic experience as it relates to the ultimate realization of the loan.

We believe that Distributable Earnings provides meaningful information to consider in addition to our net income (loss) and cash flow from operating activities determined in accordance with GAAP. We believe Distributable Earnings is a useful financial metric for existing and potential future holders of our class A common stock as historically, over time, Distributable Earnings has been a strong indicator of our dividends per share. As a REIT, we generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments, and therefore we believe our dividends are one of the principal reasons stockholders may invest in our class A common stock. Refer to Note 16 to our consolidated financial statements for further discussion of our distribution requirements as a REIT. Further, Distributable Earnings 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 loan portfolio and operations, and is a performance metric we consider when declaring our dividends.

Furthermore, we believe it is useful to present Distributable Earnings prior to charge-offs of CECL reserves to reflect our direct operating results and help existing and potential future holders of our class A common stock assess the performance

of our business excluding such charge-offs. We utilize Distributable Earnings prior to charge-offs of CECL reserves as an additional performance metric to consider when declaring our dividends. Distributable Earnings mirrors the terms of our Management Agreement for purposes of calculating our incentive fee expense. Therefore, Distributable Earnings prior to charge-offs of CECL reserves is calculated net of the incentive fee expense that would have been recognized if such charge-offs had not occurred.

Distributable Earnings and Distributable Earnings prior to charge-offs of CECL reserves do not represent net income (loss) or cash generated from operating activities and should not be considered as alternatives to GAAP net income (loss), or indicators of our GAAP cash flows from operations, measures of our liquidity, or indicators of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings and Distributable Earnings prior to charge-offs of CECL reserves may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Distributable Earnings and Distributable Earnings prior to charge-offs of CECL reserves may not be comparable to similar metrics reported by other companies.

The following table provides a reconciliation of Distributable Earnings and Distributable Earnings prior to charge-offs of CECL reserves to GAAP net loss (\$ in thousands, except per share data):

	Three Months Ended	
	March 31, 2024	December 31, 2023
Net loss ⁽¹⁾	\$ (123,838)	\$ (2,376)
Charge-offs of CECL reserves ⁽²⁾	(61,013)	—
Increase in CECL reserves	234,868	115,261
Non-cash compensation expense	8,112	7,729
Realized hedging and foreign currency gain (loss), net ⁽³⁾	111	(1,557)
Adjustments attributable to non-controlling interests, net	(35)	(83)
Other items	(7)	8
Distributable Earnings	\$ 58,198	\$ 118,982
Charge-offs of CECL reserves ⁽²⁾	61,013	—
Incentive fee related to charge-offs of CECL reserves ⁽⁴⁾	(6,272)	—
Distributable Earnings prior to charge-offs of CECL reserves	\$ 112,939	\$ 118,982
Weighted-average shares outstanding, basic ⁽⁵⁾	174,041,630	172,824,083
Distributable Earnings per share, basic	\$ 0.33	\$ 0.69
Distributable Earnings per share, basic, prior to charge-offs of CECL reserves	\$ 0.65	\$ 0.69

(1) Represents net loss attributable to Blackstone Mortgage Trust.

(2) Represents realized losses related to loan principal amounts deemed non-recoverable during the three months ended March 31, 2024.

(3) Represents realized gains (losses) on the repatriation of unhedged foreign currency. These amounts were not included in GAAP net loss, but rather as a component of other comprehensive income in our consolidated financial statements.

(4) Reflects the \$6.3 million incentive fee expense that would have been incurred if such charge-offs had not occurred.

(5) The weighted-average shares outstanding, basic, exclude shares issuable from a potential conversion of our Convertible Notes then outstanding. Consistent with the treatment of other unrealized adjustments to Distributable Earnings, these potentially issuable shares are excluded until a conversion occurs. Refer to Note 14 to our consolidated financial statements for the calculation of diluted net income per share.

Book Value Per Share

The following table calculates our book value per share (\$ in thousands, except per share data):

	March 31, 2024	December 31, 2023
Stockholders' equity	\$ 4,144,753	\$ 4,367,711
Shares		
Class A common stock	173,582,305	173,209,933
Deferred stock units	370,173	359,464
Total outstanding	173,952,478	173,569,397
Book value per share ⁽¹⁾	\$ 23.83	\$ 25.16

- (1) The book value per share excludes shares issuable from a potential conversion of our Convertible Notes then outstanding. Refer to Note 14 to our consolidated financial statements for the calculation of diluted net income per share.

II. Loan Portfolio

Loan fundings during the quarter totaled \$353.2 million and loan repayments and sales totaled \$1.0 billion. We generated interest income of \$486.1 million and incurred interest expense of \$343.7 million during the quarter, which resulted in \$142.4 million of net interest income during the three months ended March 31, 2024.

Portfolio Overview

The following table details our loan origination activity (\$ in thousands):

	Three Months Ended	
	March 31, 2024	December 31, 2023
Loan originations ⁽¹⁾	\$ —	\$ 46,000
Loan fundings ⁽²⁾	\$ 353,154	\$ 316,633
Loan repayments and sales ⁽³⁾	(1,037,052)	(643,822)
Total net repayments	\$ (683,898)	\$ (327,189)

- (1) Includes new loan originations and additional commitments made under existing loans.
- (2) Loan fundings during the three months ended March 31, 2024 and December 31, 2023, include \$49.1 million and \$36.1 million, respectively, of additional fundings under related non-consolidated senior interests.
- (3) Loan repayments and sales during the three months ended March 31, 2024 and December 31, 2023 include \$454.8 million and \$795.8 million, respectively, of additional repayments or reduction of loan exposure under related non-consolidated senior interests. Additionally, loan repayments and sales during the three months ended December 31, 2023 include \$50.0 million of sales of junior loan interests. There were no sales of junior loan interests during the three months ended March 31, 2024.

The following table details overall statistics for our loan portfolio as of March 31, 2024 (\$ in thousands):

	Balance Sheet Portfolio	Loan Exposure ⁽¹⁾
Number of loans	173	173
Principal balance	\$ 23,317,882	\$ 23,959,967
Net book value	\$ 22,437,942	\$ 22,437,942
Unfunded loan commitments ⁽²⁾	\$ 2,089,678	\$ 2,089,678
Weighted-average cash coupon ⁽³⁾	+ 3.36 %	+ 3.33 %
Weighted-average all-in yield ⁽³⁾	+ 3.68 %	+ 3.66 %
Weighted-average maximum maturity (years) ⁽⁴⁾	2.2	2.3
Origination loan to value (LTV) ⁽⁵⁾	63.3 %	63.4 %

- (1) Total loan exposure reflects our aggregate exposure to each loan investment. As of March 31, 2024, total loan exposure, includes (i) loans with an outstanding principal balance of \$23.3 billion that are included in our consolidated financial statements, (ii) \$742.6 million of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$100.5 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. We have retained an aggregate \$185.3 million of subordinate mezzanine loans, as of March 31, 2024, related to non-consolidated senior interests that are included in our balance sheet portfolio.
- (2) Unfunded commitments will primarily be funded to finance our borrowers' construction or development of real estate-related assets, capital improvements of existing assets, or lease-related expenditures. These commitments will generally be funded over the term of each loan, subject in certain cases to an expiration date. Excludes \$332.0 million of unfunded loan commitments related to our non-consolidated senior interests, as these commitments will not require cash outlays from us.
- (3) The weighted-average cash coupon and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, and other indices as applicable to each investment. As of March 31, 2024, substantially all of our loans by total loan exposure earned a floating rate of interest, primarily indexed to SOFR. Floating rate exposure includes an interest rate swap we entered into with a notional amount of \$229.9 million that effectively converts certain of our fixed rate loan exposure to floating rate exposure. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. Excludes loans accounted for under the cost-recovery method.
- (4) Maximum maturity assumes all extension options are exercised by the borrower, however our loans and other investments may be repaid prior to such date. As of March 31, 2024, 13% of our loans by total loan exposure were subject to yield maintenance or other prepayment restrictions and 87% were open to repayment by the borrower without penalty.
- (5) Based on LTV as of the dates loans were originated or acquired by us, excluding any loans that are impaired and any junior participations sold.

The following table details the index rate floors for our loan portfolio based on total loan exposure as of March 31, 2024 (\$ in thousands):

Index Rate Floors	Total Loan Exposure ⁽¹⁾		
	USD	Non-USD ⁽²⁾	Total
Fixed Rate	\$ 3,056	\$ —	\$ 3,056
0.00% or no floor ⁽³⁾⁽⁴⁾	4,882,522	6,526,128	11,408,650
0.01% to 1.00% floor	5,603,072	796,480	6,399,552
1.01% to 2.00% floor	2,506,945	297,798	2,804,743
2.01% to 3.00% floor	2,021,299	302,252	2,323,551
3.01% or more floor	811,712	208,703	1,020,415
Total ⁽⁵⁾	\$ 15,828,606	\$ 8,131,361	\$ 23,959,967

- (1) Total loan exposure reflects our aggregate exposure to each loan investment. As of March 31, 2024, total loan exposure, includes (i) loans with an outstanding principal balance of \$23.3 billion that are included in our consolidated financial statements, (ii) \$742.6 million of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$100.5 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. See Note 2 to our consolidated financial statements for further discussion of loan participations sold.
- (2) Includes Euro, British Pound Sterling, Swedish Krona, Australian Dollar, Swiss Franc, and Danish Krone currencies.
- (3) Includes an interest rate swap we entered into with a notional amount of \$229.9 million that effectively converts certain of our fixed rate loan exposure to floating rate exposure.
- (4) Includes all floating rate impaired loans.
- (5) As of March 31, 2024, the weighted-average index rate floor of our total loan exposure was 0.76%. Excluding 0.0% index rate floors and loans with no floor, the weighted-average index rate floor was 1.30%. As of December 31, 2023, the weighted-average index rate floor of our total loan exposure was 0.56%. Excluding 0.0% index rate floors and loans with no floor, the weighted-average index rate floor was 1.02%.

The following table details the floating benchmark rates for our loan portfolio based on total loan exposure as of March 31, 2024 (total loan exposure amounts in thousands):

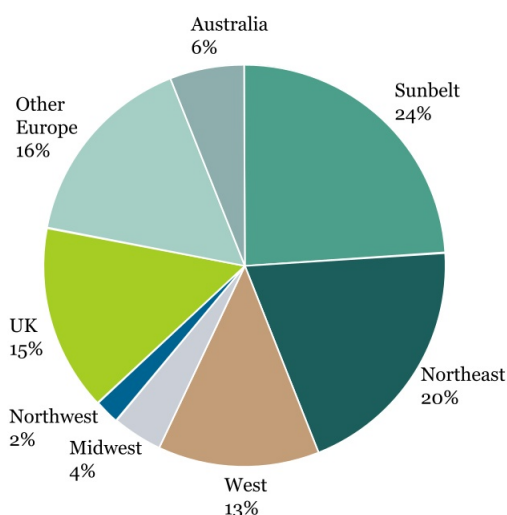
Loan Count	Currency	Total Loan Exposure ⁽¹⁾	Floating Rate Index ⁽²⁾	Cash Coupon ⁽³⁾	All-in Yield ⁽³⁾
137	\$	\$ 15,828,606	SOFR ⁽⁴⁾	+ 3.10%	+ 3.39%
18	£	£ 2,693,749	SONIA	+ 3.85%	+ 4.32%
11	€	€ 2,528,789	EURIBOR	+ 3.17%	+ 3.60%
7	Various	\$ 2,002,479	Other ⁽⁵⁾	+ 4.15%	+ 4.44%
173		\$ 23,959,967		+ 3.33%	+ 3.66%

- (1) Total loan exposure reflects our aggregate exposure to each loan investment. As of March 31, 2024, total loan exposure, includes (i) loans with an outstanding principal balance of \$23.3 billion that are included in our consolidated financial statements, (ii) \$742.6 million of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$100.5 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. See Note 2 to our consolidated financial statements for further discussion of loan participations sold.
- (2) We use foreign currency forward contracts to protect the value or fix the amount of certain investments or cash flows in terms of the U.S. dollar. We earn forward points on our forward contracts that reflect the interest rate differentials between the applicable base rate for our foreign currency investments and prevailing U.S. interest rates. These forward contracts effectively convert the foreign currency rate exposure for such investments to USD-equivalent interest rates.
- (3) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. Excludes loans accounted for under the cost-recovery method.
- (4) Includes an interest rate swap we entered into with a notional amount of \$229.9 million that effectively converts certain of our fixed rate loan exposure to floating rate exposure.
- (5) Includes floating rate loans indexed to STIBOR, BBSY, SARON, and CIBOR indices.

The charts below detail the geographic distribution and types of properties securing our loan portfolio, as of March 31, 2024:

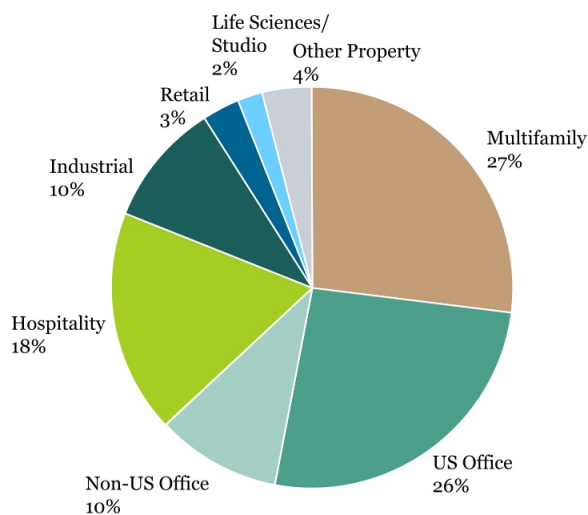
Geographic Diversification

(Net Loan Exposure)⁽¹⁾



Collateral Diversification

(Net Loan Exposure)⁽¹⁾⁽²⁾



- (1) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of March 31, 2024, which is our total loan exposure net of (i) \$742.6 million of non-consolidated senior interests, (ii) \$1.1 billion of asset-specific debt, (iii) \$234.8 million of senior loan participations sold, (iv) \$57.9 million of cost-recovery proceeds, and (v) our total loans receivable CECL reserve of \$751.4 million. Our non-consolidated senior interests, asset-specific debt, and loan participations sold are structurally non-recourse and term-matched to the corresponding collateral loans.
- (2) Assets with multiple components are proportioned into the relevant collateral types based on the allocated value of each collateral type.

Refer to section VI of this Item 2 for details of our loan portfolio, on a loan-by-loan basis.

Portfolio Management

As of March 31, 2024, 99.0% of borrowers, based on net loan exposure, were compliant with the contractual terms of each respective loan. We believe this demonstrates the overall strength of our loan portfolio and the commitment and financial wherewithal of our borrowers generally, which are primarily affiliated with large real estate private equity funds and other strong, well-capitalized, and experienced sponsors. As of March 31, 2024, one of our impaired loans with an amortized cost basis of \$138.8 million was past its current maturity date. This loan was also more than 90 days past due on its interest payment and had a risk rating of "5." Additionally, as of March 31, 2024, one other impaired loan with an amortized cost basis of \$223.4 million was less than 30 days past due on its interest payment and had a risk rating of "5."

We maintain a robust asset management relationship with our borrowers and utilize these relationships to maximize the performance of our portfolio, including during periods of volatility. We believe that we benefit from these relationships and from our long-standing core business model of originating senior loans collateralized by large assets in major markets with experienced, well-capitalized institutional sponsors. Our loan portfolio's low weighted-average origination LTV is 63.4%,

excluding any loans that are impaired and any junior participations sold, as of March 31, 2024. While we believe the principal amounts of our loans are generally adequately protected by underlying collateral value, there is a risk that we will not realize the entire principal value of certain investments. As of March 31, 2024, we had an aggregate \$602.6 million asset-specific CECL reserve related to 17 of our loans receivable, with an aggregate amortized cost basis of \$2.4 billion, net of cost-recovery proceeds. This CECL reserve was recorded based on our estimation of the fair value of each of the loan's underlying collateral as of March 31, 2024.

Our portfolio monitoring and asset management operations benefit from the deep knowledge, experience, and information advantages derived from our position as part of Blackstone's real estate platform. Blackstone has built the world's preeminent global real estate business, with a proven track record of successfully navigating market cycles and emerging stronger through periods of volatility. The market-leading real estate expertise derived from the strength of the Blackstone platform deeply informs our credit and underwriting process, and gives us the tools to expertly asset manage our portfolio and work with our borrowers throughout periods of economic stress and uncertainty.

As discussed in Note 2 to our consolidated financial statements, we perform a quarterly review of our loan portfolio, assesses the performance of each loan, and assigns it a risk rating between "1" and "5", from less risk to greater risk. Our loan portfolio had a weighted-average risk rating of 3.0 as of both March 31, 2024 and December 31, 2023, respectively.

The following table allocates the net book value, total loan exposure, and net loan exposure balances based on our internal risk ratings (\$ in thousands):

Risk Rating	March 31, 2024			
	Number of Loans	Net Book Value	Total Loan Exposure ⁽¹⁾	Net Loan Exposure ⁽²⁾
1	18	\$ 791,251	\$ 839,963	\$ 791,925
2	34	5,889,271	5,904,694	4,816,066
3	88	11,425,297	11,750,476	11,075,625
4	16	2,692,813	3,013,626	2,634,523
5	17	2,390,680	2,451,208	1,790,729
Loans receivable	173	\$ 23,189,312	\$ 23,959,967	\$ 21,108,868
CECL reserve		(751,370)		
Loans receivable, net		\$ 22,437,942		

(1) Total loan exposure reflects our aggregate exposure to each loan investment. As of March 31, 2024, total loan exposure, includes (i) loans with an outstanding principal balance of \$23.3 billion that are included in our consolidated financial statements, (ii) \$742.6 million of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$100.5 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements. See Note 2 to our consolidated financial statements for further discussion of loan participations sold.

(2) Net loan exposure reflects the amount of each loan that is subject to risk of credit loss to us as of March 31, 2024, which is our total loan exposure net of (i) \$742.6 million of non-consolidated senior interests, (ii) \$1.1 billion of asset-specific debt, (iii) \$234.8 million of senior loan participations sold, (iv) \$57.9 million of cost-recovery proceeds, and (v) our total loans receivable CECL reserve of \$751.4 million. Our non-consolidated senior interests, asset-specific debt, and loan participations sold are structurally non-recourse and term-matched to the corresponding collateral loans.

Current Expected Credit Loss Reserve

The CECL reserves required by GAAP reflect our current estimate of potential credit losses related to our loans and notes receivable included in our consolidated balance sheets. Other than a few narrow exceptions, GAAP requires that all financial instruments subject to the CECL model have some amount of loss reserve to reflect the principle underlying the CECL model that all loans and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors.

During the three months ended March 31, 2024, we recorded an increase of \$235.4 million in the CECL reserves against our loans receivable portfolio, primarily related to seven new impaired loans, offset by charge-offs of our CECL reserves of \$61.0 million, bringing our total loans receivable CECL reserve to \$751.4 million as of March 31, 2024. These charge-offs related to three previously impaired loans that were resolved during the three months ended March 31, 2024. The

resolutions were the result of (i) a deed-in-lieu of foreclosure related to an office asset in Mountain View, CA, which is now included on our consolidated balance sheet as an REO asset, (ii) the sale of an office asset in Miami, FL to a new borrower, resulting in a repayment of \$9.5 million and a reduction to the outstanding principal balance of the loan, and (iii) a repayment of a multifamily asset in New York, NY. As of March 31, 2024, the income accrual was suspended on the seven additional loans that were impaired as the recovery of income and principal was doubtful. During the three months ended March 31, 2024, we recorded \$16.8 million of interest income on these seven loans.

As of March 31, 2024, we had an aggregate \$602.6 million asset-specific CECL reserve related to 17 of our loans receivable, with an aggregate amortized cost basis of \$2.4 billion, net of cost-recovery proceeds. This CECL reserve was recorded based on our estimation of the fair value of each of the loan's underlying collateral as of March 31, 2024. No income was recorded on our impaired loans subsequent to determining that they were impaired. During the three months ended March 31, 2024, we received an aggregate \$16.8 million of cash proceeds from such loans that were applied as a reduction to the amortized cost basis of each respective loan.

As of March 31, 2024, one of our impaired loans with an amortized cost basis of \$138.8 million was past its current maturity date. This loan was also more than 90 days past due on its interest payment and had a risk rating of "5.". Additionally, as of March 31, 2024, one other impaired loan with an amortized cost basis of \$223.4 million was less than 30 days past due on its interest payment and had a risk rating of "5." As of March 31, 2024, all other borrowers were compliant with the contractual terms of each respective loan, including any required payment of interest. Refer to Note 2 for further discussion of our policies on revenue recognition and our CECL reserves.

Multifamily Joint Venture

As of March 31, 2024, our multifamily joint venture held \$614.4 million of loans, which are included in the loan disclosures above. Refer to Note 2 to our consolidated financial statements for additional discussion of our multifamily joint venture.

Portfolio Financing

Our portfolio financing consists of secured debt, securitizations, and asset-specific debt. The following table details our portfolio financing (\$ in thousands):

	Portfolio Financing Outstanding Principal Balance	
	March 31, 2024	December 31, 2023
Secured debt	\$ 12,403,449	\$ 12,697,058
Securitizations	2,329,456	2,507,514
Asset-specific debt	1,064,484	1,004,097
Total portfolio financing	\$ 15,797,389	\$ 16,208,669

Secured Debt

The following table details our outstanding secured debt (\$ in thousands):

	Secured Debt Borrowings Outstanding	
	March 31, 2024	December 31, 2023
Secured credit facilities	\$ 12,403,449	\$ 12,697,058
Acquisition facility	—	—
Total secured debt	\$ 12,403,449	\$ 12,697,058

Secured Credit Facilities

The following table details our secured credit facilities by spread over the applicable base rates as of March 31, 2024 (\$ in thousands):

Spread ⁽¹⁾	Three Months Ended March 31, 2024	March 31, 2024				
	New Financings ⁽²⁾	Total Borrowings	Wtd. Avg. All-in Cost ⁽¹⁾⁽³⁾⁽⁴⁾	Collateral ⁽⁵⁾	Wtd. Avg. All-in Yield ⁽¹⁾⁽³⁾	Net Interest Margin ⁽⁶⁾
+ 1.50% or less	\$ 23,000	\$ 5,632,133	+1.52 %	\$ 8,305,372	+3.24 %	+1.72 %
+ 1.51% to + 1.75%	—	2,496,771	+1.81 %	3,471,486	+3.52 %	+1.71 %
+ 1.76% to + 2.00%	—	1,649,419	+2.10 %	2,582,739	+3.86 %	+1.76 %
+ 2.01% or more	384,616	2,625,126	+2.62 %	3,772,869	+4.25 %	+1.63 %
Total	\$ 407,616	\$ 12,403,449	+1.89 %	\$ 18,132,466	+3.58 %	+1.69 %

- (1) The spread, all-in cost, and all-in yield are expressed over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, and other indices as applicable.
- (2) Represents the amount of new borrowings we obtained approval for during the three months ended March 31, 2024.
- (3) In addition to spread, the cost includes the associated deferred fees and expenses related to the respective borrowings. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. All-in yield excludes loans accounted for under the cost-recovery method.
- (4) Represents the weighted-average all-in cost as of March 31, 2024 and is not necessarily indicative of the spread applicable to recent or future borrowings.
- (5) Represents the principal balance of the collateral assets and the book value of the REO asset.
- (6) Represents the difference between the weighted-average all-in yield and weighted-average all-in cost.

Acquisition Facility

As of March 31, 2024, we had a \$100.0 million full recourse secured credit facility that was designed to finance eligible first mortgage originations for up to nine months as a bridge to term financing without obtaining discretionary lender approval. The cost of borrowing under the facility was variable, dependent on the type of loan collateral. As of March 31, 2024, we had no assets pledged to our acquisition facility and no outstanding borrowings. This facility matured on April 3, 2024.

Securitizations

Securitized Debt Obligations

We have financed certain pools of our loans through collateralized loan obligations, or CLOs. The following table details our securitized debt obligations and the underlying collateral assets that are financed by our CLOs (\$ in thousands):

	March 31, 2024				
Securitized Debt Obligations	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾⁽³⁾	Term ⁽⁴⁾
<u>2021 FL4 Collateralized Loan Obligation</u>					
Senior CLO Securities Outstanding	1	\$ 785,452	\$ 784,138	+ 1.70 %	May 2038
Underlying Collateral Assets	26	981,703	981,703	+ 3.16 %	March 2026
<u>2020 FL3 Collateralized Loan Obligation</u>					
Senior CLO Securities Outstanding	1	689,384	689,384	+ 2.19 %	November 2037
Underlying Collateral Assets	15	880,634	880,634	+ 2.86 %	January 2026
<u>2020 FL2 Collateralized Loan Obligation</u>					
Senior CLO Securities Outstanding	1	854,620	854,551	+ 1.62 %	February 2038
Underlying Collateral Assets	15	1,111,495	1,111,495	+ 2.85 %	February 2026
<u>Total</u>					
Senior CLO Securities Outstanding ⁽⁵⁾	3	\$ 2,329,456	\$ 2,328,073	+ 1.82 %	
Underlying Collateral Assets	56	\$ 2,973,832	\$ 2,973,832	+ 2.94 %	

(1) The book value of underlying collateral assets excludes any applicable CECL reserves.

(2) In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, purchase discounts, and accrual of exit fees.

(3) The weighted-average all-in yield and cost are expressed as a spread over SOFR, which is the relevant floating benchmark rate for each securitized debt obligation. All-in yield excludes loans accounted for under the cost-recovery method.

(4) Underlying Collateral Assets term represents the weighted-average final maturity of such loans, assuming all extension options are exercised by the borrower. Repayments of securitized debt obligations are tied to timing of the related collateral loan asset repayments. The term of these obligations represents the rated final distribution date of the securitizations.

(5) During the three months ended March 31, 2024, we recorded \$41.5 million of interest expense related to our securitized debt obligations.

Refer to Note 7 and Note 19 to our consolidated financial statements for additional details of our securitized debt obligations.

Asset-Specific Debt

The following table details our asset-specific debt (\$ in thousands):

March 31, 2024					
Asset-Specific Debt	Count	Principal Balance	Book Value ⁽¹⁾	Wtd. Avg. Yield/Cost ⁽²⁾	Wtd. Avg. Term ⁽³⁾
Financing provided	2	\$ 1,064,484	\$ 1,061,380	+ 3.16 %	April 2026
Collateral assets	2	\$ 1,268,225	\$ 1,261,171	+ 3.90 %	April 2026

- (1) The book value of underlying collateral assets excludes any applicable CECL reserves.
- (2) These floating rate loans and related liabilities are currency and index-matched to the applicable benchmark rate relevant in each arrangement. In addition to cash coupon, yield/cost includes the amortization of deferred origination fees and financing costs.
- (3) The weighted-average term is determined based on the maximum maturity of the corresponding loans, assuming all extension options are exercised by the borrower. Our non-recourse, asset-specific debt is term-matched in each case to the corresponding collateral loans.

Corporate Financing

The following table details our outstanding corporate financing (\$ in thousands):

Corporate Financing Outstanding Principal Balance		
	March 31, 2024	December 31, 2023
Term loans	\$ 2,129,723	\$ 2,135,221
Senior secured notes	339,918	366,090
Convertible notes	300,000	300,000
Total corporate financing	\$ 2,769,641	\$ 2,801,311

The following table details our outstanding senior term loan facilities, or Term Loans, Senior Secured Notes, and convertible senior notes, or Convertible Notes, as of March 31, 2024 (\$ in thousands):

Corporate Financing	Face Value	Interest Rate ⁽¹⁾	All-in Cost ⁽¹⁾⁽²⁾	Maturity
Term Loans				
B-1 Term Loan	\$ 908,474	+ 2.36 %	+ 2.65 %	April 23, 2026
B-3 Term Loan	409,886	+ 2.86 %	+ 3.54 %	April 23, 2026
B-4 Term Loan	811,363	+ 3.50 %	+ 4.11 %	May 9, 2029
Total term loans	<u>\$ 2,129,723</u>			
Senior Secured Notes				
Senior Secured Notes	\$ 339,918	3.75 %	4.02 %	January 15, 2027
Convertible Notes Issuance				
Convertible Notes ⁽³⁾	\$ 300,000	5.50 %	5.94 %	March 15, 2027
Total corporate financings	<u><u>\$ 2,769,641</u></u>			

- (1) The B-3 Term Loan and the B-4 Term Loan borrowings are subject to a floor of 0.50%. The Term Loans are indexed to one-month SOFR.
- (2) Includes issue discounts, transaction expenses, and/or issuance costs, as applicable, that are amortized through interest expense over the life of each respective financing.
- (3) The conversion price of the Convertible Notes is \$36.27, which represents the price of class A common stock per share based on a conversion rate of 27.5702. The conversion rate represents the number of shares of class A common stock issuable per \$1,000 principal amount of Convertible Notes. The cumulative dividend threshold has not been exceeded as of March 31, 2024.

During the three months ended March 31, 2024, we repurchased an aggregate principal amount of \$26.2 million of the Senior Secured Notes at a weighted-average price of 88%. This resulted in a gain on extinguishment of debt of \$3.0 million during the three months ended March 31, 2024.

Refer to Note 2, Note 10, Note 11, and Note 12 to our consolidated financial statements for additional discussion of our Term Loans, Senior Secured Notes, and Convertible Notes.

Floating Rate Portfolio

Generally, our business model is such that rising interest rates will increase our net income, while declining interest rates will decrease net income. As of March 31, 2024, substantially all of our loans by total loan exposure earned a floating rate of interest and were financed with liabilities that pay interest at floating rates, which resulted in an amount of net equity that is positively correlated to rising interest rates, subject to the impact of interest rate floors on certain of our floating rate loans.

Our liabilities are generally currency and index-matched to each collateral asset, resulting in a net exposure to movements in benchmark rates that varies by currency silo based on the relative proportion of floating rate assets and liabilities.

The following table details our investment portfolio's exposure to interest rates by currency as of March 31, 2024 (amounts in thousands):

	USD	GBP	EUR	All Other ⁽¹⁾
Floating rate loans ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	\$ 12,634,820	£ 2,507,749	€ 2,528,789	\$ 2,002,479
Floating rate debt ⁽²⁾⁽⁵⁾⁽⁷⁾	(11,989,268)	(1,854,406)	(1,876,906)	(1,571,844)
Net floating rate exposure	\$ 645,552	£ 653,343	€ 651,883	\$ 430,635
Net floating rate exposure in USD ⁽⁸⁾	\$ 645,552	\$ 824,715	\$ 703,381	\$ 430,635

- (1) Includes Australian Dollar, Danish Krone, Swedish Krona, and Swiss Franc currencies.
- (2) Our floating rate loans and related liabilities are currency and index-matched to the applicable benchmark rate relevant in each arrangement.
- (3) Includes an interest rate swap we entered into with a notional amount of \$229.9 million that effectively converts certain of our fixed rate loan exposure to floating rate exposure.
- (4) Excludes \$2.4 billion of floating rate impaired loans.
- (5) Excludes \$742.6 million of non-consolidated senior interests and \$335.3 million of loan participations sold, as of March 31, 2024. Our non-consolidated senior interests and loan participations sold are structurally non-recourse and term-matched to the corresponding loans, and have no impact on our net floating rate exposure.
- (6) Our loan agreements generally require our borrowers to purchase interest rate caps, which mitigates our borrowers' exposure to an increase in interest rates.
- (7) Includes amounts outstanding under secured debt, securitizations, asset-specific debt, and Term Loans.
- (8) Represents the U.S. dollar equivalent as of March 31, 2024.

In addition to the risks related to fluctuations in cash flows and asset values associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the cash flows of the collateral real estate assets may not be sufficient to pay debt service due under our loans, which may contribute to non-performance or, in severe cases, default. This risk is partially mitigated by our consideration of rising rate stress-testing during our underwriting process, which generally includes a requirement for our borrower to purchase an interest rate cap contract with an unaffiliated third party, provide an interest reserve deposit, and/or provide interest guarantees or other structural protections. As of March 31, 2024, 95% of our performing loans have interest rate caps, with a weighted-average strike price of 3.4%, or interest guarantees. During the three months ended March 31, 2024, interest rate caps on \$4.2 billion of loans, with a 3.3% weighted-average strike price, expired and 95% were replaced with new interest rate caps, with a weighted-average strike price of 4.2%, or interest guarantees.

III. Our Results of Operations

Operating Results

The following table sets forth information regarding our consolidated results of operations for the three months ended March 31, 2024 and December 31, 2023 (\$ in thousands, except per share data):

	Three Months Ended		Change
	March 31, 2024	December 31, 2023	\$
Income from loans and other investments			
Interest and related income	\$ 486,122	\$ 505,003	\$ (18,881)
Less: Interest and related expenses	343,730	351,238	(7,508)
Income from loans and other investments, net	142,392	153,765	(11,373)
Other expenses			
Management and incentive fees	18,927	26,342	(7,415)
General and administrative expenses	13,728	13,254	474
Total other expenses	32,655	39,596	(6,941)
Increase in current expected credit loss reserve	(234,868)	(115,261)	(119,607)
Gain on extinguishment of debt	2,963	75	2,888
Loss before income taxes	(122,168)	(1,017)	(121,151)
Income tax provision	1,002	698	304
Net loss	(123,170)	(1,715)	(121,455)
Net income attributable to non-controlling interests	(668)	(661)	(7)
Net loss attributable to Blackstone Mortgage Trust, Inc.	<u>\$ (123,838)</u>	<u>\$ (2,376)</u>	<u>\$ (121,462)</u>
Net loss per share of common stock, basic and diluted	<u>\$ (0.71)</u>	<u>\$ (0.01)</u>	<u>\$ (0.70)</u>
Weighted-average shares of common stock outstanding, basic and diluted	<u>174,041,630</u>	<u>172,824,083</u>	<u>1,217,547</u>
Dividends declared per share	<u>\$ 0.62</u>	<u>\$ 0.62</u>	<u>\$ —</u>

Income from loans and other investments, net

Income from loans and other investments, net decreased \$11.4 million during the three months ended March 31, 2024 compared to the three months ended December 31, 2023. The decrease was primarily due to a decline in interest income related to additional loans accounted for under the cost-recovery method during the three months ended March 31, 2024. This was offset by a decrease in the weighted-average principal balance of our outstanding financing arrangements by \$144.4 million for the three months ended March 31, 2024 compared to the three months ended December 31, 2023.

Other expenses

Other expenses include management and incentive fees payable to our Manager and general and administrative expenses. Other expenses decreased by \$6.9 million during the three months ended March 31, 2024 compared to the three months ended December 31, 2023 primarily due to a decrease of \$7.5 million of incentive fees payable to our Manager, due to a decrease in Distributable Earnings, driven primarily by charge-offs of CECL reserves. This was offset by an increase of \$353,000 of non-cash restricted stock amortization related to shares awarded under our long-term incentive plans.

Changes in current expected credit loss reserve

During the three months ended March 31, 2024, we recorded a \$234.9 million increase in our CECL reserves, as compared to a \$115.3 million increase during the three months ended December 31, 2023. These CECL reserves primarily reflect certain impaired loans in our portfolio.

Gain on extinguishment of debt

During the three months ended March 31, 2024, we recognized a gain on extinguishment of debt of \$3.0 million related to the repurchase of an aggregate principal amount of \$26.2 million of our Senior Secured Notes. During the three months ended December 31, 2023 we recognized a gain on extinguishment of \$75,000 related to the repurchase of an aggregate principal amount of \$500,000 of our Senior Secured Notes.

Income tax provision

The income tax provision increased by \$304,000 during the three months ended March 31, 2024 compared to the three months ended December 31, 2023 primarily due to an increase in the income tax provisions related to our taxable REIT subsidiaries.

Dividends per share

During the three months ended March 31, 2024, we declared dividends of \$0.62 per share, or \$107.7 million in aggregate. During the three months ended December 31, 2023, we declared dividends of \$0.62 per share, or \$107.4 million in aggregate.

The following table sets forth information regarding our consolidated results of operations for the three months ended March 31, 2024 and 2023 (\$ in thousands, except per share data):

	Three Months Ended March 31,		Change
	2024	2023	\$
Income from loans and other investments			
Interest and related income	\$ 486,122	\$ 491,384	\$ (5,262)
Less: Interest and related expenses	343,730	317,197	26,533
Income from loans and other investments, net	142,392	174,187	(31,795)
Other expenses			
Management and incentive fees	18,927	31,050	(12,123)
General and administrative expenses	13,728	12,865	863
Total other expenses	32,655	43,915	(11,260)
Increase in current expected credit loss reserve	(234,868)	(9,823)	(225,045)
Gain on extinguishment of debt	2,963	—	2,963
(Loss) income before income taxes	(122,168)	120,449	(242,617)
Income tax provision	1,002	1,893	(891)
Net (loss) income	(123,170)	118,556	(241,726)
Net income attributable to non-controlling interests	(668)	(799)	131
Net (loss) income attributable to Blackstone Mortgage Trust, Inc.	\$ (123,838)	\$ 117,757	\$ (241,595)
Net (loss) income per share of common stock			
Basic	\$ (0.71)	\$ 0.68	\$ (1.39)
Diluted	\$ (0.71)	\$ 0.67	\$ (1.38)
Weighted-average shares of common stock outstanding			
Basic	174,041,630	172,598,349	1,443,281
Diluted	174,041,630	180,869,409	(6,827,779)
Dividends declared per share	\$ 0.62	\$ 0.62	\$ —

Income from loans and other investments, net

Income from loans and other investments, net decreased \$31.8 million during the three months ended March 31, 2024 compared to the three months ended March 31, 2023. The decrease was primarily due to (i) a decline in interest income related to additional loans accounted for under the cost-recovery method for the three months ended March 31, 2024, and

(ii) a decrease in the weighted-average principal balance of our loan portfolio by \$1.6 billion for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. This was offset by a decrease in the weighted-average principal balance of our outstanding financing arrangements by \$1.7 billion for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023.

Other expenses

Other expenses include management and incentive fees payable to our Manager and general and administrative expenses. Other expenses decreased by \$11.3 million during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 due to a decrease of \$12.5 million of incentive fees payable to our Manager, due to a decrease in Distributable Earnings, driven primarily by charge-offs of CECL reserves. This was offset by (i) an increase in non-cash restricted stock amortization of \$419,000 related to shares awarded under our long-term incentive plans, (ii) a \$406,000 increase of other operating expenses, and (iii) an increase of \$374,000 of management fees payable to our Manager, primarily as a result of an increase in our Equity, as defined in our Management Agreement.

Changes in current expected credit loss reserve

During the three months ended March 31, 2024, we recorded a \$234.9 million increase in our CECL reserves, as compared to a \$9.8 million increase during the three months ended March 31, 2023. These CECL reserves primarily reflect certain impaired loans in our portfolio.

Gain on extinguishment of debt

During the three months ended March 31, 2024, we recognized a gain on extinguishment of debt of \$3.0 million related to the repurchase of an aggregate principal amount of \$26.2 million of our Senior Secured Notes. There was no repurchase activity or gain on extinguishment of debt in the three months ended March 31, 2023.

Income tax provision

The income tax provision decreased by \$891,000 during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023, due to decreased activity in our taxable REIT subsidiaries.

Dividends per share

During the three months ended March 31, 2024, we declared dividends of \$0.62 per share, or \$107.7 million in aggregate. During three months ended March 31, 2023, we declared dividends of 0.62 per share, or \$106.8 million in aggregate.

IV. Liquidity and Capital Resources

Capitalization

We have capitalized our business to date primarily through the issuance and sale of shares of our class A common stock, corporate debt, and asset-level financings. As of March 31, 2024, our capitalization structure included \$4.1 billion of common equity, \$2.8 billion of corporate debt, and \$15.8 billion of asset-level financings. Our \$2.8 billion of corporate debt includes \$2.1 billion of Term Loan borrowings, \$339.9 million of Senior Secured Notes, and \$300.0 million of Convertible Notes. Our \$15.8 billion of asset-level financings includes \$12.4 billion of secured debt, \$2.3 billion of securitizations, and \$1.1 billion of asset-specific debt, all of which are structured to produce term, currency, and index matched funding with no margin call provisions based upon capital markets events.

As of March 31, 2024, we have \$1.7 billion of liquidity that can be used to satisfy our short-term cash requirements and as working capital for our business.

See Notes 6, 7, 8, 9, 10, 11, and 12 to our consolidated financial statements for additional details regarding our secured debt, securitized debt obligations, asset-specific debt, loan participations sold, Term Loans, Senior Secured Notes, and Convertible Notes, respectively.

Debt-to-Equity Ratio and Total Leverage Ratio

The following table presents our debt-to-equity ratio and total leverage ratio:

	March 31, 2024	December 31, 2023
Debt-to-equity ratios⁽¹⁾		
Debt-to-equity ratio ⁽²⁾	3.8x	3.7x
Adjusted debt-to-equity ratio ⁽³⁾	3.2x	3.2x
Total leverage ratios⁽¹⁾		
Total leverage ratio ⁽⁴⁾	4.4x	4.3x
Adjusted total leverage ratio ⁽⁵⁾	3.7x	3.7x

- (1) The debt and leverage amounts included in the calculations above use gross outstanding principal balances, excluding any unamortized deferred financing costs and discounts.
- (2) Represents, in each case at period end, (i) total outstanding secured debt, asset-specific debt, Term Loans, Senior Secured Notes, and convertible notes, less cash, to (ii) total equity.
- (3) Represents, in each case at period end, (i) total outstanding secured debt, asset-specific debt, Term Loans, Senior Secured Notes, and convertible notes, less cash, to (ii) Adjusted Equity. Adjusted Equity is a non-GAAP financial measure. Refer to "Adjusted Debt-to-Equity Ratio and Adjusted Total Leverage Ratio" below for the definition of Adjusted Equity and a reconciliation to total equity.
- (4) Represents, in each case at period end, (i) total outstanding secured debt, securitizations, asset-specific debt, Term Loans, Senior Secured Notes, and convertible notes, less cash, to (ii) total equity.
- (5) Represents, in each case at period end, (i) total outstanding secured debt, securitizations, asset-specific debt, Term Loans, Senior Secured Notes, and convertible notes, less cash, to (ii) Adjusted Equity. Adjusted Equity is a non-GAAP financial measure. Refer to "Adjusted Debt-to-Equity Ratio and Adjusted Total Leverage Ratio" below for the definition of Adjusted Equity and a reconciliation to total equity.

Adjusted Debt-to-Equity Ratio and Adjusted Total Leverage Ratio

Our adjusted debt-to-equity and total leverage ratios are measures that are not prepared in accordance with GAAP, as they are calculated using Adjusted Equity, which we define as our total equity, excluding the aggregate CECL reserves on our loans receivable and unfunded loan commitments.

We believe that Adjusted Equity provides meaningful information to consider in addition to our total equity determined in accordance with GAAP in the context of assessing our debt-to-equity and total leverage ratios. The adjusted debt-to-equity and total leverage ratios are metrics we use, in addition to our unadjusted debt-to-equity and total leverage ratios, when evaluating our capitalization structure, as Adjusted Equity excludes the unrealized impact of our CECL reserves, which may vary from quarter-to-quarter as our loan portfolio changes and market and economic conditions evolve. We believe these ratios, and therefore our Adjusted Equity, are useful financial metrics for existing and potential future holders of our class A common stock to consider when evaluating how our business is capitalized and the relative amount of leverage in our business.

Adjusted Equity does not represent our total equity and should not be considered as an alternate to GAAP total equity. In addition, our methodology for calculating Adjusted Equity may differ from methodologies employed by other companies to calculate the same or similar supplemental measures, and accordingly, our reported Adjusted Equity may not be comparable to the Adjusted Equity reported by other companies.

The following table provides a reconciliation of Adjusted Equity to our GAAP total equity (\$ in thousands):

	March 31, 2024	December 31, 2023
Total equity	\$ 4,164,587	\$ 4,387,504
Add back: aggregate CECL reserves	766,162	592,307
Adjusted Equity	<u>\$ 4,930,749</u>	<u>\$ 4,979,811</u>

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents, available borrowings under our secured debt facilities, and net receivables from servicers related to loan repayments, which are set forth in the following table (\$ in thousands):

	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 413,986	\$ 350,014
Available borrowings under secured debt	1,161,959	1,269,111
Loan principal payments held by servicer, net ⁽¹⁾	90,006	48,287
	<u>\$ 1,665,951</u>	<u>\$ 1,667,412</u>

(1) Represents loan principal payments held by our third-party servicer as of the balance sheet date which were remitted to us during the subsequent remittance cycle, net of the related secured debt balance.

During the three months ended March 31, 2024, we generated cash flow from operating activities of \$94.6 million and received \$637.2 million from loan principal collections, sales proceeds, and cost-recovery proceeds. Furthermore, we are able to generate incremental liquidity through the replenishment provisions of certain of our CLOs, which allow us to replace a repaid loan in the CLO by increasing the principal amount of existing CLO collateral assets to maintain the aggregate amount of collateral assets in the CLO, and the related financing outstanding.

We have access to further liquidity through public and private offerings of equity and debt securities, syndicated term loans, and similar transactions. To facilitate public offerings, in July 2022, we filed a shelf registration statement with the SEC that is effective for a term of three years and expires in July 2025. The amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit on the amount of securities we may issue. The securities covered by this registration statement include: (i) class A common stock; (ii) preferred stock; (iii) depositary shares representing preferred stock; (iv) debt securities; (v) warrants; (vi) subscription rights; (vii) purchase contracts; and (viii) units consisting of one or more of such securities or any combination of these securities. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

We may also access liquidity through our dividend reinvestment plan and direct stock purchase plan, under which 9,973,525 shares of class A common stock were available for issuance as of March 31, 2024, and our at the market stock offering program, pursuant to which we may sell, from time to time, up to \$480.9 million of additional shares of our class A common stock as of March 31, 2024. Refer to Note 14 to our consolidated financial statements for additional details.

Liquidity Needs

In addition to our loan origination and funding activity and general operating expenses, our primary liquidity needs include interest and principal payments under our \$12.4 billion of outstanding borrowings under secured debt, our asset-specific debt, our Term Loans, our Senior Secured Notes, and our Convertible Notes. From time to time we may also repurchase our outstanding debt or shares of our class A common stock. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. During the three months ended March 31, 2024 we repurchased an aggregate principal amount of \$26.2 million of the Senior Secured Notes at a weighted-average price of 88%. This resulted in a gain on extinguishment of debt of \$3.0 million during the three months ended March 31, 2024.

As of March 31, 2024, we had unfunded commitments of \$2.1 billion related to 90 loans receivable and \$1.0 billion of committed or identified financing for those commitments resulting in net unfunded commitments of \$1.0 billion. The unfunded loan commitments comprise funding for capital expenditures and construction, leasing costs, and interest and carry costs. Loan funding commitments are generally subject to certain conditions, including, without limitation, the progress of capital projects, leasing, and cash flows at the properties securing our loans. Therefore, the exact timing and amounts of such future loan fundings are uncertain and will depend on the current and future performance of the underlying collateral assets. We expect to fund our loan commitments over the remaining term of the related loans, which have a weighted-average future funding period of 2.2 years.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of March 31, 2024 were as follows (\$ in thousands):

	Total Obligation	Payment Timing			
		Less Than 1 Year ⁽¹⁾	1 to 3 Years	3 to 5 Years	More Than 5 Years
Unfunded loan commitments ⁽²⁾	\$ 2,089,678	\$ 763,952	\$ 657,847	\$ 263,024	\$ 404,855
Principal repayments under secured debt ⁽³⁾	12,403,449	2,663,473	6,746,195	2,303,598	690,183
Principal repayments under asset-specific debt ⁽³⁾	1,064,484	—	848,368	—	216,116
Principal repayments of term loans ⁽⁴⁾	2,129,723	21,997	1,321,138	16,516	770,072
Principal repayments of senior secured notes	339,918	—	339,918	—	—
Principal repayments of convertible notes ⁽⁵⁾	300,000	—	300,000	—	—
Interest payments ⁽³⁾⁽⁶⁾	2,855,154	1,125,495	1,358,662	351,414	19,583
Total ⁽⁷⁾	<u>\$ 21,182,406</u>	<u>\$ 4,574,917</u>	<u>\$ 11,572,128</u>	<u>\$ 2,934,552</u>	<u>\$ 2,100,809</u>

- (1) Represents known and estimated short-term cash requirements related to our contractual obligations and commitments. Refer to the sources of liquidity section above for our sources of funds to satisfy our short-term cash requirements.
- (2) The allocation of our unfunded loan commitments is based on the earlier of the commitment expiration date or the final loan maturity date, however we may be obligated to fund these commitments earlier than such date.
- (3) Our secured debt and asset-specific debt agreements are generally term-matched to their underlying collateral. Therefore, the allocation of both principal and interest payments under such agreements is generally allocated based on the maximum maturity date of the collateral loans, assuming all extension options are exercised by the borrower. In limited instances, the maturity date of the respective debt agreement is used.
- (4) The Term Loans are partially amortizing, with an amount equal to 1.0% per annum of the initial principal balance due in quarterly installments. Refer to Note 10 to our consolidated financial statements for further details on our Term Loans.
- (5) Reflects the outstanding principal balance of convertible notes, excluding any potential conversion premium. Refer to Note 12 to our consolidated financial statements for further details on our convertible notes.
- (6) Represents interest payments on our secured debt, asset-specific debt, Term Loans, Senior Secured Notes, and convertible notes. Future interest payment obligations are estimated assuming the interest rates in effect as of March 31, 2024 will remain constant into the future. This is only an estimate as actual amounts borrowed and interest rates will vary over time.
- (7) Total does not include \$2.3 billion of consolidated securitized debt obligations, \$742.6 million of non-consolidated senior interests, and \$335.3 million of loan participations sold, as the satisfaction of these liabilities will not require cash outlays from us.

We are also required to settle our foreign exchange and interest rate derivatives with our derivative counterparties upon maturity which, depending on foreign currency exchange and interest rate movements, may result in cash received from or due to such counterparties. The table above does not include these amounts as they are not fixed and determinable. Refer to Note 13 to our consolidated financial statements for details regarding our derivative contracts.

We are required to pay our Manager a base management fee, an incentive fee, and reimbursements for certain expenses pursuant to our Management Agreement. The table above does not include the amounts payable to our Manager under our Management Agreement as they are not fixed and determinable. Refer to Note 15 to our consolidated financial statements for additional terms and details of the fees payable under our Management Agreement.

As a REIT, we generally must distribute substantially all of our net taxable income to stockholders in the form of dividends to comply with the REIT provisions of the Internal Revenue Code. Our taxable income does not necessarily equal our net income as calculated in accordance with GAAP, or our Distributable Earnings as described above.

Cash Flows

The following table provides a breakdown of the net change in our cash and cash equivalents (\$ in thousands):

	Three Months Ended March 31,	
	2024	2023
Cash flows provided by operating activities	\$ 94,610	\$ 109,617
Cash flows provided by used in investing activities	376,316	157,087
Cash flows used in by financing activities	(404,343)	(43,725)
Net increase in cash and cash equivalents	\$ 66,583	\$ 222,979

We experienced a net increase in cash and cash equivalents of \$66.6 million for the three months ended March 31, 2024, compared to a net increase of \$223.0 million for the three months ended March 31, 2023. During the three months ended March 31, 2024, we received \$1.0 billion from loan principal collections and sales proceeds, of which \$637.2 million is reflected in our consolidated statement of cash flows prepared in accordance with GAAP, excluding (i) \$454.8 million of additional repayments or reduction of loan exposure under related non-consolidated senior interests and (ii) \$114.2 million of loan portfolio payments held by servicer. Also, during the three months ended March 31, 2024, we (i) funded \$301.7 million of loans, (ii) repaid \$178.1 million of securitized debt obligations, (iii) repaid a net \$141.9 million of secured debt borrowings, and (iv) paid \$107.4 million of dividends on our class A common stock.

Refer to Note 3 to our consolidated financial statements for further discussion of our loan activity. Refer to Notes 6, 7, and 14 to our consolidated financial statements for additional discussion of our secured debt, securitized debt obligations, and equity, respectively.

V. Other Items

Income Taxes

We have elected to be taxed as a REIT under the Internal Revenue Code for U.S. federal income tax purposes. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state, and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of March 31, 2024 and December 31, 2023, we were in compliance with all REIT requirements.

Furthermore, our taxable REIT subsidiaries are subject to federal, state, and local income tax on their net taxable income. Refer to Note 16 to our consolidated financial statements for additional discussion of our income taxes.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. There have been no material changes to our Critical Accounting Policies described in our Annual Report on Form 10-K filed with the SEC on February 14, 2024, other than a supplement to the accounting policy for our real estate owned. Refer to Note 2 to our consolidated financial statements for additional discussion of the accounting policy for our real estate owned.

Current Expected Credit Losses

The current expected credit loss, or CECL, reserve required under the FASB Accounting Standards Codification, or ASC, Topic 326 “Financial Instruments – Credit Losses,” or ASC 326, reflects our current estimate of potential credit losses related to our portfolio. We estimate our CECL reserves primarily using the Weighted-Average Remaining Maturity, or WARM method, which has been identified as an acceptable loss-rate method for estimating CECL reserves in the Financial Accounting Standards Board Staff Q&A Topic 326, No. 1. Estimating the CECL reserve requires judgment, including the following assumptions:

- Historical loan loss reference data: To estimate the historic loan losses relevant to our portfolio, we have augmented our historical loan performance with market loan loss data licensed from Trepp LLC. This database includes commercial mortgage-backed securities, or CMBS, issued since January 1, 1999 through February 29, 2024. Within this database, we focused our historical loss reference calculations on the most relevant subset of available CMBS data, which we determined based on loan metrics that are most comparable to our loan portfolio including asset type, geography, and origination loan-to-value, or LTV. We believe this CMBS data, which includes month-over-month loan and property performance, is the most relevant, available, and comparable dataset to our portfolio.
- Expected timing and amount of future loan fundings and repayments: Expected credit losses are estimated over the contractual term of each loan, adjusted for expected repayments. As part of our quarterly review of our loan portfolio, we assess the expected repayment date of each loan, which is used to determine the contractual term for purposes of computing our CECL reserves. Additionally, the expected credit losses over the contractual period of our loans are subject to the obligation to extend credit through our unfunded loan commitments. The CECL reserve for unfunded loan commitments is adjusted quarterly, as we consider the expected timing of future funding obligations over the estimated life of the loan. The considerations in estimating our CECL reserve for unfunded loan commitments are similar to those used for the related outstanding loans receivable.
- Current credit quality of our portfolio: Our risk rating is our primary credit quality indicator in assessing our CECL reserves. We perform a quarterly risk review of our portfolio of loans and assign each loan a risk rating based on a variety of factors, including, without limitation, origination LTV, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship.
- Expectations of performance and market conditions: Our CECL reserves are adjusted to reflect our estimation of the current and future economic conditions that impact the performance of the commercial real estate assets securing our loans. These estimations include unemployment rates, interest rates, expectations of inflation and/or recession, and other macroeconomic factors impacting the likelihood and magnitude of potential credit losses for our loans during their anticipated term. In addition to the CMBS data we have licensed from Trepp LLC, we have also licensed certain macroeconomic financial forecasts to inform our view of the potential future impact that broader economic conditions may have on our loan portfolio's performance. We generally also incorporate information from other sources, including information and opinions available to our Manager, to further inform these estimations. This process requires significant judgments about future events that, while based on the information available to us as of the balance sheet date, are ultimately indeterminate and the actual economic condition impacting our portfolio could vary significantly from the estimates we made as of March 31, 2024.
- Impairment: impairment is indicated when it is deemed probable that we will not be able to collect all amounts due to us pursuant to the contractual terms of the loan. Determining that a loan is impaired requires significant judgment from management and is based on several factors including (i) the underlying collateral performance, (ii) discussions with the borrower, (iii) borrower events of default, and (iv) other facts that impact the borrower's ability to pay the contractual amounts due under the terms of the loan. If a loan is determined to be impaired, we record the impairment as a component of our CECL reserves by applying the practical expedient for collateral dependent loans. The CECL reserves are assessed on an individual basis for these loans by comparing the estimated fair value of the underlying collateral, less costs to sell, to the book value of the respective loan. These valuations require significant judgments, which include assumptions regarding capitalization rates, discount rates, leasing, creditworthiness of major tenants, occupancy rates, availability and cost of financing, exit plan, loan sponsorship, actions of other lenders, and other factors deemed relevant by us. Actual losses, if any, could ultimately differ materially from these estimates. We only expect to charge-off the impairment losses in our consolidated financial statements prepared in accordance with GAAP 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, in our determination, it is nearly certain that all amounts due will not be collected.

These assumptions vary from quarter-to-quarter as our loan portfolio changes and market and economic conditions evolve. The sensitivity of each assumption and its impact on the CECL reserves may change over time and from period to period.

During the three months ended March 31, 2024, we recorded an aggregate \$173.9 million increase in our CECL reserves, bringing our total reserves to \$766.2 million as of March 31, 2024. See Notes 2 and 3 to our consolidated financial statements for further discussion of our CECL reserves.

Revenue Recognition

Interest income from our loans receivable portfolio is recognized over the life of each investment using the effective interest method and is recorded on the accrual basis. Recognition of fees, premiums, and discounts associated with these investments is deferred and recorded over the term of the loan as an adjustment to yield. Income accrual is generally suspended for loans at the earlier of the date at which payments become 90 days past due or when, in our opinion, recovery of income and principal becomes doubtful. Interest received is then recorded as income or as a reduction in the amortized cost basis, based on the specific facts and circumstances, until accrual is resumed when the loan becomes contractually current and performance is demonstrated to be resumed. In addition, for loans we originate, the related origination expenses are deferred and recognized as a reduction to interest income, however expenses related to loans we acquire are included in general and administrative expenses as incurred.

Real Estate Owned

We may assume legal title or physical possession of the collateral underlying a loan through a foreclosure or the execution of a deed-in-lieu of foreclosure. These real estate acquisitions are classified as real estate owned, or REO, on our consolidated balance sheet and are initially recognized at fair value on the acquisition date in accordance with the ASC Topic 805, "Business Combinations."

Upon acquisition of REO, we assess the fair value of acquired tangible and intangible assets, which may include land, buildings, tenant improvements, "above-market" and "below-market" leases, acquired in-place leases, other identified intangible assets and assumed liabilities, as applicable, and allocate the fair value to the acquired assets and assumed liabilities. We assess and consider fair value based on estimated cash flow projections that utilize discount and/or capitalization rates that we deem appropriate, as well as other available market information. Estimates of future cash flows are based on a number of factors including the historical operating results, known and anticipated trends, and market and economic conditions. We capitalize acquisition-related costs associated with asset acquisitions.

Real estate assets held for investment, except for land, are depreciated using the straight-line method over the assets' estimated useful lives of up to 40 years for buildings and 10 years for tenant improvements. Renovations and/or replacements that improve or extend the life of the asset are capitalized and depreciated over their estimated useful lives. The cost of ordinary repairs and maintenance are expensed as incurred.

Real estate assets held for investment are assessed for impairment on a quarterly basis. If the depreciated cost basis of the asset exceeds the undiscounted cash flows, the asset is considered impaired and the depreciated cost basis is reduced to the fair value. The impairment loss is recognized based on the excess of the carrying amount of the asset over its fair value. The evaluation of anticipated future cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates, capital requirements and anticipated holding periods that could differ materially from actual results.

Real estate assets are classified as held for sale in the period when they meet the criteria under ASC Topic 360 "Property, Plant, and Equipment." Once a real estate asset is classified as held for sale, depreciation is suspended and the asset is reported at the lower of its carrying value or fair value less cost to sell.

As of March 31, 2024, we had one REO asset which was vacant and classified as held for investment.

VI. Loan Portfolio Details

The following table provides details of our loan portfolio, on a loan-by-loan basis, as of March 31, 2024 (\$ in millions):

	Loan Type ⁽¹⁾	Origination Date ⁽²⁾	Total Loan ⁽³⁾ (4)	Principal Balance ⁽⁴⁾	Net Book Value	Cash Coupon ⁽⁵⁾	All-in Yield ⁽⁵⁾	Maximum Maturity ⁽⁶⁾	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV ⁽²⁾	Risk Rating
1	Senior Loan	4/9/2018	\$ 1,487	\$ 1,183	\$ 1,182	+4.27 %	+4.44 %	6/9/2025	New York	Office	\$417 / sqft	48 %	2
2	Senior Loan	8/14/2019	1,059	985	982	+3.06 %	+3.72 %	12/23/2024	Dublin - IE	Mixed-Use	\$327 / sqft	74 %	3
3	Senior Loan	6/24/2022	863	863	857	+4.75 %	+5.07 %	6/21/2029	Diversified AU	- Hospitality	\$393 / sqft	59 %	3
4	Senior Loan	3/22/2018	584	584	584	+3.25 %	+3.31 %	3/15/2026	Diversified Spain	- Mixed-Use	n / a	71 %	4
5	Senior Loan	7/23/2021	480	463	461	+3.60 %	+4.04 %	8/9/2027	New York	Multi	\$621,903 / unit	58 %	2
6	Senior Loan	3/30/2021	448	448	446	+3.20 %	+3.41 %	5/15/2026	Diversified SE	- Industrial	\$86 / sqft	76 %	2
7	Senior Loan ⁽⁴⁾	11/22/2019	470	398	79	+3.77 %	+4.03 %	12/9/2025	Los Angeles	Office	\$730 / sqft	69 %	4
8	Senior Loan	12/9/2021	385	371	370	+2.76 %	+3.00 %	12/9/2026	New York	Mixed-Use	\$128 / sqft	50 %	2
9	Senior Loan	9/23/2019	375	352	351	+3.00 %	+3.27 %	8/16/2024	Diversified Spain	- Hospitality	\$127,557 / key	62 %	3
10	Senior Loan	4/11/2018	345	340	340	+2.25 %	+2.28 %	5/1/2025	New York	Office	\$431 / sqft	71 %	4
11	Senior Loan	7/15/2021	310	301	299	+4.25 %	+4.75 %	7/16/2026	Diversified EUR	- Hospitality	\$229,765 / key	53 %	3
12	Senior Loan	5/6/2022	298	298	296	+3.50 %	+3.79 %	5/6/2027	Diversified UK	- Industrial	\$94 / sqft	53 %	2
13	Senior Loan	12/11/2018	356	296	298	+1.75 %	+1.76 %	12/9/2026	Chicago	Office	\$251 / sqft	78 %	4
14	Senior Loan	9/29/2021	312	295	294	+2.81 %	+3.03 %	10/9/2026	Washington, DC	Office	\$384 / sqft	66 %	2
15	Senior Loan	3/25/2022	294	294	293	+4.50 %	+4.86 %	3/25/2027	Diversified UK	- Hospitality	\$129,402 / key	65 %	2
16	Senior Loan	10/25/2021	293	293	293	+4.00 %	+4.32 %	10/25/2024	Diversified AU	- Hospitality	\$144,625 / key	56 %	2
17	Senior Loan	11/30/2018	286	286	267	+2.43 %	+2.43 %	8/9/2025	New York	Hospitality	\$306,870 / key	n/m	5
18	Senior Loan	10/23/2018	290	285	285	+2.86 %	+3.01 %	11/9/2024	Atlanta	Mixed-Use	\$266 / sqft	64 %	2
19	Senior Loan	9/30/2021	280	277	276	+2.61 %	+2.88 %	9/30/2026	Dallas	Multi	\$146,150 / unit	74 %	3
20	Senior Loan	6/28/2022	675	270	264	+4.60 %	+5.06 %	7/9/2029	Austin	Mixed-Use	\$224 / sqft	53 %	3
21	Senior Loan	2/27/2020	273	267	267	+2.70 %	+2.83 %	1/9/2027	New York	Multi	\$702,969 / unit	59 %	3
22	Senior Loan	1/11/2019	264	264	264	+5.06 %	+5.06 %	6/14/2028	Diversified UK	- Other	\$261 / sqft	74 %	3
23	Senior Loan	6/8/2022	272	264	262	+3.65 %	+4.00 %	6/9/2027	New York	Office	\$1,475 / sqft	75 %	4
24	Senior Loan	11/30/2018	260	260	260	+4.80 %	+4.80 %	12/9/2024	San Francisco	Hospitality	\$378,454 / key	n/m	5
25	Senior Loan	9/14/2021	259	255	255	+2.61 %	+2.87 %	9/14/2026	Dallas	Multi	\$206,610 / unit	72 %	3
26	Senior Loan	2/23/2022	245	233	232	+2.60 %	+2.84 %	3/9/2027	Reno	Multi	\$216,568 / unit	74 %	3
27	Senior Loan ⁽⁴⁾	11/10/2021	362	233	46	+4.11 %	+4.90 %	12/9/2026	San Francisco	Life Sciences	\$441 / sqft	66 %	3

28	Senior Loan ⁽⁷⁾	9/16/2021	228	228	228	+1.63 %	+1.63 %	11/9/2025	San Francisco	Office	\$276 / sqft	53 %	4
29	Senior Loan	9/30/2021	256	224	223	+3.11 %	+3.11 %	10/9/2028	Chicago	Office	\$248 / sqft	n/m	5
30	Senior Loan	12/22/2016	252	222	216	+10.50 %	+10.50 %	6/9/2028	New York	Office	\$313 / sqft	n/m	5

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	Loan Type ⁽¹⁾	Origination Date ⁽²⁾	Total		Net						Property Type	Loan Per		Origination LTV ⁽²⁾		Risk Rating
			Loan ⁽³⁾ (4)	Principal Balance ⁽⁴⁾	Book Value	Cash Coupon ⁽⁵⁾	All-in Yield ⁽⁵⁾	Maximum Maturity ⁽⁶⁾	Location	SQFT / Unit / Key						
31	Senior Loan	7/16/2021	\$ 231	\$ 219	\$ 218	+3.25 %	+3.51 %	2/15/2027	London - UK	Multi	\$226,017 / unit	69 %		2		
32	Senior Loan	4/23/2021	219	209	203	+3.65 %	+3.65 %	5/9/2024	Washington, DC	Office	\$234 / sqft	n/m		5		
33	Senior Loan	7/29/2022	253	209	206	+4.60 %	+5.65 %	7/27/2027	London - UK	Industrial	\$275 / sqft	52 %		3		
34	Senior Loan	6/27/2019	207	207	207	+2.80 %	+2.94 %	8/15/2026	Berlin - DEU	Office	\$435 / sqft	62 %		3		
35	Senior Loan	6/28/2019	207	207	207	+3.82 %	+4.08 %	6/26/2024	London - UK	Office	\$498 / sqft	71 %		3		
36	Senior Loan	12/23/2021	326	202	197	+4.25 %	+5.02 %	6/24/2028	London - UK	Multi	\$223,087 / unit	59 %		3		
37	Senior Loan	9/25/2019	186	186	185	+4.47 %	+4.84 %	9/26/2024	London - UK	Office	\$865 / sqft	72 %		3		
38	Senior Loan	11/23/2018	185	185	184	+2.68 %	+3.30 %	8/15/2024	Diversified - UK	Office	\$1,141 / sqft	50 %		3		
39	Senior Loan ⁽⁸⁾	7/23/2021	244	184	183	-1.30 %	-0.92 %	8/9/2028	New York	Office	\$596 / sqft	53 %		4		
40	Senior Loan	2/15/2022	191	181	181	+2.90 %	+2.90 %	3/9/2027	Denver	Office	\$361 / sqft	n/m		5		
41	Senior Loan	5/13/2021	199	178	177	+3.66 %	+4.11 %	6/9/2026	Boston	Life Sciences	\$901 / sqft	64 %		3		
42	Senior Loan	1/27/2022	178	177	177	+3.10 %	+3.40 %	2/9/2027	Dallas	Multi	\$115,605 / unit	71 %		3		
43	Senior Loan ⁽⁴⁾	3/17/2022	223	171	220	+2.65 %	+4.37 %	6/30/2025	London - UK	Office	\$768 / sqft	50 %		3		
44	Senior Loan	3/9/2022	170	170	170	+2.95 %	+3.17 %	8/15/2027	Diversified - UK	Retail	\$145 / sqft	55 %		2		
45	Senior Loan	1/26/2022	338	161	158	+4.10 %	+4.73 %	2/9/2027	Seattle	Office	\$337 / sqft	56 %		3		
46	Senior Loan	10/7/2021	165	161	160	+3.25 %	+3.25 %	10/9/2025	Los Angeles	Office	\$327 / sqft	n/m		5		
47	Senior Loan	12/21/2021	156	156	156	+2.83 %	+3.15 %	4/29/2027	London - UK	Industrial	\$316 / sqft	67 %		3		
48	Senior Loan	3/7/2022	156	156	156	+3.45 %	+3.63 %	6/9/2026	Los Angeles	Hospitality	\$624,000 / key	64 %		3		
49	Senior Loan	5/27/2021	184	155	155	+2.31 %	+2.63 %	6/9/2026	Atlanta	Office	\$131 / sqft	66 %		3		
50	Senior Loan	1/17/2020	203	155	155	+3.12 %	+3.39 %	2/9/2025	New York	Mixed-Use	\$128 / sqft	43 %		3		
51	Senior Loan	6/4/2018	153	153	153	+3.50 %	+3.74 %	6/9/2025	New York	Hospitality	\$251,647 / key	52 %		3		
52	Senior Loan	8/31/2017	152	152	152	+2.62 %	+2.62 %	9/9/2026	Orange County	Office	\$176 / sqft	58 %		4		
53	Senior Loan	1/7/2022	155	152	151	+3.70 %	+3.97 %	1/9/2027	Fort Lauderdale	Office	\$392 / sqft	55 %		1		
54	Senior Loan ⁽⁴⁾	3/29/2022	224	150	29	+4.50 %	+5.49 %	4/9/2027	Miami	Multi	\$255,037 / unit	72 %		3		
55	Senior Loan	9/30/2021	185	147	146	+4.00 %	+4.51 %	9/30/2026	Diversified Spain	- Hospitality	\$123,124 / key	60 %		3		
56	Senior Loan	2/20/2019	153	146	146	+4.62 %	+4.91 %	2/19/2025	London - UK	Office	\$588 / sqft	61 %		3		
57	Senior Loan ⁽⁴⁾	9/30/2021	145	145	195	+2.96 %	+3.38 %	10/9/2026	Boca Raton	Multi	\$396,175 / unit	58 %		3		
58	Senior Loan	11/18/2021	143	143	142	+3.25 %	+3.51 %	11/18/2026	London - UK	Other	\$180 / sqft	65 %		2		

59	Senior Loan	12/20/2019	142	142	142	+3.22	%	+3.44	%	12/18/2026	London - UK	Office	\$719 / sqft	75	%	3
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60	Senior Loan	3/10/2020	140	140	139	+3.10	%	+3.10	%	10/11/2024	New York	Mixed-Use	\$854 / sqft	n/m		5
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	Loan Type ⁽¹⁾	Origination Date ⁽²⁾	Total		Net							Loan Per		Origination LTV ⁽²⁾	Risk Rating
			Loan ⁽³⁾ (4)	Principal Balance ⁽⁴⁾	Book Value	Cash Coupon ⁽⁵⁾	All-in Yield ⁽⁵⁾	Maximum Maturity ⁽⁶⁾	Location	Property Type	SQFT / Unit / Key				
61	Senior Loan	2/25/2022	\$ 136	\$ 136	\$ 135	+4.05 %	+4.43 %	2/25/2027	Copenhagen - DK	Industrial	\$77 / sqft	69 %	2		
62	Senior Loan	8/24/2021	156	133	133	+2.71 %	+3.03 %	9/9/2026	San Jose	Office	\$317 / sqft	65 %	3		
63	Senior Loan	9/14/2021	132	129	129	+2.81 %	+3.07 %	10/9/2026	San Bernardino	Multi	\$260,871 / unit	75 %	3		
64	Senior Loan	12/15/2021	147	129	128	+3.00 %	+4.24 %	12/9/2026	Dublin - IE	Multi	\$323,090 / unit	79 %	3		
65	Senior Loan	5/20/2021	150	126	120	+3.76 %	+3.76 %	6/9/2026	San Jose	Office	\$322 / sqft	n/m	5		
66	Senior Loan	6/30/2022	124	124	124	+3.75 %	+3.93 %	9/30/2025	Canberra - AU	Hospitality	\$240,581 / key	60 %	2		
67	Senior Loan	4/6/2021	123	122	122	+3.31 %	+3.31 %	4/9/2026	Los Angeles	Office	\$508 / sqft	n/m	5		
68	Senior Loan	6/1/2021	120	120	120	+2.96 %	+3.17 %	6/9/2026	Miami	Multi	\$298,507 / unit	61 %	2		
69	Senior Loan	3/28/2022	130	120	119	+2.55 %	+2.80 %	4/9/2027	Miami	Office	\$325 / sqft	69 %	3		
70	Senior Loan	8/27/2021	122	119	119	+3.11 %	+3.41 %	9/9/2026	San Diego	Retail	\$450 / sqft	58 %	3		
71	Senior Loan	4/29/2022	118	118	118	+3.50 %	+3.77 %	2/18/2027	Napa Valley	Hospitality	\$1,240,799 / key	66 %	3		
72	Senior Loan	12/21/2021	120	118	117	+2.70 %	+3.00 %	1/9/2027	Washington, DC	Office	\$403 / sqft	68 %	3		
73	Senior Loan	7/15/2019	138	117	116	+3.01 %	+3.43 %	8/9/2024	Houston	Office	\$211 / sqft	58 %	4		
74	Senior Loan	10/21/2021	114	114	114	+3.01 %	+3.26 %	11/9/2025	Fort Lauderdale	Multi	\$334,311 / unit	64 %	2		
75	Senior Loan	12/10/2021	135	111	111	+3.11 %	+3.42 %	1/9/2027	Miami	Office	\$372 / sqft	49 %	3		
76	Senior Loan	3/29/2021	111	111	111	+4.02 %	+4.28 %	3/29/2026	Diversified - UK	Multi	\$48,535 / unit	61 %	3		
77	Senior Loan	6/28/2019	109	109	109	+3.75 %	+4.01 %	2/1/2026	Los Angeles	Studio	\$551 / sqft	48 %	3		
78	Senior Loan	3/13/2018	123	108	108	+3.11 %	+3.34 %	4/9/2027	Honolulu	Hospitality	\$167,735 / key	50 %	3		
79	Senior Loan	12/29/2021	110	107	107	+2.85 %	+3.06 %	1/9/2027	Phoenix	Multi	\$183,960 / unit	64 %	3		
80	Senior Loan	2/15/2022	106	105	105	+2.85 %	+3.19 %	3/9/2027	Tampa	Multi	\$241,134 / unit	73 %	2		
81	Senior Loan	3/29/2022	103	103	103	+2.70 %	+2.96 %	4/9/2027	Miami	Multi	\$286,175 / unit	75 %	4		
82	Senior Loan	1/30/2020	104	102	102	+2.96 %	+3.20 %	2/9/2026	Honolulu	Hospitality	\$277,513 / key	63 %	3		
83	Senior Loan	11/27/2019	104	102	102	+2.86 %	+3.12 %	12/9/2024	Minneapolis	Office	\$102 / sqft	64 %	3		
84	Senior Loan	10/1/2021	101	100	100	+2.86 %	+3.13 %	10/1/2026	Phoenix	Multi	\$231,021 / unit	77 %	4		
85	Senior Loan	6/18/2021	99	99	98	+2.71 %	+2.95 %	7/9/2026	New York	Industrial	\$51 / sqft	55 %	1		
86	Senior Loan	10/28/2021	96	96	95	+3.00 %	+3.35 %	11/9/2026	Philadelphia	Multi	\$352,399 / unit	79 %	3		
87	Senior Loan	12/21/2018	98	95	91	+2.71 %	+2.71 %	5/9/2024	Chicago	Office	\$184 / sqft	n/m	5		
88	Senior Loan	10/27/2021	93	93	93	+2.61 %	+2.81 %	11/9/2026	Orlando	Multi	\$155,612 / unit	75 %	3		

89	Senior Loan	3/3/2022	92	92	92	+3.45	%	+3.76	%	3/9/2027	Boston	Hospitality	\$418,182 / key	64	%	2
90	Senior Loan	3/25/2020	91	91	91	+2.40	%	+2.66	%	3/31/2025	Diversified - NL	Multi	\$112,530 / unit	65	%	2

continued...

			Total		Net							Loan Per			
	Loan Type ⁽¹⁾	Origination Date ⁽²⁾	Loan ⁽³⁾ (4)	Principal Balance ⁽⁴⁾	Book Value	Cash Coupon ⁽⁵⁾	All-in Yield ⁽⁵⁾	Maximum Maturity ⁽⁶⁾	Location		Property Type	SQFT / Unit / Key	Origination LTV ⁽²⁾	Risk Rating	
91	Senior Loan	12/22/2021	\$ 91	\$ 91	\$ 90	+3.18 %	+3.44 %	1/9/2027	Las Vegas		Multi	\$205,682 / unit	65 %	3	
92	Senior Loan	12/15/2021	91	90	90	+2.96 %	+3.22 %	1/9/2027	Charlotte		Multi	\$256,393 / unit	76 %	4	
93	Senior Loan	10/16/2018	88	88	88	+7.36 %	+7.36 %	11/9/2024	San Francisco		Hospitality	\$191,807 / key	n/m	5	
94	Senior Loan ⁽⁴⁾	12/30/2021	228	88	17	+4.00 %	+5.00 %	1/9/2028	Los Angeles		Multi	\$252,325 / unit	50 %	3	
95	Senior Loan	6/14/2022	106	86	86	+2.95 %	+3.30 %	7/9/2027	San Francisco		Mixed-Use	\$179 / sqft	76 %	3	
96	Senior Loan	6/27/2019	88	86	85	+2.75 %	+2.99 %	7/9/2024	West Beach	Palm	Office	\$295 / sqft	70 %	2	
97	Senior Loan	6/25/2021	85	85	86	+2.86 %	+3.31 %	7/1/2026	St. Louis		Multi	\$80,339 / unit	70 %	3	
98	Senior Loan	12/15/2021	85	85	84	+4.00 %	+4.29 %	12/15/2026	Melbourne AU		- Multi	\$62,059 / unit	38 %	1	
99	Senior Loan	3/9/2022	92	85	85	+2.90 %	+2.90 %	3/9/2025	Boston		Office	\$223 / sqft	n/m	5	
100	Senior Loan	3/31/2017	84	84	84	+9.41 %	+9.41 %	4/9/2024	New York		Office	\$403 / sqft	n/m	5	
101	Senior Loan	7/29/2021	82	82	82	+2.76 %	+3.08 %	8/9/2026	Charlotte		Multi	\$223,202 / unit	78 %	3	
102	Senior Loan	8/27/2021	79	78	78	+4.10 %	+4.35 %	9/9/2026	Diversified US	-	Hospitality	\$116,059 / key	67 %	3	
103	Senior Loan	11/23/2021	92	77	77	+2.85 %	+3.17 %	12/9/2026	Los Angeles		Industrial	\$219 / sqft	66 %	3	
104	Senior Loan	12/21/2021	74	72	72	+2.70 %	+3.06 %	1/9/2027	Tampa		Multi	\$212,382 / unit	77 %	2	
105	Senior Loan	8/14/2019	70	70	70	+2.56 %	+2.80 %	9/9/2024	Los Angeles		Office	\$684 / sqft	57 %	3	
106	Senior Loan	10/28/2021	69	69	69	+2.66 %	+2.86 %	11/9/2026	Tacoma		Multi	\$209,864 / unit	70 %	3	
107	Senior Loan	8/17/2022	77	69	68	+3.35 %	+3.83 %	8/17/2027	Dublin - IE		Industrial	\$106 / sqft	72 %	3	
108	Senior Loan	8/16/2022	67	66	66	+4.75 %	+5.19 %	8/16/2027	London - UK		Hospitality	\$489,987 / key	64 %	3	
109	Senior Loan	7/30/2021	67	65	66	+2.61 %	+2.87 %	8/9/2026	Los Angeles		Multi	\$170,357 / unit	70 %	2	
110	Senior Loan	3/24/2022	65	65	65	+3.50 %	+3.59 %	4/1/2027	Fairfield		Multi	\$406,250 / unit	70 %	3	
111	Senior Loan	3/31/2022	70	65	65	+2.80 %	+3.14 %	4/9/2027	Las Vegas		Multi	\$141,863 / unit	71 %	3	
112	Senior Loan	12/17/2021	65	65	64	+4.35 %	+4.59 %	1/9/2026	Diversified US	-	Other	\$4,886 / unit	37 %	1	
113	Senior Loan	3/31/2021	62	62	62	+4.14 %	+4.45 %	4/1/2024	Boston		Multi	\$316,327 / unit	75 %	3	
114	Senior Loan	7/30/2021	62	62	62	+2.86 %	+3.06 %	8/9/2026	Salt Lake City		Multi	\$224,185 / unit	73 %	3	
115	Senior Loan	4/15/2021	66	61	61	+3.06 %	+3.06 %	5/9/2026	Austin		Office	\$296 / sqft	n/m	5	
116	Senior Loan	6/30/2021	65	61	61	+2.95 %	+3.23 %	7/9/2026	Nashville		Office	\$250 / sqft	71 %	3	
117	Senior Loan ⁽⁴⁾	3/23/2020	59	59	12	+3.82 %	+4.57 %	4/9/2025	Nashville		Office	\$90 / sqft	60 %	1	
118	Senior Loan	12/17/2021	58	58	58	+2.65 %	+2.85 %	1/9/2027	Phoenix		Multi	\$209,601 / unit	69 %	3	

119	Senior Loan	7/16/2021	58	58	58	+2.75 %	+3.03 %	8/1/2025	Orlando	Multi	\$195,750 / unit	74	%	2
120	Senior Loan	12/10/2020	61	58	58	+3.30 %	+3.55 %	1/9/2026	Fort Lauderdale	Office	\$200 / sqft	68	%	3

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			Total		Net		Cash		All-in		Maximum		Loan Per		Origination		Risk
	Loan Type ⁽¹⁾	Origination Date ⁽²⁾	Loan ⁽³⁾ (4)	Principal Balance ⁽⁴⁾	Book Value	Coupon ⁽⁵⁾		Yield ⁽⁵⁾		Maturity ⁽⁶⁾	Location	Property Type	SQFT / Unit / Key		LTV ⁽²⁾		
121	Senior Loan	6/14/2021	\$ 58	\$ 58	\$ 58	+2.30 %		+2.30 %		3/9/2027	Miami	Office	\$122 / sqft		65 %		3
122	Senior Loan	1/21/2022	68	55	55	+3.70 %		+3.70 %		2/9/2027	Denver	Office	\$327 / sqft		n/m		5
123	Senior Loan	12/22/2021	55	55	54	+2.82 %		+2.96 %		1/1/2027	Los Angeles	Multi	\$272,500 / unit		68 %		3
124	Mezzanine Loan ⁽⁹⁾	8/31/2017	64	54	37	+3.02 %		+3.02 %		9/9/2026	Orange County	Office	\$239 / sqft		n/m		5
125	Senior Loan	8/22/2019	54	54	54	+2.66 %		+2.89 %		9/9/2024	Los Angeles	Office	\$310 / sqft		63 %		3
126	Senior Loan	12/14/2018	54	54	54	+3.01 %		+3.28 %		1/9/2025	Diversified US	- Industrial	\$40 / sqft		57 %		1
127	Senior Loan	8/5/2021	57	54	53	+2.96 %		+3.24 %		8/9/2026	Denver	Office	\$203 / sqft		70 %		3
128	Senior Loan	2/1/2022	79	52	52	+4.50 %		+6.37 %		2/1/2027	Diversified UK	- Life Sciences	\$404 / sqft		45 %		3
129	Senior Loan	12/9/2021	51	51	51	+2.75 %		+2.89 %		1/1/2027	Portland	Multi	\$241,825 / unit		65 %		3
130	Senior Loan	2/17/2021	53	51	51	+3.66 %		+3.86 %		3/9/2026	Miami	Multi	\$290,985 / unit		64 %		2
131	Senior Loan	7/28/2021	53	51	51	+2.75 %		+3.07 %		8/9/2026	Los Angeles	Multi	\$288,310 / unit		71 %		3
132	Senior Loan	9/23/2021	49	49	49	+2.75 %		+2.86 %		10/1/2026	Portland	Multi	\$232,938 / unit		65 %		3
133	Senior Loan	4/7/2022	57	49	48	+3.25 %		+3.54 %		4/9/2027	Denver	Office	\$143 / sqft		59 %		4
134	Senior Loan	7/20/2021	48	48	48	+2.86 %		+3.21 %		8/9/2026	Los Angeles	Multi	\$366,412 / unit		60 %		3
135	Senior Loan	10/21/2022	47	47	47	+4.14 %		+4.51 %		10/18/2027	Diversified DEU	- Industrial	\$66 / sqft		74 %		3
136	Senior Loan	12/29/2021	47	47	46	+2.85 %		+2.96 %		1/1/2027	Dallas	Multi	\$155,000 / unit		73 %		3
137	Senior Loan	11/30/2016	55	46	46	+3.33 %		+3.66 %		12/9/2025	Chicago	Retail	\$804 / sqft		54 %		4
138	Senior Loan	7/30/2021	45	45	45	+2.75 %		+2.86 %		8/1/2026	Portland	Multi	\$227,665 / unit		64 %		3
139	Senior Loan	12/8/2021	48	43	43	+2.75 %		+2.96 %		12/9/2026	Columbus	Multi	\$140,343 / unit		69 %		3
140	Senior Loan	7/29/2021	42	42	42	+2.86 %		+3.06 %		8/9/2026	Las Vegas	Multi	\$167,113 / unit		72 %		2
141	Senior Loan	11/3/2021	41	41	41	+2.71 %		+3.05 %		11/9/2026	Washington, DC	Multi	\$137,788 / unit		68 %		1
142	Senior Loan	12/23/2021	42	41	41	+3.30 %		+3.45 %		1/1/2027	Dallas	Multi	\$110,522 / unit		65 %		3
143	Senior Loan	10/1/2019	38	38	38	+3.80 %		+4.05 %		10/9/2025	Atlanta	Hospitality	\$216,005 / key		74 %		3
144	Senior Loan	3/31/2022	42	37	37	+2.80 %		+3.15 %		4/9/2027	Las Vegas	Multi	\$148,187 / unit		72 %		3
145	Senior Loan	2/26/2021	36	36	36	+3.50 %		+3.74 %		3/9/2026	Austin	Multi	\$196,228 / unit		64 %		1
146	Senior Loan	12/23/2021	36	36	35	+1.71 %		+2.61 %		11/15/2025	New York	Multi	\$175,665 / unit		68 %		2
147	Senior Loan	5/12/2021	36	36	36	+2.96 %		+3.30 %		6/9/2026	San Bernardino	Multi	\$167,216 / unit		66 %		2
148	Senior Loan	12/23/2021	36	36	36	+2.90 %		+3.19 %		1/1/2025	Jersey City	Multi	\$112,228 / unit		46 %		2
149	Senior Loan	6/29/2021	40	36	36	+3.70 %		+3.70 %		7/1/2025	Memphis	Multi	\$96,431 / unit		54 %		3
150	Senior Loan	9/1/2021	36	35	35	+2.86 %		+3.14 %		9/9/2026	Phoenix	Multi	\$127,218 / unit		70 %		3

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	Loan Type ⁽¹⁾	Origination Date ⁽²⁾	Total Loan ⁽³⁾⁽⁴⁾	Principal Balance ⁽⁴⁾	Net Book Value	Cash Coupon ⁽⁵⁾	All-in Yield ⁽⁵⁾	Maximum Maturity ⁽⁶⁾	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV ⁽²⁾	Risk Rating
151	Senior Loan	Various	\$ 642	\$ 626	\$ 625	+3.11 %	+3.57 %	1.7 yrs	Various	Various	Various	62 %	2.0
-													
173													
	CECL reserve				(751)								
	Loans receivable, net		\$ 26,382	\$ 23,960	\$ 22,438	+3.33 %	+3.66 %	2.3 yrs				63 %	3.0

- (1) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans and pari passu participations in senior mortgage loans.
- (2) Date loan was originated or acquired by us, and the LTV as of such date, excluding any loans that are impaired and any junior participations sold. Origination dates are subsequently updated to reflect material loan modifications.
- (3) Total loan amount reflects outstanding principal balance as well as any related unfunded loan commitment.
- (4) Total loan exposure reflects our aggregate exposure to each loan investment. As of March 31, 2024, total loan exposure, includes (i) loans with an outstanding principal balance of \$23.3 billion that are included in our consolidated financial statements, (ii) \$742.6 million of non-consolidated senior interests in loans we have sold, which are not included in our consolidated financial statements, and excludes (iii) \$100.5 million of junior loan interests that we have sold, but that remain included in our consolidated financial statements.
- (5) The weighted-average cash coupon and all-in yield are expressed as a spread over the relevant floating benchmark rates, which include SOFR, SONIA, EURIBOR, and other indices as applicable to each loan. As of March 31, 2024, substantially all of our loans by total loan exposure earned a floating rate of interest, primarily indexed to SOFR. In addition to cash coupon, all-in yield includes the amortization of deferred origination and extension fees, loan origination costs, and purchase discounts, as well as the accrual of exit fees. Excludes loans accounted for under the cost-recovery method.
- (6) Maximum maturity assumes all extension options are exercised, however our loans may be repaid prior to such date.
- (7) This loan earns interest at a fixed rate. Cash coupon and all-in yield are expressed as a floating rate to include an interest rate swap we entered into that effectively converts the loan to a floating rate exposure.
- (8) This loan has an interest rate of SOFR minus 1.30% with a SOFR floor of 3.50%, for an all-in rate of 4.03% as of March 31, 2024.
- (9) Loan consists of one or more floating and fixed rate tranches. The fixed rate tranche is reflected as a spread over the relevant floating benchmark rate for both coupon and all-in yield.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

For information on financial reference rate reforms, refer to “Part I. Item 1A. Risk Factors—Risks Related to Our Lending and Investment Activities—The transition away from reference rates and the use of alternative replacement reference rates may adversely affect net interest income related to our loans and investments or otherwise adversely affect our results of operations, cash flows and the market value of our investments.” of our Annual Report on Form 10-K filed with the SEC on February 14, 2024.

Investment Portfolio Net Interest Income

Generally, our business model is such that rising interest rates will increase our net income, while declining interest rates will decrease net income. As of March 31, 2024, substantially all of our loans by total loan exposure earned a floating rate of interest and were financed with liabilities that pay interest at floating rates, which resulted in an amount of net equity that is positively correlated to rising interest rates, subject to the impact of interest rate floors on certain of our floating rate loans.

The following table projects the earnings impact on our interest income and expense, presented net of implied changes in incentive fees, for the twelve-month period following March 31, 2024, of an increase in the various floating-rate indices referenced by our portfolio, assuming no change in credit spreads, portfolio composition, or asset performance, relative to the average indices during the three months ended March 31, 2024 (\$ in thousands):

	Assets (Liabilities) Sensitive to Changes in Interest Rates ⁽¹⁾	Interest Rate Sensitivity as of March 31, 2024 ⁽²⁾⁽³⁾			
		Increase in Rates		Decrease in Rates	
		50 Basis Points	100 Basis Points	50 Basis Points	100 Basis Points
Floating rate assets ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	\$ 20,531,394	\$ 82,126	\$ 164,251	\$ (82,126)	\$ (164,251)
Floating rate liabilities ⁽⁶⁾⁽⁸⁾	(17,927,111)	(71,908)	(143,817)	71,908	143,817
Net exposure	\$ 2,604,283	\$ 10,218	\$ 20,434	\$ (10,218)	\$ (20,434)

- (1) Reflects the USD equivalent value of floating rate assets and liabilities denominated in foreign currencies.
- (2) Increases (decreases) in interest income and expense are presented net of incentive fees. Refer to Note 15 to our consolidated financial statements for additional details of our incentive fee calculation.
- (3) Excludes income from loans accounted for under the cost-recovery method.
- (4) Includes an interest rate swap we entered into with a notional amount of \$229.9 million that effectively converts certain of our fixed rate loan exposure to floating rate exposure.
- (5) Excludes \$2.4 billion of floating rate impaired loans.
- (6) Excludes \$742.6 million of non-consolidated senior interests and \$335.3 million of loan participations sold, as of March 31, 2024. Our non-consolidated senior interests and loan participations sold are structurally non-recourse and term-matched to the corresponding loans, and have no impact on our net floating rate exposure.
- (7) Our loan agreements generally require our borrowers to purchase interest rate caps, which mitigates our borrowers' exposure to an increase in interest rates.
- (8) Includes amounts outstanding under secured debt, securitizations, asset-specific debt, and Term Loans.

Investment Portfolio Value

As of March 31, 2024, substantially all of our portfolio earned a floating rate of interest, so the value of such investments is generally not impacted by changes in market interest rates. Additionally, we generally hold all of our loans to maturity and so do not expect to realize gains or losses resulting from any mark to market valuation adjustments on our loan portfolio.

Risk of Non-Performance

In addition to the risks related to fluctuations in cash flows and asset values associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the cash flows of the collateral real estate assets may not be sufficient to pay debt service due under our loans, which may contribute to non-performance or, in severe cases, default. This risk is partially mitigated by our consideration of rising rate stress-testing during our underwriting process, which generally includes a requirement for our borrower to purchase an interest rate cap contract with an unaffiliated third party, provide an interest reserve deposit, and/or provide interest

guarantees or other structural protections. As of March 31, 2024, 95% of our performing loans have interest rate caps, with a weighted-average strike price of 3.4%, or interest guarantees. During the three months ended March 31, 2024, interest rate caps on \$4.2 billion of loans, with a 3.3% weighted-average strike price, expired and 95% were replaced with new interest rate caps, with a weighted-average strike price of 4.2%, or interest guarantees.

Credit Risks

Our loans are also subject to credit risk, including the risk of default. The performance and value of our loans depend upon the sponsors' ability to operate the properties that serve as our collateral so that they produce cash flows adequate to pay interest and principal due to us. To monitor this risk, our asset management team reviews our loan portfolios and, in certain instances, is in regular contact with our borrowers, monitoring performance of the collateral and enforcing our rights as necessary.

In addition, we are exposed to the risks generally associated with the commercial real estate market, including changes in occupancy rates, capitalization rates, absorption rates, and other macroeconomic factors beyond our control. We seek to manage these risks through our underwriting and asset management processes.

We maintain a robust asset management relationship with our borrowers and utilize these relationships to maximize the performance of our portfolio, including during periods of volatility. We believe that we benefit from these relationships and from our long-standing core business model of originating senior loans collateralized by large assets in major markets with experienced, well-capitalized institutional sponsors. Our loan portfolio's low weighted-average origination LTV was 63.4%, excluding any loans that are impaired and any junior participations sold, as of March 31, 2024. While we believe the principal amounts of our loans are generally adequately protected by underlying collateral value, there is a risk that we will not realize the entire principal value of certain loans. As of March 31, 2024, we had an aggregate \$602.6 million asset-specific CECL reserve related to 17 of our loans receivable, with an aggregate amortized cost basis of \$2.4 billion, net of cost-recovery proceeds. This CECL reserve was recorded based on our estimation of the fair value of each of the loan's underlying collateral as of March 31, 2024.

Our portfolio monitoring and asset management operations benefit from the deep knowledge, experience, and information advantages derived from our position as part of Blackstone's real estate platform. Blackstone has built the world's preeminent global real estate business, with a proven track record of successfully navigating market cycles and emerging stronger through periods of volatility. The market-leading real estate expertise derived from the strength of the Blackstone platform deeply informs our credit and underwriting process, and we believe gives us the tools to expertly asset manage our portfolio and work with our borrowers throughout periods of economic stress and uncertainty.

The three months ended March 31, 2024 have shown a mix of positive and challenging developments leading to continued volatility in global markets. Investor concerns over inflation, interest rates, slowing economic growth, political and regulatory uncertainty and geopolitical conditions have persisted. If inflation and other economic indicators do not meet central banks' relevant expectations, interest rates could remain higher for longer than expected by market participants and observers, which could create further uncertainty for the economy and our borrowers.

Capital Market Risks

We are exposed to risks related to the equity capital markets, and our related ability to raise capital through the issuance of our class A common stock or other equity instruments. We are also exposed to risks related to the debt capital markets, and our related ability to finance our business through borrowings under credit facilities or other debt instruments. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore requires us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing, and terms of capital we raise.

Margin call provisions under our credit facilities do not permit valuation adjustments based on capital markets events, and are limited to collateral-specific credit marks generally determined on a commercially reasonable basis.

Counterparty Risk

The nature of our business requires us to hold our cash and cash equivalents and obtain financing from various financial institutions. This exposes us to the risk that these financial institutions may not fulfill their obligations to us under these

various contractual arrangements. We mitigate this exposure by depositing our cash and cash equivalents and entering into financing agreements with high credit-quality institutions.

The nature of our loans also exposes us to the risk that our counterparties do not make required interest and principal payments on scheduled due dates. We seek to manage this risk through a comprehensive credit analysis prior to making a loan and active monitoring of the asset portfolios that serve as our collateral, as further discussed above.

Currency Risk

Our loans that are denominated in a foreign currency are also subject to risks related to fluctuations in currency rates. We generally mitigate this exposure by matching the currency of our assets to the currency of the financing for our assets. As a result, we substantially reduce our exposure to changes in portfolio value related to changes in foreign currency rates. In addition, substantially all of our net asset exposure to foreign currencies has been hedged with foreign currency forward contracts as of March 31, 2024.

The following table outlines our assets and liabilities that are denominated in a foreign currency (amounts in thousands):

	March 31, 2024		
	GBP	EUR	All Other ⁽²⁾
Foreign currency assets	£ 2,785,883	€ 2,573,408	\$ 2,034,640
Foreign currency liabilities	(2,108,475)	(1,889,808)	(1,584,333)
Foreign currency contracts – notional	(668,465)	(674,926)	(443,198)
Net exposure to exchange rate fluctuations	£ 8,943	€ 8,674	\$ 7,109
Net exposure to exchange rate fluctuations in USD ⁽¹⁾	\$ 11,289	\$ 9,358	\$ 7,109

(1) Represents the U.S. Dollar equivalent as of March 31, 2024.

(2) Includes Swedish Krona, Australian Dollar, Canadian Dollar, Swiss Franc, and Danish Krone currencies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The company maintains disclosure controls and procedures (as that term is 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 the company's reports under the Exchange Act is recorded, processed, and summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by SEC rules and forms and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act 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.

Changes in Internal Control over Financial Reporting

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of March 31, 2024, we were not involved in any material legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed under "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Section 13(r) Disclosure

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, we hereby incorporate by reference herein Exhibit 99.1 of this report, which includes disclosures regarding activities at Mundys S.p.A. (formerly, Atlantia S.p.A.), which may be, or may have been at the time considered to be, an affiliate of Blackstone and, therefore, our affiliate.

Rule 10b5-1 Trading Arrangements

During the three months ended March 31, 2024, two of our officers adopted a "Rule 10b5-1 trading arrangement," as defined in Item 408(c) of Regulation S-K, each of which is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Katharine A. Keenan, our Chief Executive Officer, adopted a Rule 10b5-1 sales plan on March 15, 2024 that provides for the automatic sale of shares of class A common stock in order to satisfy tax withholding obligations arising from vesting of an aggregate of 52,000 shares of restricted stock granted on December 15, 2024, held by Ms. Keenan. The number of shares to be sold under the plan is unknown, as the number of shares will vary based on the extent to which vesting conditions are satisfied and the market price of our class A common stock at the time of vesting. Ms. Keenan's Rule 10b5-1 sales plan will expire on December 31, 2026, subject to the plan's earlier expiration or completion in accordance with its terms. Anthony F. Marone, Jr., our Chief Financial Officer, adopted a Rule 10b5-1 sales plan on March 12, 2024 that provides for the automatic sale of shares of class A common stock in order to satisfy tax withholding obligations arising from vesting of an aggregate of 12,000 shares of restricted stock granted on December 15, 2024, held by Mr. Marone. The number of shares to be sold under the plan is unknown, as the number of shares will vary based on the extent to which vesting conditions are satisfied and the market price of our class A common stock at the time of vesting. Mr. Marone's Rule 10b5-1 sales plan will expire on December 31, 2026, subject to the plan's earlier expiration or completion in accordance with its terms.

ITEM 6. EXHIBITS

10.1	<u>Amendment No. 17 to the Amended and Restated Master Repurchase and Securities Contract, dated as of March 13, 2024, between Parlex 5 Finco, LLC and Wells Fargo Bank, National Association</u>
31.1	<u>Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2	<u>Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1 +	<u>Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
32.2 +	<u>Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
99.1	<u>Section 13(r) Disclosure</u>
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 With Embedded Linkbase Documents
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

+ This exhibit shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

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

BLACKSTONE MORTGAGE TRUST, INC.

April 24, 2024

Date

/s/ Katharine A. Keenan

Katharine A. Keenan

Chief Executive Officer

(Principal Executive Officer)

April 24, 2024

Date

/s/ Anthony F. Marone, Jr.

Anthony F. Marone, Jr.

Chief Financial Officer

(Principal Financial Officer and

Principal Accounting Officer)

AMENDMENT NO. 17 TO AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT

AMENDMENT NO. 17 TO AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of March 13, 2024 (this "Amendment"), between **PARLEX 5 FINCO, LLC**, a Delaware limited liability company ("Seller") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Amended and Restated Master Repurchase and Securities Contract, dated as of April 4, 2014 (as amended by that certain Amendment No. 1 to Amended and Restated Master Repurchase and Securities Contract, dated as of October 23, 2014, as further amended by that certain Amendment No. 2 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 13, 2015, as further amended by that certain Amendment No. 3 to Amended and Restated Master Repurchase and Securities Contract, dated as of April 14, 2015, as further amended by that certain Amendment No. 4 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 11, 2016, as further amended by that certain Amendment No. 5 to Amended and Restated Master Repurchase and Securities Contract, dated as of June 30, 2016, as further amended by that certain Amendment No. 6 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 13, 2017, as further amended by that certain Amendment No. 7 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 31, 2017, as further amended by that certain Amendment No. 8 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 13, 2018, as further amended by that certain Amendment No. 9 to Amended and Restated Master Repurchase and Securities Contract, dated as of December 21, 2018, as further amended by that certain Amendment No. 10 to Amended and Restated Master Repurchase and Securities Contract, dated as of November 13, 2019, as further amended by that certain Amendment No. 11 to Amended and Restated Master Repurchase and Securities Contract, dated as of December 23, 2019, as further amended by that certain Amendment No. 12 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 13, 2020, as further amended by that certain Amendment No. 13 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 12, 2021, as further amended by that certain Amendment No. 14 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 11, 2022, as further amended by that certain Amendment No. 15 to Amended and Restated Master Repurchase and Securities Contract, dated as of June 29, 2022, as further amended by that certain Amendment No. 16 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 13, 2023, as amended hereby and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Repurchase Agreement");

WHEREAS, Seller has requested, and Buyer has agreed, to amend the Repurchase Agreement as set forth in this Amendment and Blackstone Mortgage Trust, Inc. ("Guarantor") agrees to make the acknowledgements set forth herein.

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

SECTION 1. Amendments to Repurchase Agreement

(a) The Repurchase Agreement is hereby amended to delete the red, stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the blue, double underlined text (indicated in the same manner as the following example: underlined text) as attached hereto on Exhibit A. The Exhibits, Schedules and Annexes to the Repurchase Agreement (other than as set forth in clause (b) below) shall not be modified by this Amendment and shall remain Exhibits, Schedules and Annexes to the Repurchase Agreement.

(b) The Exhibits to the Repurchase Agreement are hereby amended by inserting a new Exhibit J at the end thereof, as attached on Annex I to this Amendment.

SECTION 2. Conditions Precedent. This Amendment and its provisions shall become effective on the date first set forth above (the "Amendment Effective Date"), which is the date that this Amendment was executed and delivered by a duly authorized officer of each of Seller, Buyer and Guarantor.

SECTION 3. Representations, Warranties and Covenants. Seller hereby represents and warrants to Buyer, as of the Amendment Effective Date, that (i) it is in full compliance with all of the terms and provisions and its undertakings and obligations set forth in the Repurchase Agreement and each other Repurchase Document to which it is a party on its part to be observed or performed, and (ii) no Default or Event of Default has occurred or is continuing. Seller hereby confirms and reaffirms its representations, warranties and covenants contained in each Repurchase Document to which it is a party.

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges (a) the execution and delivery of this Amendment and agrees that it continues to be bound by that certain Guarantee Agreement, dated as of March 13, 2014 (the "Guarantee Agreement"), made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein, and (b) that, as of the date hereof Buyer is in compliance with its undertakings and obligations under the Repurchase Agreement, the Guarantee Agreement and each of the other Repurchase Documents.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Repurchase Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the Amendment Effective Date, each (x) reference therein and herein to the "Repurchase Documents" shall be deemed to include, in any event, this Amendment, (y) each reference to the "Repurchase Agreement" in any of the Repurchase Documents shall be deemed to be a reference to the Repurchase Agreement, as amended hereby, and (z) each reference in the Repurchase Agreement to "this Agreement", this "Repurchase Agreement", this

"Amended and Restated Repurchase Agreement", "hereof", "herein" or words of similar effect in referring to the Repurchase Agreement shall be deemed to be references to the Repurchase Agreement, as amended by this Amendment.

SECTION 6. No Novation, Effect of Agreement. Seller and Buyer have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller, Guarantor or Pledgor (the "Repurchase Parties") under or in connection with the Repurchase Agreement, the Fee Letter, the Pledge and Security Agreement or any of the other Repurchase Documents to which any Repurchase Party is a party. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the Repurchase Obligations of the Repurchase Parties under the Repurchase Agreement and the Pledge and Security Agreement are preserved, (ii) the liens and security interests granted under the Repurchase Agreement and the Pledge and Security Agreement continue in full force and effect, and (iii) any reference to the Repurchase Agreement in any such Repurchase Document shall be deemed to also reference this Amendment.

SECTION 7. Waivers. (a) Each of Seller and Guarantor acknowledges and agrees that as of the date hereof it has no defenses, rights of setoff, claims, counterclaims or causes of action of any kind or description against Buyer arising under or in respect of the Repurchase Agreement, the Guarantee Agreement or any other Repurchase Document and any such defenses, rights of setoff, claims, counterclaims or causes of action which may exist as of the date hereof are hereby irrevocably waived, and (b) in consideration of Buyer entering into this Amendment, Seller and Guarantor hereby waive, release and discharge Buyer and Buyer's officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arise out of or from or in any way relating to or in connection with the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents, in each case occurring or existing on or prior to the date hereof, including, but not limited to, any action or failure to act under the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents on or prior to the date hereof, except, with respect to any such Person being released hereby, any actions, causes of action, claims, demands, damages and liabilities arising out of such Person's gross negligence or willful misconduct in connection with the Repurchase Agreement or the other Repurchase Documents.

SECTION 8. Counterparts. This Amendment may be executed by each of the parties hereto on 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 facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 9. Expenses. Seller and Guarantor agree to pay and reimburse Buyer for all out-of-pocket costs and expenses incurred by Buyer in connection with the preparation, execution and delivery of this Amendment, including, without limitation, the fees and disbursements of Cadwalader, Wickersham & Taft LLP, counsel to Buyer

SECTION 10. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

SECTION 11. Extension of Repurchase Dates. Buyer and Seller hereby acknowledge and agree that (i) Seller has elected to extend, pursuant to Section 3.05 of the Repurchase Agreement, the Repurchase Date of each Purchased Asset (as determined pursuant to clause (a) of the definition of Repurchase Date) to the earlier of (x) three hundred sixty-four (364) days following the current Repurchase Date of each such Purchased Asset (as determined pursuant to clause (a) of the definition of Repurchase Date) and (y) the Repurchase Date of each such Purchased Asset pursuant to clause (b), (c) or (d) of the definition of Repurchase Date (including the proviso thereto), and (ii) each such Repurchase Date is hereby so extended as described in the preceding clause (i), effective as of the Amendment Effective Date. Buyer and Seller further acknowledge and agree that, notwithstanding anything to the contrary in Section 3.05 of the Repurchase Agreement, the extensions described in this Section 11 shall be deemed to comply with the requirements of Section 3.05 of the Repurchase Agreement.

[SIGNATURES FOLLOW]

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

SELLER:

PARLEX 5 FINCO, LLC, a Delaware limited liability company

By: /s/ Anthony F. Marone, Jr. Name: Anthony F. Marone,
Jr.
Title: Chief Financial Officer, Treasurer and Assistant Secretary

BUYER:

WELLS FARGO BANK, N.A., a national banking association

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

Acknowledged and Agreed with respect to Sections 4 and 7 herein:

GUARANTOR:

BLACKSTONE MORTGAGE TRUST, INC., a Maryland corporation

By: /s/ Anthony F. Marone, Jr.
Marone, Jr.

Name: Anthony F.

Title: Chief Financial Officer, Treasurer and Assistant Secretary

Exhibit A

[See attached.]

THIS AMENDED AND RESTATED MASTER REPURCHASE AND **SECURITIES CONTRACT**, dated as of April 4, 2014 (this "Agreement"), is made by and between **PARLEX 5 FINCO, LLC**, a Delaware limited liability company ("Seller") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Buyer"). Seller and Buyer hereby agree as follows:

WHEREAS, Seller and Buyer entered into that certain Master Repurchase and Securities Contract, dated as of March 13, 2014, as amended pursuant to that certain Amendment No. 1 to Master Repurchase and Securities Contract by and between Seller and Buyer dated as of March 21, 2014 (collectively, the "Original Repurchase Agreement").

WHEREAS, Seller and Buyer desire to amend and restate the Original Repurchase Agreement to provide for the sale of Mezzanine Loans from Seller to Buyer hereunder.

NOW, THEREFORE Seller and Buyer (each a "Party" and collectively referred to herein as "Parties") hereby agree as follows:

ARTICLE 1

APPLICABILITY

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

ARTICLE 2

DEFINITIONS AND INTERPRETATION

Section 2.01 Definitions.

"30-Day SOFR Average": Defined in the definition of "SOFR Average." "Accelerated Repurchase Date":

Defined in Section 10.02.

"Additional Funding Amount": Defined in Section 3.12. "Additional Funding Capacity": Defined in Section 3.12.

"Additional Funding Transaction": Defined in Section 3.12.

"Additional Funding Transaction Available Amount": With respect to any proposed Additional Funding Transaction with respect to any Purchased Asset, the excess, if any, of (a) the Maximum Funding Transaction Purchase Price for such Purchased Asset as of the date of such proposed Additional Funding Transaction, *minus* (b) the outstanding Purchase Price of such Purchased Asset as of such date.

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

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

"Agreement": This Amended and Restated Master Repurchase and Securities Contract, dated as of April 4, 2014 by and between Seller and Buyer, and as same may be amended, restated, supplemented or otherwise modified and in effect from time to time.

"Amendment Effective Date": March 11, 2022.

"AML Entity": Each of Seller, all Affiliates of Seller, Pledgor, all Affiliates of Pledgor, Guarantor and all Subsidiaries of Guarantor.

"Annual Funding Fee": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Annual Funding Fee Payment Date": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Anti-Corruption Law": The U.S. Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act, the Canadian Corruption of Foreign Public Officials Act or any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which Seller or any of its Affiliates is located or doing business.

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

"Applicable Percentage": For each Purchased Asset, the applicable percentage determined by Buyer for such Purchased Asset on the Purchase Date therefor as specified in the relevant Confirmation, up to the Maximum Applicable Percentage; provided that, at all times during the Cash Sweep Tail Period, the Applicable Percentage shall equal the Purchase Price Percentage as of the end of the last day of the Stabilization Period.

"Applicable Standard of Discretion": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Applicable SOFR": With respect to ~~each SOFR-Based~~ any Transaction, either ~~the~~ SOFR Average or Term SOFR, as applicable, as designated in the related Confirmation

~~therefor, or if such Applicable SOFR is not specified in the related Confirmation for such SOFRBased Transaction, as specified with respect to such Transaction in the related notice of Rate Conversion delivered by Buyer in accordance with Section 12.01(d).~~

"Appraisal": A FIRREA-compliant appraisal of the related Mortgaged Property from an Appraiser, addressed to (either directly or pursuant to a reliance letter in favor of Buyer) and reasonably satisfactory to Buyer.

"Approved Representation Exception": Any Representation Exception furnished by Seller to Buyer and approved by Buyer prior to the related Purchase Date.

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

"Assignment and Acceptance": Defined in [Section 18.08\(c\)](#). **"Authorized Representative":** Defined in [Section 18.29](#).

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

"Bailee Agreement": An agreement between Bailee, Seller and Buyer substantially in the form attached hereto as [Exhibit H](#), wherein such Bailee in possession of the Mortgage Loan Documents identified in such Bailee Agreement (a) acknowledges receipt of such Mortgage Loan Documents, (b) confirms that Bailee is holding the same as bailee of Buyer under such Bailee Agreement and (c) agrees that Bailee shall deliver such Mortgage Loan Documents to the Custodian in accordance with this Agreement and the Custodial Agreement.

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

"Basic Mortgage Asset Documents": Means the following original (except as otherwise permitted in [Section 3.01](#) of the Custodial Agreement), fully executed and complete documents (in each case together with an original general assignment, an original assignment or allonge, as applicable, executed in blank and, as applicable, an original assignment and assumption agreement or any similar document required by the terms of the applicable Mortgage Loan Documents to effectuate an assignment of such Asset, executed by Seller in blank): the Mortgage Note (or, in the case of a Senior Interest consisting of a participation interest, the related participation certificate), the Mortgage (or a copy of the recorded Mortgage), the assignment of Mortgage (or, if such instrument assigns the Mortgage to Seller, a copy of the

recorded assignment of Mortgage), the assignment of leases and rents (or a copy of the recorded assignment of leases and rents), if any, the assignment of assignment of leases and rents (or, if

such instrument assigns the assignment of leases and rents to Seller, a copy of the recorded assignment of assignment of leases and rents), if any, and the related security agreement, if applicable.

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

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

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

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

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

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

“Benchmark Replacement Adjustment”: With respect to any replacement of the then-current Benchmark ~~(as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable)~~ with an Unadjusted Benchmark Replacement, the spread adjustment, or

method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Buyer.

~~“Benchmark Replacement Conforming Changes”: With respect to any Benchmark Replacement or Rate Conversion, any technical, administrative or operational changes (including changes to the definition of “Business Day”, “Pricing Rate,” the definition of “Pricing Period,” timing and frequency of determining rates and making payments of Price Differential, prepayment provisions, early repurchases, and other technical, administrative or operational matters) that Buyer decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement or Rate Conversion, and to permit the administration thereof by Buyer in a manner substantially consistent with market practice (or, if Buyer decides that adoption of any portion of such market practice is not administratively feasible or if Buyer determines that no market practice for the administration of the Benchmark Replacement or Rate Conversion exists, in such other manner of administration as Buyer decides is reasonably necessary in connection with the administration of this Agreement and the other Repurchase Documents).~~

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

- a. in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark permanently or indefinitely ceases to provide such Benchmark; or
- a. in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark has been determined and announced by the regulatory supervisor for the administrator of such Benchmark to be no ~~longer~~ representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) even if such Benchmark continues to be provided on such date.

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

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

resolution authority over the administrator for such Benchmark, which states that the administrator of such Benchmark has ceased or will cease to provide such Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark; or

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

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

"Beneficial Ownership Regulation": Means 31 C.F.R. § 1010.230.

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

"Blank Assignment Documents": Defined in Section 6.02(j).

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

"Buyer": Wells Fargo Bank, National Association, in its capacity as Buyer under this Agreement and the other Repurchase Documents, and also in its capacity as counterparty to any Interest Rate Protection Agreement.

"Buyer's Margin Percentage": For any Purchased Asset as of any date, the percentage equivalent of the quotient obtained by dividing one (1) by the Applicable Percentage of such Purchased Asset.

"Capital Lease Obligations": With respect to any Person, the amount of all obligations of such Person, as a lessee 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 obligation shall be the capitalized amount thereof, determined in accordance with GAAP.

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

"Cash Sweep Tail Period": The period beginning on the last day of the Stabilization Period and ending on the Maturity Date.

"Change of Control": With respect to any Person, if (a) any consummation of a merger or consolidation of Guarantor with or into another entity or any other reorganization occurs and more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's stock or other ownership interest in such entity outstanding immediately after such merger, consolidation or such other reorganization is not owned directly or indirectly by Persons who were stockholders or holders of such other ownership interests in Guarantor immediately prior to such merger, consolidation or other reorganization; (b) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a percentage of the total voting power of all Capital Stock of such Person entitled to vote generally in the election of directors, members or partners of twenty percent (20%) or more other than wholly-owned Affiliates of such Person and related funds of The Blackstone Group L.P., or to the extent such interests are obtained through a public market offering or secondary market trading; (c) Guarantor shall cease to own and Control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding Capital Stock of Pledgor; (d) Pledgor shall cease to own and Control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding Capital Stock of Seller; or (e) any transfer of all or substantially all of Guarantor's assets (other than any securitization transaction or any repurchase or other similar transactions in the ordinary course of Guarantor's business). Notwithstanding the foregoing, neither Buyer nor any other Person shall be deemed to approve or to have approved any internalization of management as a result of this definition or any other provision herein.

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

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

"Closing Date": March 13, 2014.

"Code": The Internal Revenue Code of 1986. "Collateral": Defined in Section 11.01.

"Compliance Certificate": A true and correct certificate in the form of Exhibit E, executed by a Responsible Officer of Seller.

"Confirmation": A purchase confirmation in the form of Exhibit B-1, B-2, B-3 or B-4, as appropriate, duly completed, executed and delivered by Seller and Buyer in accordance with Section 3.01.

"Conforming Changes": With respect to either the use or administration of an initial Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day", the definition of "Pricing Rate," the definition of "Pricing Period," the definition of "U.S. Government Securities Business Day," timing and frequency of determining rates and making payments of Price Differential, prepayment provisions, early repurchases, the applicability and length of lookback periods, the applicability of Section 12.03 and other technical, administrative or operational matters) that Buyer decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Buyer in a manner substantially consistent with market practice (or, if Buyer decides that adoption of any portion of such market practice is not administratively feasible or if Buyer determines that no market practice for the administration of any such rate exists, in such other manner of administration as Buyer decides is reasonably necessary in connection with the administration of this Agreement and the other Repurchase Documents).

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

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

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

"Controlled Account Agreement": A control agreement with respect to the Waterfall Account, dated as of the Closing Date, among Seller, Buyer and Waterfall Account Bank.

"Custodial Agreement": The Second Amended and Restated Custodial Agreement, dated as of the date hereof, among Buyer, Seller and Custodian, and as same may be amended, restated, supplemented or otherwise modified and in effect from time to time.

"Custodian": Wells Fargo Bank, National Association, or any successor permitted by the Custodial Agreement.

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

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

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulted Asset": Any Asset, Purchased Asset or Mortgage Loan, as applicable,

(a) that is thirty (30) or more days (or, in the case of payments due at maturity, one (1) day) delinquent in the payment of principal, interest, fees, distributions or any other amounts payable under the related Mortgage Loan Documents, in each case, without regard to any waivers or modifications of, or amendments to, the related Mortgage Loan Documents, other than those that were disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset, unless consented to by Buyer in accordance with the terms of this Agreement, (b) for which there is a Representation Breach with respect to such Asset or Purchased Asset, other than an Approved Representation Exception, (c) for which there is a non-monetary default under the related Mortgage Loan Documents beyond any applicable notice or cure period in each case, without regard to any waivers or modifications of, or amendments to, the related Mortgage Loan Documents, other than those that were disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset, (d) as to whose Underlying Obligor an Insolvency Event has occurred, (e) with respect to which there has been an extension, amendment, waiver or other modification to the terms of, or any collateral, guaranty or indemnity for, or the exercise of any material right or remedy of a holder (including all lending, corporate and voting rights, remedies, consents, approvals and waivers) of any related loan or participation document that has a material adverse effect on the value in such asset, as determined by Buyer, or (f) for which Seller or a Servicer has received notice of the foreclosure or proposed foreclosure of any Lien on the related Mortgaged Property; provided that with respect to any Senior Interest, in addition to the foregoing such Senior Interest will also be considered a Defaulted Asset to the extent that the Mortgage Loan would be considered a Defaulted Asset as described in this definition provided, however, in each case, without regard to any waivers or modifications of, or amendments to, the related Mortgage Loan Documents.

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

"Derivatives Contract": Any rate swap transaction, basis swap, credit derivative transaction, forward rate transaction, commodity swap, commodity option, forward commodity contract, equity or equity index swap or option, bond or bond price or bond index swap or option or forward bond or forward bond price or forward bond index transaction, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, spot contract, or any other similar transaction or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, including any obligations or liabilities thereunder.

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

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

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

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

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

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

"Early Repurchase Date": Defined in Section 3.04. "Eligible Asset": An Asset:

- a. that has been approved as a Purchased Asset by Buyer; provided that, following an approval of an Asset as a Purchased Asset pursuant to this clause, subject to Seller's compliance with Section 7.05, Buyer may not revoke such discretionary approval as a result of an examination of the same due diligence materials received by it in connection with such initial approval unless there has been a material misstatement or omission by Seller in connection with information provided to Buyer prior to the related Purchase Date (for the avoidance of doubt, this proviso shall apply to the discretionary approval set forth in this clause (a) and not to any other provision of this definition);
- a. with respect to which no Representation Breach exists;
- a. with respect to which there are no future funding obligations on the part of Seller other than any future funding obligations expressly approved by Buyer which future funding obligations are and shall remain at all times, solely the obligations of Seller;
- a. whose Mortgaged Property is not a hotel, unless (i) the hotel is a national flag hotel, (ii) Buyer has received a copy of the franchise agreement and related documents for operation of the hotel under the national flag, all reports issued by the franchisor and a comfort letter from the franchisor running to the benefit of successors and assigns of the lender, (iii) the hotel is managed by a third party manager under a management agreement and subordination of management agreement, all of which are acceptable to Buyer;
- a. whose Mortgaged Property is located in the United States, whose Underlying Obligors are domiciled in the United States, and all obligations thereunder and under the Mortgage Loan Documents are denominated and payable in Dollars;
- a. with respect to such Asset, none of the Underlying Obligors (and any of their respective Affiliates) related to such Asset are Sanctioned Targets;
- a. that does not involve an Equity Interest of Seller, Guarantor or any Affiliate of Seller or Guarantor that would result in (i) an actual or potential conflict of interest, (ii) an affiliation with an Underlying Obligor which results or could result in the loss or impairment of any material rights of the holder of the Asset; provided, Seller shall disclose to Buyer before the Purchase Date each Equity Interest held or to be held by

Seller, Guarantor or any Affiliate of Seller or Guarantor with respect to such Asset whether or not it satisfies either of the preceding clauses (i) or (ii);

- a. that is secured by a perfected, first priority security interest in a stabilized or transitional Mortgaged Property (or, in the case of a Mezzanine Loan secured by first priority pledges of all of the Equity Interests of Persons that directly or indirectly own a commercial or multi-family property); and
- a. for which all Mortgage Loan Documents have been delivered to Custodian on a timely basis;

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

"Eligible Assignee": Any of the following Persons designated by Buyer for purposes of Section 18.08(c): (a) a bank, financial institution, pension fund, insurance company or similar Person regularly engaged in the business of originating, lending against, or owning commercial real estate loans similar to the Purchased Assets, an Affiliate of any of the foregoing, and an Affiliate of Buyer, and (b) any other Person to which Seller has consented; provided, that such consent of Seller shall not (except in connection with Prohibited Transferees) be unreasonably withheld, delayed or conditioned, and consent of Seller to any assignment pursuant to Section 18.08(c) (including an assignment to a Prohibited Transferee) shall not be required at any time that a monetary Default, a material non-monetary Default or any Event of Default has occurred and is continuing.

"Environmental Laws": Any federal, state, foreign or local statute, law, rule, regulation, ordinance, code, guideline and rule of common law now or hereafter in effect, and any judicial or interpretation thereof, including any judicial or administrative order, decision, consent decree or judgment, relating to the environment, employee health and safety or

hazardous materials, including CERCLA, RCRA, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Oil Pollution Act of 1990, the Emergency Planning and the Community Right-to-Know Act of 1986, the Hazardous Material Transportation Act, the Occupational Safety and Health Act, and any state and local or foreign counterparts or equivalents.

"Equity Interests": With respect to any Person, (a) any share, interest, participation and other equivalent (however denominated) of Capital Stock of (or other ownership, equity or profit interests in) such Person, (b) any warrant, option or other right for the purchase or other acquisition from such Person of any of the foregoing, (c) any security convertible into or exchangeable for any of the foregoing, and (d) any other ownership or profit interest in such Person (including partnership, member or trust interests therein), whether voting

or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized but unissued on any date.

"ERISA": The Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and, as of the relevant date, any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Affiliate": Any trade or business (whether or not incorporated) that is a member of Seller's, Pledgor's or Guarantor's controlled group or under common control with Seller, Pledgor or Guarantor, within the meaning of Section 414 of the Code.

"Event of Default": Defined in Section 10.01.

"Excluded Taxes": Any of the following Taxes imposed on or with respect to Buyer or required to be withheld or deducted from a payment to Buyer: (a) Taxes imposed on or measured by net income or net worth (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Buyer being organized under the laws of, or having its principal office or the office from which it books the Transactions located in, the jurisdiction imposing such Taxes (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Buyer or an Eligible Assignee with respect to an interest in the Repurchase Obligations pursuant to a law in effect on the date on which such party (i) acquires such interest in the Repurchase Obligations or (ii) changes the office from which it books the Transactions, except in each case to the extent that, pursuant to Section 12.06, amounts with respect to such Taxes were payable either to such party's assignor immediately before such party became a party hereto or to such party immediately before it changed the office from which it books the Transactions, (c) Taxes attributable to Buyer's failure to comply with Section 12.06(e), 18.08(f) and 18.08(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Exchange Act": The Securities Exchange Act of 1934, as amended.

"Exit Fee": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"FATCA": Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any intergovernmental agreements entered into pursuant to such Sections.

"FDIA": Defined in Section 14.03. **"FDICIA"**: Defined in Section 14.04.

"Fee Letter": The fee and pricing letter, dated as of March 13, 2014, between Buyer and Seller.

"Fitch": Fitch Ratings, Inc.

"Floor": The greater of (a) zero (0) and (b) such higher amount as may be specified with respect to any Transaction in the related Confirmation (or Amended and Restated Confirmation, as applicable).

"Foreign Buyer": A Buyer that is not a U.S. Buyer.

"Funding Expiration Date": March 13, ~~2024~~2025; provided that, in the event that Seller requests an extension of the Funding Expiration Date, such request may be approved or denied by Buyer for any reason or for no reason, as determined in Buyer's sole and absolute discretion, and it is expressly acknowledged and agreed that Buyer has no obligation to consider or grant any such request.

"Funding Period": The period from the Closing Date to but excluding the Funding Expiration Date.

"Future Funding Amount": With respect to any Purchased Asset for which a Future Funding Transaction has been requested by Seller and approved by Buyer pursuant to Section 3.11, the product of (a) the amount that Seller is funding as a post-closing advance as required by the Mortgage Loan Documents (without giving effect to any modification, waiver or amendment) relating to such Purchased Asset, not to exceed (x) the amount of future funding set forth on the related Confirmation for the initial Transaction relating to such Purchased Asset, *minus* (y) all previous Future Funding Amounts funded by Buyer relating to such Purchased Asset, and (b) the Applicable Percentage for such Purchased Asset.

"Future Funding Date": With respect to any Purchased Asset for which a Future Funding Transaction has been requested by Seller and approved by Buyer, the date on which Buyer funds the Future Funding Amount relating to such Purchased Asset.

"Future Funding Request Package": With respect to one or more Future Funding Transactions, the following: (a) the related request for advance, executed by the related Underlying Obligor (which shall include either therein or separately evidence of Seller's approval of the related Future Funding Transaction), and any other documents that are required

to be delivered to Seller pursuant to the related Mortgage Loan Documents in connection with such future funding advance; (b) certification by Seller that all conditions precedent to the future funding advance under the related Mortgage Loan Documents have been satisfied in all material respects; and (c) to the extent available and requested by Buyer, (i) updated financial statements, operating statements and rent rolls, (ii) engineering reports and updates to the engineering reports, and (iii) an updated Underwriting Package.

"Future Funding Transaction": Any transaction approved and entered into by Buyer pursuant to Section 3.11.

"GAAP": Generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"Gloss Lender": The "Lender", as defined in the Gloss Loan Agreement. "Gloss Facility": The Gloss Loan Agreement and any documents related thereto.

"Gloss Loan Agreement": That certain Amended and Restated Master Loan and Security Agreement, dated as of December 24, 2021 (as amended, restated, supplemented or otherwise modified and in effect from time to time), by and between Gloss Finco 2, LLC, as borrower, and Wells Fargo Bank International Unlimited Company, as Gloss Lender.

"Gloss Repayment Obligations": The "Repayment Obligations" as defined in the Gloss Loan Agreement.

"Governing Documents": With respect to any Person, its articles or certificate of incorporation or formation, by-laws, partnership, limited liability company, memorandum and articles of association, operating or trust agreement and/or other organizational, charter or governing documents.

"Governmental Authority": Any (a) nation or government, (b) state or local or other political subdivision thereof, (c) central bank or similar monetary or regulatory authority,

(d) Person, agency, authority, instrumentality, court, regulatory body, central bank or other body or entity exercising executive, legislative, judicial, taxing, quasi-judicial, quasi-legislative, regulatory or administrative functions or powers of or pertaining to government, (e) court or arbitrator having jurisdiction over such Person, its Affiliates or its assets or properties, (f) stock exchange on which shares of stock of such Person are listed or admitted for trading, (g) accounting board or authority that is responsible for the establishment or interpretation of national or international accounting principles, in each case, whether foreign or domestic, and (h) supra-national body such as the European Union or the European Central Bank.

"Ground Lease": A ground lease containing the following terms and conditions:

(a) a remaining term (exclusive of any unexercised extension options) of thirty (30) years or more from the Purchase Date of the related Asset, (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor or with such consent given, (c) the obligation of the lessor to give the holder of any mortgage lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or

complete foreclosures, and fails to do so, (d) reasonable transferability of the lessee's interest under such lease, including ability to sublease, and (e) such other rights customarily required by mortgagees making a loan secured by the interest of the holder of the leasehold estate demised pursuant to a ground lease.

"Ground Lease Asset": An Asset the Mortgaged Property for which is secured or supported in whole or in part by a Ground Lease.

"Guarantee Agreement": The Guarantee Agreement dated as of March 13, 2014, made by Guarantor in favor of Buyer.

"Guarantee Obligation": With respect to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of the obligations for which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends, Contractual Obligation, Derivatives Contract or other obligations or indebtedness (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation, or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term "Guarantee Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the maximum stated amount of the primary obligation relating to such Guarantee Obligation (or, if less, the maximum stated liability set forth in the instrument embodying such Guarantee Obligation); and provided, further, that in the absence of any such stated amount or stated liability, the amount of such Guarantee Obligation shall be such guaranteeing person's maximum anticipated liability in respect thereof as reasonably determined by such Person.

"Guarantor": Blackstone Mortgage Trust, Inc., a Maryland corporation. "Guarantor Default Threshold": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Hedge Counterparty": Either (a) an Affiliated Hedge Counterparty, or (b) or any other counterparty, approved by Buyer, to any Interest Rate Protection Agreement with Seller, in either case which agreement contains a consent satisfactory to Buyer to the collateral assignment to Buyer of the rights (but none of the obligations) of Seller thereunder.

"Hedge Required Asset": Any (A) Purchased Asset that (i) has a fixed rate of interest or return, (ii) pays interest at a floating rate based on any index other than one-month

~~LIBOR~~Term SOFR, or (B) other Purchased Asset that may be designated as a Hedge Required Asset by Buyer in its sole discretion.

"Income": With respect to any Purchased Asset, all of the following (in each case with respect to the entire par amount of the Asset represented by such Purchased Asset and not just with respect to the portion of the par amount represented by the Purchase Price advanced against such Asset) without duplication: (a) all Principal Payments, (b) all Interest Payments, (c) all other income, distributions, receipts, payments, collections, prepayments, recoveries, proceeds (including insurance and condemnation proceeds) and other payments or amounts of any kind paid, received, collected, recovered or distributed on, in connection with or in respect of such Purchased Asset, including Principal Payments, Interest Payments, principal and interest

payments, prepayment fees, extension fees, exit fees, defeasance fees, transfer fees, make whole fees, late charges, late fees and all other fees or charges of any kind or nature, premiums, yield maintenance charges, penalties, default interest, dividends, gains, receipts, allocations, rents, interests, profits, payments in kind, returns or repayment of contributions, net sale, foreclosure, liquidation, securitization or other disposition proceeds, insurance payments, settlements and proceeds, and (d) all payments received from Hedge Counterparties pursuant to Interest Rate Protection Agreements related to such Purchased Asset; provided, that any amounts that under the applicable Mortgage Loan Documents are required to be deposited into and held in escrow or reserve to be used for a specific purpose, such as taxes and insurance, shall not be included in the term "Income" unless and until (i) an event of default has occurred and is continuing under such Mortgage Loan Documents, (ii) the holder of the related Purchased Asset has exercised or is entitled to exercise rights and remedies with respect to such amounts, (iii) such amounts are no longer required to be held for such purpose under such Mortgage Loan Documents, or (iv) such amounts may be applied to all or a portion of the outstanding indebtedness under such Mortgage Loan Documents.

"Indebtedness": With respect to any Person: (i) 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); (ii) 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 ninety (90) days of the date the respective goods are delivered or the respective services are rendered; (iii) 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; (iv) 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 account of such Person; (v) contingent or future funding obligations under any Purchased Asset or any obligations senior to, or *pari passu* with, any Purchased Asset; (vi) Capital Lease Obligations of such Person; (vii) obligations of such Person under repurchase agreements or like arrangements; (viii) Indebtedness of others guaranteed by such Person to the extent of such guarantee; and (ix) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person. Notwithstanding the foregoing, nonrecourse Indebtedness owing pursuant to a securitization transaction such as a REMIC securitization, a collateralized loan obligation transaction or other similar securitization shall not be considered Indebtedness for any person.

"Indemnified Amounts": Defined in Section 13.01(a). **"Indemnified Person":** Defined in Section 13.01(a).

"Indemnified Taxes": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Seller under any Repurchase Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Independent Director" or "Independent Manager": An individual who has prior experience as an independent director, independent manager or independent member with at least three (3) years of employment experience and who is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart

Management Company, Lord Securities Corporation, Puglisi & Associates or, if none of those companies is then providing professional independent directors or independent managers, another nationally recognized company reasonably approved by Buyer, in each case, that is not affiliated with Seller and that provides independent directors, independent managers and/or other corporate services in the ordinary course of its business, and which individual is duly appointed as a member of the board of directors or board of managers of such corporation or limited liability company and is not, has never been, and will not while serving as Independent Director or Independent Manager be, any of the following:

- a. a member, partner, equity holder, manager, director, officer or employee of Seller, any Pledgor, any of their respective equity holders or Affiliates (other than (i) as an Independent Director or Independent Manager of Seller and (ii) as an Independent Director or Independent Manager of an Affiliate of Seller that is not in the direct chain of ownership of Seller and that is required by a creditor to be a single purpose bankruptcy remote entity, provided, however, that such Independent Director or Independent Manager is employed by a company that routinely provides professional Independent Directors or Independent Managers);
- a. a creditor, supplier or service provider (including provider of professional services) to Seller or any of their respective equity holders or Affiliates (other than through a nationally-recognized company that routinely provides professional independent directors, independent managers and/or other corporate services to Seller, any single-purpose entity equity holder, or any of their respective equity holders or Affiliates in the ordinary course of business);
- a. a family member of any such member, partner, equity holder, manager, director, officer, employee, creditor, supplier or service provider; or
- a. a Person who controls (whether directly, indirectly or otherwise) any of the individuals described in the preceding clauses (a), (b) or (c).

An individual who otherwise satisfies the preceding definition other than clause (a) by reason of being the Independent Director or Independent Manager of a Special Purpose Entity affiliated with Seller shall not be disqualified from serving as an Independent Director or Independent Manager of Seller or Pledgor if (x) such individual is provided by CT Corporation or (y) the fees

that such individual earns from serving as Independent Director or Independent Manager of Affiliates of Seller in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

"Insolvency Action": With respect to any Person, the taking by such Person of any action resulting in an Insolvency Event, other than solely under clause (g) of the definition thereof.

"Insolvency Event": With respect to any Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises with respect to such Person or any substantial part of its assets or property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee,

sequestrator or similar official for such Person or for any substantial part of its assets or property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 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 or similar official for such Person or for any substantial part of its assets or property, (e) the making by such Person of any general assignment for the benefit of creditors, (f) the admission in a legal proceeding of the inability of such Person to pay its debts generally as they become due, (g) the failure by such Person generally to pay its debts as they become due, or (h) the taking of action by such Person in furtherance of any of the foregoing.

"Insolvency Laws": The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments and similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Insolvency Proceeding": Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

"Interest Payments": With respect to any Purchased Asset, all payments of interest, income, receipts, dividends, and any other collections and distributions received from time to time in connection with any such Purchased Asset.

"Interest Rate Protection Agreement": With respect to any or all Purchased Assets, any futures contract, options related contract, short sale of United States Treasury securities or any interest rate swap, cap, floor or collar agreement, total return swap or any other similar arrangement providing for protection against fluctuations in interest rates or the exchange of nominal interest obligations either generally or under specific contingencies, in each case with a Hedge Counterparty and that is acceptable to Buyer. For the avoidance of doubt, any Interest Rate Protection Agreement with respect to a Purchased Asset shall be included in the definitions of "Purchased Asset" and "Repurchase Document."

"Internal Control Event": Fraud that involves management or other employees who have a significant role in, the internal controls of Seller, Pledgor, Manager or Guarantor over financial reporting.

"Investment": With respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, whether by means of (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, guaranty or credit enhancement of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person. Any binding commitment or option to make an Investment in any other Person shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in this Agreement, the amount

of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Investment Company Act": The Investment Company Act of 1940, as amended, restated or modified from time to time, including all rules and regulations promulgated thereunder.

"Investor": Any Person that either (i) is admitted to Seller as a member in accordance with the applicable operating agreement or limited liability company agreement of Seller, or (ii) owns an Equity Interest in Guarantor.

"Irrevocable Redirection Notice": A notice in the form of Exhibit C-2 sent by Seller or by Servicer on Seller's behalf to the applicable Underlying Obligor on or before the applicable Purchase Date for each Purchased Asset directing the remittance of Income with respect to such Purchased Asset directly to the Waterfall Account.

"IRS": The United States Internal Revenue Service.

"Kensington Buyer": The "Buyer", as defined in the Kensington Repurchase Agreement.

"Kensington Facility": The Kensington Repurchase Agreement and any documents related thereto.

"Kensington Repurchase Agreement": That certain Fourth Amended and Restated Master Repurchase and Securities Contract, dated as of June 30, 2016 (as amended, restated, supplemented or otherwise modified and in effect from time to time), by and among Kensington Buyer, Parlex 5 KEN Finco, LLC, Parlex 5 KEN UK Finco, LLC, Parlex 5 KEN CAD Finco, LLC, Parlex 5 KEN ONT Finco, LLC and Parlex 5 Ken EUR Finco, LLC.

"Kensington Repurchase Obligations": The "Repurchase Obligations" as defined in the Kensington Repurchase Agreement.

"Knowledge": As of any date of determination, the then-current actual (as distinguished from imputed or constructive) knowledge of (i) Stephen Plavin, Thomas C. Ruffing or Douglas Armer, (ii) any asset manager at The Blackstone Group L.P. responsible for any Purchased Asset, or (iii) any other employee with a title equivalent or more senior to that of "principal" within The Blackstone Group L.P. responsible for the origination, acquisition and/or management of any Purchased Asset.

~~"LIBOR": The rate of interest per annum determined by Buyer on the basis of the rate for deposits in Dollars for delivery on the first (1st) day of each Pricing Period, for a one-month period commencing on (and including) the first day of such Pricing Period and ending on (but excluding) the same corresponding date in the following month, as reported on Reuters Screen LIBOR01 Page (or any successor page) at approximately 11:00 a.m., London time, on the Pricing Rate Determination Date (or if not so reported, then as determined by Buyer from another recognized source or interbank quotation); provided, that in no event shall LIBOR be~~

~~less than the Floor. Each calculation by Buyer of LIBOR shall be conclusive and binding for all purposes, absent manifest error.~~

~~"LIBOR Based Pricing Rate Determination Date": (a) In the case of the first Pricing Period for any Purchased Asset, the related Purchase Date for such Purchased Asset, and~~

~~(b) in the case of each subsequent Pricing Period, two (2) Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and communicated to Seller. The failure to communicate shall not impair Buyer's decision to reset the Pricing Rate on any date.~~

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

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

"Lien": Any mortgage, statutory or other lien, pledge, charge, right, claim, adverse claim, attachment, levy, hypothecation, assignment, deposit arrangement, security interest, UCC financing statement or encumbrance of any kind on or otherwise relating to any Person's assets or properties in favor of any other Person or any preference, priority or other security agreement or preferential arrangement of any kind.

"LTV": With respect to any Purchased Asset, the ratio of the aggregate outstanding principal balance of the Purchased Asset and all other debt senior to or *pari passu* with such Purchased Asset secured, directly or indirectly, by the related Mortgaged Property, to

the aggregate value of such Mortgaged Property as determined by Buyer in its commercially reasonable discretion. For purposes of Buyer's determination, (i) the value of the Mortgaged Property may be determined using any commercially reasonable method, including without limitation by reference to a recent appraisal, broker price opinions, quotes from a recognized dealer in the commercial real estate market and/or discounted cash flow analysis or other method commonly utilized by Buyer or any other commercially reasonable method and the foregoing shall be deemed for such purposes to be commercially reasonable and (ii) for the avoidance of doubt, Buyer may reduce the value of the Mortgaged Property for any actual or potential risks posed by any Liens on the related Mortgaged Property.

"Manager": BXMT Advisors L.L.C. "Margin Call": Defined in Section 4.01. "Margin Deficit": Defined in Section 4.01. "Margin Excess": Defined in Section 4.02.

"Market Value": With respect to any Purchased Asset, the outstanding principal balance of the Purchased Asset as of any relevant date, as adjusted by Buyer to reflect the then current market value for such Purchased Asset (but in no event greater than par), as determined by Buyer at the Applicable Standard of Discretion on each Business Day in accordance with this definition. For purposes of Article 4 and Article 5, as applicable, changes in the Market Value of a Purchased Asset shall be determined solely in relation to material positive or negative changes (relative to Buyer's initial underwriting or the most recent determination of Market Value) relating to (A) any breach of an MTM Representation, or (B) the performance or condition of (i) the Mortgaged Property securing the Purchased Asset or other collateral securing or related to the Purchased Asset, (ii) the Purchased Asset's borrower (including obligors, guarantors, participants and sponsors) and the borrower on any Mortgaged Property or other collateral securing such Purchased Asset or the Mortgage Loan, as applicable, (iii) the commercial real estate market relevant to the Mortgaged Property, and/or (iv) any actual or potential risks posed by any Liens on the related Mortgaged Property, taken in the aggregate. In addition, the Market Value for any Purchased Asset may be deemed to be zero on the third (3rd) Business Day following the occurrence of any of the following with respect to such Purchased Asset:

- a. a breach of a representation or warranty contained in Schedule 1 hereto other than a MTM Representation or an Approved Representation Exception;
- a. the Repurchase Date with respect to such Purchased Asset occurs without repurchase of such Purchased Asset;
- a. the requirements of the definition of Eligible Asset are not satisfied, as determined by Buyer;
- a. any statement, affirmation or certification made or information, document, agreement, report or notice delivered by Seller to Buyer is untrue in any material respect; provided, that, to the extent that Seller corrects such untrue information in a timely manner satisfactory to Buyer (determination of which shall, in each case, be in Buyer's

sole and absolute discretion), Buyer may waive its right to deem the Market Value of such Purchased Asset to be zero;

- a. all Mortgage Loan Documents have not been delivered to Custodian within the time periods required by this Agreement and the Custodial Agreement;
- a. any material Mortgage Loan Document has been released from the possession of Custodian under the Custodial Agreement to Seller for more than ten (10) days; or
- a. Seller fails to deliver any reports required hereunder where such failure adversely affects Buyer's ability to determine Market Value therefor; provided, however, that if such failure is due to Seller's inability to obtain any such report from the related Underlying Obligor, then (i) Seller shall make commercially reasonable efforts to obtain such report from the related Underlying Obligor as soon as practicable, (ii) during the one-hundred and twenty (120) day period following Seller's initial failure to deliver any such report, unless and until Seller delivers the applicable report, Buyer may re-determine the Market Value of the applicable Purchased Asset for purposes of a Margin Call in accordance

with the Applicable Standard of Discretion and, in connection with such re-determination, Buyer may draw any adverse inference from any missing information that Buyer deems to be reasonable under the circumstances, and (iii) after the expiration of the one-hundred and twenty (120) day period following Seller's initial failure to deliver any such report, if Seller still has not delivered the applicable report, Buyer may re-determine the Market Value of the applicable Purchased Asset for purposes of a Margin Call in Buyer's sole and absolute discretion.

"Material Adverse Effect": Any event, development or circumstance that has a material adverse effect on or material adverse change in or to (a) the property, assets, business, operations, financial condition or credit quality of Seller, Pledgor, or Guarantor, taken as a whole, (b) the ability of Seller to pay and perform the Repurchase Obligations, (c) the validity, legality, binding effect or enforceability of any Repurchase Document, Mortgage Loan Document, Purchased Asset or security interest granted hereunder or thereunder, (d) the rights and remedies of Buyer or any Affiliate of Buyer under any Repurchase Document, Mortgage Loan Document or Purchased Asset, (e) the Market Value, rating (if applicable), liquidity or other aspect of a material portion of the Purchased Assets, as determined by Buyer, or (f) the perfection or priority of any Lien granted under any Repurchase Document or Mortgage Loan Document.

"Material Modification": Any extension, amendment, waiver, termination, rescission, cancellation, release or any other material modification to the terms of, or any collateral, guaranty or indemnity for, or the exercise of any right or remedy of a holder (including all lending, corporate rights, remedies, consents, approvals and waivers) of, any Purchased Asset or Mortgage Loan Document; provided that, non-material modifications regarding consent rights over leases, budgets, utilization of reserves or the release thereof, approval of escrows and bonding amounts for mechanics' or materialmen's liens, tax abatements or tax challenges, and de minimis takings for road expansions, curb cuts or water drainage shall not be considered a Material Modification.

"Materials of Environmental Concern": Any hazardous, toxic or harmful substances, materials, wastes, pollutants or contaminants defined as such in or regulated under any Environmental Law.

"Maturity Date": The earliest of (a) any Accelerated Repurchase Date, (b) any date on which the Maturity Date shall otherwise occur in accordance with the provisions of this Agreement, and (c) the latest Repurchase Date of any Purchased Asset subject to a Transaction during the Cash Sweep Tail Period.

"Maximum Amount": \$2,350,000,000, as such amount may be increased pursuant to Section 3.13; provided, that (a) during the Stabilization Period, the Maximum Amount on any date shall be the aggregate Maximum Purchase Price for all Transactions as of such date, as such amount declines during the Stabilization Period, as Purchased Assets are repurchased in full and/or Additional Funding Capacity is reduced pursuant to Section 3.10(b), and (b) during the Cash Sweep Tail Period, the Maximum Amount on any date shall be the aggregate Repurchase Price for all Transactions as of the last day of the Stabilization Period, as permanently reduced by each principal repayment in respect of each Purchased Asset.

"Maximum Applicable Percentage": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Maximum Concentration Limit": With respect to any Purchased Asset as of any date of determination, a limit that will be exceeded if the outstanding Purchase Price of such Purchased Asset as of such date of determination exceeds the lesser of (a) \$250,000,000 and (b) twenty-five percent (25%) of the Maximum Amount as in effect on such date of determination.

"Maximum Funding Transaction Purchase Price": With respect to a Purchased Asset with respect to which an Additional Funding Transaction is requested in accordance with the terms of this Agreement, an amount (expressed in dollars) equal to the product obtained by multiplying (i) the lesser of (A) the Market Value of such Purchased Asset (or the par amount of such Purchased Asset, if lower than Market Value) as of the Purchase Date for such Purchased Asset and (B) the Market Value of such Purchased Asset (or the par amount of such Purchased Asset, if lower than Market Value) as of the proposed date of such requested Additional Funding Transaction by (ii) the Applicable Percentage for such Purchased Asset as set forth in the related Confirmation.

"Maximum Purchase Price": With respect to any Purchased Asset, the amount equal to the Applicable Percentage for such Purchased Asset multiplied by the lower of (a) the Market Value of such Purchased Asset, and (b) the par amount of such Purchased Asset, as such amount may be increased, without duplication, by any additional principal amounts advanced by Seller to the related Underlying Obligor pursuant to the related Mortgage Loan Documents, and as may be reduced, (without duplication) by any principal payment (to the extent not reflected in either the Market Value or par amount of such Purchased Asset), and as may be reduced pursuant to Section 3.10(b).

"Mezzanine Borrower" The obligor on a Mezzanine Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder.

"Mezzanine Loan": A performing mezzanine loan secured by pledges of one-hundred percent (100%) of the Equity Interests of an Underlying Obligor, or that position of such Equity Interests that includes the general partnership, managing member or other controlling interest (including the right to take title to and sell the related Mortgaged Property) that owns income producing commercial real estate that is a Type of Mortgaged Property.

"Mezzanine Note": The original executed promissory note or other tangible evidence of the Mezzanine Loan indebtedness.

"Moody's": Moody's Investors Service, Inc.

"Mortgage": Any mortgage, deed of trust, assignment of rents, security agreement and fixture filing, or other instruments creating and evidencing a lien on real property and other property and rights incidental thereto.

"Mortgage Asset File": The meaning specified in the Custodial Agreement. "Mortgage Loan": With respect to any Whole Loan or Senior Interest, a mortgage

loan made in respect of the related Mortgaged Property.

"Mortgage Loan Documents": With respect to any Purchased Asset, those documents executed in connection with, evidencing or governing such Purchased Asset, the related Mortgaged Property, and, in the case of (i) a Senior Interest, the related Mortgage Loan, and (ii) a Mezzanine Loan, such Mezzanine Loan, including those which are required to be delivered to Custodian under the Custodial Agreement, together with any co-lender agreements, participation agreements and/or other intercreditor agreements or other documents governing or otherwise relating to such Senior Interest or such Mezzanine Loan.

"Mortgage Note": The original executed promissory note or other evidence of the indebtedness of a Mortgagor with respect to a commercial mortgage loan.

"Mortgaged Property": (i) In the case of any Whole Loan or Senior Interest, the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral directly or indirectly securing the repayment of the debt evidenced by either a Mortgage Note or by a Senior Interest Note, and (ii) in the case of any Mezzanine Loan, the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral directly or indirectly securing the repayment of the debt evidenced by a Mezzanine Note including, without limitation, all such collateral that is owned and pledged by the Person whose Equity Interest is pledged as collateral security for such Mezzanine Loan.

"Mortgagee": The record holder of a Mortgage Note secured by a Mortgage. **"Mortgagor"**: The obligor on a Mortgage Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder.

"MTM Representation": Means each of the representations and warranties, set forth as (a) items 1 (first sentence only), 19, 20, 23 (solely with respect to circumstances occurring after the related Purchase Date), 24 (solely with respect to circumstances occurring after the related Purchase Date), 35, 36, 38(c), 38(f), 43, 53, and any written notice of default under 57(iv) that does not give the ground lessor the right to terminate the related Ground Lease, each as set forth on Schedule 1(a) hereto, (b) items 1 (first sentence only), 12 (solely with respect to circumstances occurring after the related Purchase Date), 22, 23, 27 (solely with respect to circumstances occurring after the related Purchase Date), 38, 39, 42(c), 42(f), 47, 57, and any written notice of default under 61(iv) that does not give the ground lessor the right to terminate the related Ground Lease, each as set forth on Schedule 1(b) hereto and (c) items 1 (first sentence only), 13 (solely with respect to circumstances occurring after the related Purchase Date), 16 (solely with respect to circumstances occurring after the related Purchase Date), 29, 30, 36, 37, 38(c), 38(f), 40, any written notice of default under 43(iv) that does not give the ground lessor the right to terminate the related Ground Lease, 44 (solely with respect to circumstances occurring after the related Purchase Date), 45 (solely with respect to circumstances occurring after the related Purchase Date), and 46, each as set forth on Schedule 1(c) hereto.

"Multiemployer Plan": A Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Other Connection Taxes": With respect to Buyer, Taxes imposed as a result of a present or former connection between Buyer and the jurisdiction imposing such Taxes (other than a connection arising from Buyer having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Repurchase Document, or sold or assigned an interest in any Transaction or Repurchase Document).

"Other Facility": Collectively, the Gloss Facility and the Kensington Facility, as applicable.

"Other Facility Buyer": Collectively, the Gloss Lender and the Kensington Buyer, as applicable.

"Other Facility Repurchase Obligations": Collectively, the Kensington Repurchase Obligations and the Gloss Repayment Obligations, as applicable.

"Other Repurchase Agreement": Collectively, the Kensington Repurchase Agreement and the Gloss Loan Agreement, as applicable.

"Other Taxes": Any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under any Repurchase Document or from the execution, delivery, performance, or enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Repurchase Document, except (i) any such Taxes that are Other Connection Taxes (provided, for the avoidance of doubt, that for purposes of this definition Other Connection Taxes shall include any connection arising from Buyer having sold or assigned an interest in any Transaction or Repurchase Document) imposed with respect to an assignment,

transfer or sale of a participation or other interest in or with respect to the Repurchase Documents, and (ii) for the avoidance of doubt, any Excluded Taxes.

"Participant": Defined in Section 18.08(b). "Participant Register": Defined in Section 18.08(f).

"Party": Each of Buyer and/or Seller, as the context may require, together with their permitted successors and assigns.

"PATRIOT Act": The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, modified or replaced from time to time.

"Permitted Liens": Any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding has been commenced: (a) Liens for state, municipal, local or other local taxes, assessments or charges not yet due and payable or which are being

contested in good faith by appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP, (b) Liens imposed by Requirements of Law, such as materialmen's, mechanics', carriers', workmen's, repairmen's and similar Liens, arising in the ordinary course of business securing obligations that are not overdue for more than thirty (30) days, (c) easements, rights of way, zoning restrictions, licenses and other similar charges or encumbrances affecting the use of any Mortgaged Property that are disclosed in an Approved Representation Exception, and (d) Liens granted pursuant to or by the Repurchase Documents.

"Person": An individual, corporation, limited liability company, business trust, partnership, trust, unincorporated organization, joint stock company, sole proprietorship, joint venture, Governmental Authority or any other form of entity.

"Plan": An employee benefit or other plan established or maintained by Seller or any ERISA Affiliate 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, other than a Multiemployer Plan.

"Plan Asset Regulation": The regulation of the United States Department of Labor at 29 C.F.R. § 2510.3-101 (as modified by Section 3(42) of ERISA).

"Pledge and Security Agreement": The Pledge and Security Agreement, dated as of March 13, 2014, between Buyer and Pledgor, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

"Pledged Collateral": Defined in the Pledge and Security Agreement.

"Pledgor": 42-16 Partners, LLC, a Delaware limited liability company, together with its successors and permitted assigns.

"Power of Attorney": Defined in Section 18.19.

"PPV Test": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Price Differential": For any Pricing Period or portion thereof and (a) for any Transaction outstanding, the sum of the products, for each day during such Pricing Period or portion thereof, of (i) 1/360th of the Pricing Rate in effect for each Purchased Asset subject to such Transaction during such Pricing Period, times (ii) the outstanding Purchase Price for such Purchased Asset on each such day, or (b) for all Transactions outstanding, the sum of the amounts calculated in accordance with the preceding clause (a) for all Transactions.

"Pricing Margin": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Pricing Period": For any Purchased Asset, (a) in the case of the first Remittance Date for such Purchased Asset, the period from the Purchase Date for such Purchased Asset to

but excluding such Remittance Date, and (b) in the case of any subsequent Remittance Date, the one-month period commencing on and including the prior Remittance Date and ending on but excluding such Remittance Date; provided, that no Pricing Period for a Purchased Asset shall end after the Repurchase Date for such Purchased Asset.

"Pricing Rate": For any Pricing Period and any Transaction, ~~(a) in the case of any LIBOR Based Transaction, LIBOR and (b) in the case of any SOFR Based Transaction,~~ the Applicable SOFR for such Transaction, ~~in each case,~~ for such Pricing Period plus the applicable Pricing Margin for such date; provided, that, ~~in each case,~~ while an Event of Default is continuing, the Pricing Rate shall be the Default Rate.

"Pricing Rate Determination Date": ~~(A) With respect to any LIBOR Based Transaction, subject to Section 12.01(a), the LIBOR Based Pricing Rate Determination Date and (B) with respect to any SOFR Based Transaction, the SOFR Based Pricing Rate Determination Date~~ a) In the case of the first Pricing Period for any Purchased Asset, the related Purchase Date for such Purchased Asset, and (b) in the case of each subsequent Pricing Period, the date that is two (2) U.S. Government Securities Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and communicated to Seller. The failure to communicate shall not impair Buyer's decision to reset the Pricing Rate on any date.

"Principal Payments": For any Purchased Asset, all payments and prepayments of principal received for such Purchased Asset, including insurance and condemnation proceeds which are permitted by the terms of the Mortgage Loan Documents to be applied to principal and are, in fact, so applied and recoveries of principal from liquidation or foreclosure which are permitted by the terms of the Mortgage Loan Documents to be applied to principal and are, in fact, so applied.

"Prohibited Transferee": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Purchase Agreement": Any purchase agreement between Seller and any Transferor pursuant to which Seller purchased or acquired an Asset which is subsequently sold to Buyer hereunder.

"Purchase Date": For any Purchased Asset, the date on which such Purchased Asset is purchased by Buyer from Seller in connection with a Transaction.

"Purchase Price": For any Purchased Asset, the price paid by Buyer to Seller on the Purchase Date in connection with the transfer of such Purchase Asset from Seller to Buyer, as (i) reduced by any amount of Margin Deficit transferred by Seller to Buyer pursuant to Section

4.01 and applied to the Purchase Price of such Purchased Asset, (ii) reduced by any Principal Payments remitted to the Waterfall Account and which were applied to the Purchase Price of such Purchased Asset by Buyer pursuant to clause *fifth* of Section 5.03 or clause *fourth* of Section 5.04, (iii) reduced by any payments made by Seller in reduction of the outstanding Purchase Price of such Purchased Asset, and (iv) increased by any Future Funding Amounts transferred to Seller by Buyer in connection with a Future Funding Transaction in respect of such

Purchased Asset in accordance with Section 3.11 or any Additional Funding Amounts transferred to Seller by Buyer in connection with any Additional Funding Transaction in respect of such Purchased Asset in accordance with Section 3.12.

"Purchase Price Percentage": For each Purchased Asset, the percentage determined by dividing (i) the Purchase Price actually funded to Seller by Buyer in respect of such Purchased Asset on the Purchase Date therefor as specified in the relevant Confirmation, as adjusted for Additional Funding Amounts pursuant to Section 3.12, Future Funding Amounts pursuant to Section 3.11 and Partial Repurchases pursuant to Section 3.10(a), by (ii) the Market Value as of the Purchase Date, as subsequently adjusted as of the most recent date of any advance, repayment or reduction pursuant to Section 3.10(b) or Margin Call, each in respect of such Purchased Asset.

"Purchased Assets": (a) For any Transaction, each Asset sold by Seller to Buyer in such Transaction, and (b) for the Transactions in general, all Assets sold by Seller to Buyer, in each case including, to the extent relating to such Asset or Assets, all of Seller's right, title and interest in and to (i) Mortgage Loan Documents, (ii) Servicing Rights, (iii) Servicing Files, (iv) mortgage guaranties and insurance (issued by Governmental Authorities or otherwise) and claims, payments and proceeds thereunder, (v) insurance policies, certificates of insurance and claims, payments and proceeds thereunder, (vi) the principal balance of such Assets, not just the amount advanced, (vii) amounts from time to time on deposit in the Waterfall Account together with the Waterfall Account itself, (viii) collection, escrow, reserve, collateral or lock-box accounts and all amounts and property from time to time on deposit therein, to the extent of Seller's or the holder's interest therein, (ix) Income, (x) security interests of Seller in any Derivatives Contracts entered into by Underlying Obligors in connection with the Purchased Asset, (xi) rights of Seller under any letter of credit, guarantee, warranty, indemnity or other credit support or enhancement, (xii) Interest Rate Protection Agreements relating to such Assets,

(xiii) all of the "Pledged Collateral", as such term is defined in the Pledge and Security Agreement, and (xiv) all supporting obligations of any kind; provided, that (A) Purchased Assets shall not include any obligations of Seller or any Retained Interests, and (B) for purposes of the grant of security interest by Seller to Buyer set forth in Section 11.01, together with the other provisions of Article 11, Purchased Assets shall include all of the following: general intangibles, accounts, chattel paper, deposit accounts, securities accounts, instruments, securities, financial assets, uncertificated securities, security entitlements and investment property (as such terms are defined in the UCC) and replacements, substitutions, conversions, distributions or proceeds relating to or constituting any of the items described in the preceding clauses (i) through (xiv).

~~"Rate Conversion": Defined in Section 12.01(a).~~

~~"Rate Conversion Effective Date": Defined in Section 12.01(a).~~

"Rating Agencies": Each of Fitch, Moody's and S&P, or if any of the foregoing are no longer issuing ratings, another nationally recognized rating agency acceptable to Buyer.

~~"Reference Time": With respect to any setting of the then-current Benchmark (as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable), (a) if such Benchmark is the SOFR Average or Term SOFR, with respect to any setting thereof, then two~~

~~(2) U.S. Government Securities Business Days prior to such date and (b) if such Benchmark is not the SOFR Average or Term SOFR, then the time determined by Buyer in accordance with the Benchmark Replacement Conforming Changes.~~

"Register": Defined in Section 18.08(e).

"REIT": A Person satisfying the conditions and limitations set forth in Section 856(b), Section 856(c), and Section 857(a) of the Code and qualifying as a real estate investment trust, as defined in Section 856(a) of the Code.

"Release": Any generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of any property or Mortgaged Property.

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

"Remedial Work": Any investigation, inspection, site monitoring, containment, clean-up, removal, response, corrective action, mitigation, restoration or other remedial work of any kind or nature because of, or in connection with, the current or future presence, suspected presence, Release or threatened Release in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within all or any portion of any property or Mortgaged Property of any Materials of Environmental Concern, including any action to comply with any applicable Environmental Laws or directives of any Governmental Authority with regard to any Environmental Laws.

"REMIC": A REMIC, as that term is used in the REMIC Provisions. "REMIC Provisions": Sections 860A through 860G of the Code.

"REOC": A Real Estate Operating Company within the meaning of Regulation Section 2510.3-101(e) of the Plan Asset Regulations.

"Remittance Date": The nineteenth (19th) calendar day of each month (or if such day is not a Business Day, the next following Business Day, or if such following Business Day would fall in the following month, the next preceding Business Day), or such other day as is mutually agreed to by Seller and Buyer.

"Representation Breach": Any representation, warranty, certification, statement or affirmation made or deemed made by Seller, Pledgor or Guarantor in any Repurchase Document (including in Schedule 1, other than an MTM Representation) or in any certificate, notice, report or other document delivered pursuant to any Repurchase Document, that proves to be incorrect, false or misleading in any material respect when made or deemed made without regard to any Knowledge or lack of Knowledge thereof by such Person; provided that no

representation or warranty with respect to which a related Approved Representation Exception exists shall constitute a Representation Breach.

"Representation Exceptions": With respect to each Purchased Asset, a written list prepared by Seller and delivered to Buyer prior to the Purchase Date of such Purchased Asset specifying, in reasonable detail, the representations and warranties (or portions thereof) set forth in this Agreement (including in Schedule 1) that are not satisfied with respect to an Asset or Purchased Asset.

"Repurchase Date": For any Purchased Asset, the earliest of (a) three hundred sixty-four (364) days after the related Purchase Date, as such date may be extended pursuant to Section 3.05, (b) any Early Repurchase Date therefor, (c) the Business Day on which Seller is to repurchase such Purchased Asset as specified by Seller and agreed to by Buyer in the related Confirmation, and (d) the date that is two (2) Business Days prior to the maturity date (under the related Mortgage Loan Documents) for such Purchased Asset, without giving effect to any extension of such maturity date, whether by modification, waiver, forbearance or otherwise (other than extensions at the Underlying Obligor's option without requiring consent of the Seller (or for which the Seller's consent may not be unreasonably withheld, conditioned or delayed) pursuant to the terms of the Mortgage Loan Documents as such Mortgage Loan Documents existed on the related Purchase Date) that have not been approved by Buyer in writing in its sole discretion; provided, that, solely with respect to this clause (d), the settlement date with respect to such Repurchase Date and Purchased Asset may occur two (2) Business Days thereafter as provided in Section 3.06.

"Repurchase Documents": Collectively, this Agreement, the Custodial Agreement, the Fee Letter, the Controlled Account Agreement, all Interest Rate Protection Agreements, the Pledge and Security Agreement, the Guarantee Agreement, all Confirmations, all UCC financing statements, amendments and continuation statements filed pursuant to any other Repurchase Document, and all additional documents, certificates, agreements or instruments executed and delivered by Seller, Pledgor and/or Guarantor in connection with the foregoing Repurchase Documents and any Transaction.

"Repurchase Obligations": All obligations of Seller to pay the Repurchase Price on the Repurchase Date and all other obligations and liabilities of Seller to Buyer arising under or in connection with the Repurchase Documents (for the avoidance of doubt, including all Interest Rate Protection Agreements, whether now existing or hereafter arising, and, without duplication, all interest and fees that accrue after the commencement by or against Seller, Pledgor or Guarantor of any Insolvency Proceeding naming such Seller, Pledgor or Guarantor as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding (in each case, whether due or accrued).

"Repurchase Price": For any Purchased Asset as of any date, an amount equal to the sum of (a) the outstanding Purchase Price as of such date, (b) the accrued and unpaid Price Differential for such Purchased Asset as of such date, (c) all other amounts due and payable as of such date by Seller to Buyer under this Agreement or any Repurchase Document, and (d) any accrued and unpaid fees and expenses and indemnity amounts, late fees, default interest, breakage costs and any other amounts owed by Seller, Pledgor or Guarantor to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise.

"Requirements of Law": With respect to any Person or property or assets of such Person and as of any date, all of the following applicable thereto as of such date: all Governing Documents and existing and future laws, statutes, rules, regulations, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including, without limitation, Environmental Laws, ERISA, Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions, regulations of the Board of Governors of the Federal Reserve System, and laws, rules and regulations relating to usury, licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other Governmental Authority having proper jurisdiction over such Person or such Person's property or assets.

"Responsible Officer": With respect to any Person, the chief executive officer, the chief financial officer, the chief accounting officer, the treasurer or the chief operating officer of such Person or such other officer designated as an authorized signatory in such Person's Governing Documents.

"Retained Interest": (a) With respect to any Purchased Asset, (i) all duties, obligations and liabilities of Seller thereunder, including payment and indemnity obligations, (ii) all obligations of agents, trustees, servicers, administrators or other Persons under the documentation evidencing such Purchased Asset, and (iii) if any portion of the Indebtedness related to such Purchased Asset is owned by another lender or is being retained by Seller, the interests, rights and obligations under such documentation to the extent they relate to such portion, and (b) with respect to any Purchased Asset with an unfunded commitment on the part of Seller, all obligations to provide additional funding, contributions, payments or credits.

"S&P": Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Sanction" or "Sanctions": Individually and collectively, any and all economic or financial sanctions, trade embargoes and anti-terrorism laws, imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Treasury Department Office of Foreign Assets Control (OFAC), the U.S. State Department, the

U.S. Department of Commerce, or through any existing or future Executive Order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, or (e) any other governmental authorities with jurisdiction over any of the AML Entities.

"Sanctioned Target": Any Person, group, sector, territory, or country that is the target of any Sanctions, including without limitation, any legal entity that is deemed to be the target of any Sanctions based upon the direct or indirect ownership or control of such entity by any other Sanctioned Target.

"Seller": The Seller named in the preamble of this Agreement.

"Seller's Margin Percentage": For any Purchased Asset as of any date, the percentage equivalent of the quotient obtained by dividing one (1) by the Applicable Percentage for such Purchased Asset as of such date.

"Senior Employee": Any of Stephen Plavin, Thomas C. Ruffing, Douglas Armer or any other employee with a title equivalent or more senior to that of "principal" within The Blackstone Group L.P. responsible for the origination, acquisition and/or management of any Purchased Asset.

"Senior Interest": (a) A senior or pari passu participation interest in a performing multi-family or commercial real estate loan, or (b) an "A note" in an "A/B structure" in a performing multi-family of commercial real estate loan.

"Senior Interest Note": (a) The original executed promissory note, participation or other certificate or other tangible evidence of a Senior Interest, (b) if the Senior Interest is a senior participation interest, the related original Mortgage Note and (c) if the Senior Interest is a senior participation interest, the related original participation agreement (or a certified copy thereof).

"Servicer": Midland Loan Services, Inc., a division of PNC Bank, National Association, or any other servicer appointed pursuant to Section 17.01.

"Servicer Notice": A notice in the form of Exhibit C-1 sent by Seller to Servicer, and countersigned and returned by Servicer, directing the remittance of all Income directly into the Waterfall Account.

"Servicing Agreement": An agreement entered into by Buyer (if applicable), Seller and a Servicer for the servicing of Purchased Assets, acceptable to Buyer.

"Servicing File": With respect to any Purchased Asset, the file retained and maintained by Seller or a Servicer, including the originals or copies of all Mortgage Loan Documents and other documents and agreements relating to such Purchased Asset, including to the extent applicable all servicing agreements, files, documents, records, data bases, computer tapes, insurance policies and certificates, appraisals, other closing documentation, payment history and other records relating to or evidencing the servicing of such Purchased Asset, which file shall be held by Seller and/or a Servicer for and on behalf of Buyer.

"Servicing Rights": All right, title and interest of Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor in and to any and all of the following: (a) rights to service and collect and make all decisions with respect to the Purchased Assets, (b) amounts received by Seller or any other Person for servicing the Purchased Assets, (c) late fees, penalties or similar payments with respect to the Purchased Assets, (d) agreements and documents creating or evidencing any such rights to service, documents, files and records relating to the servicing of the Purchased Assets, and rights of Seller or any other Person thereunder, (e) escrow, reserve and similar amounts with respect to the Purchased Assets, (f) rights to appoint, designate and retain any other servicers, sub-servicers, special servicers, agents, custodians, trustees and liquidators with respect to the Purchased Assets, and (g) accounts and other rights to payment related to the Purchased Assets.

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

"SOFR Adjustment": 0.11448% ~~per annum~~.

"SOFR Administrator": The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

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

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

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

~~"SOFR Based Transaction": Any Transaction that is not a LIBOR Based Transaction.~~ "Solvent": With respect to any Person at any time, having a state of affairs such that all of the following conditions are met at such time: (a) the fair value of the assets and property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code, (b) the present fair salable value of the

assets and property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its assets and property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's assets and property would constitute unreasonably small capital.

"Special Purpose Entity": A corporation, limited partnership or limited liability company that, since the date of its formation (unless otherwise indicated in this Agreement) and at all times on and after the date hereof, has complied with and shall at all times comply with the provisions of Article 9.

"Stabilization Period": The two (2) year period, beginning on the Funding Expiration Date.

"Subsidiary": With respect to any Person, any corporation, partnership, limited liability company or other entity (heretofore, now or hereafter established) of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are with those of such Person pursuant to GAAP.

"Tax Distribution Amount": An amount equal to: (a) (i) the sum of (A) 90% of the "real estate investment trust taxable income," within the meaning of Section 857(b)(2) of the Code and (B) 90% of the excess of the "net income from foreclosure property" within the meaning of Section 857(b)(4)(B) of the Code over the tax imposed on such income under Section 857(b)(4)(A) of the Code, *minus* (ii) any "excess noncash income," as determined in under Section 857(e) of the Code, in each case calculated with respect to amounts recognized by the Guarantor in respect of the Purchased Assets during the Cash Sweep Tail Period for U.S. federal income tax purposes, as certified by the Seller to the Buyer in a written notice setting forth, to Buyer's reasonable satisfaction, the calculation thereof; *minus* (b) any distributions previously made to Seller during the Cash Sweep Tail Period pursuant to the last sentence of Section 5.02. For the avoidance of doubt, the Tax Distribution Amount will be calculated without regard to Guarantor's ability to declare a consent dividend pursuant to section 565 of the Code.

"Taxes": All present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR": For any calculation with respect to a ~~SOFR-Based~~ Transaction for which Term SOFR is the Applicable SOFR, the Term SOFR Reference Rate for a tenor ~~comparable to the related Pricing Period on the day (such day, for purposes of this definition, the~~

~~“Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Pricing Period of one month on the applicable Pricing Rate Determination Date,~~ as such rate is published by the Term SOFR Administrator; ~~provided, however, that (i) if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Pricing Rate Determination Day~~ Date the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding

U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ~~Periodic Term SOFR Pricing Rate Determination Day; provided, further, that~~ Date and (ii) if the calculation of Term SOFR as determined as provided above shall ever be (including pursuant to clause (i) of this proviso) results in a Term SOFR rate of less than the Floor, then Term SOFR shall be deemed to be the Floor for all purposes of this Agreement and the other Repurchase Documents.

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

“Term SOFR Reference Rate”: The forward-looking term rate based on SOFR. “Test Period”: The time period from the first day of each calendar quarter, through and including the last day of such calendar quarter.

“Transaction”: With respect to any Asset, the sale and transfer of such Asset from Seller to Buyer pursuant to the Repurchase Documents against the transfer of funds from Buyer to Seller representing the Purchase Price or any additional Purchase Price for such Asset.

“Transaction Request”: Defined in Section 3.01(a).

“Transferor”: The seller of an Asset under a Purchase Agreement.

“Type”: With respect to a Mortgaged Property, such Mortgaged Property's classification as one of the following: multifamily, retail, office, industrial, hospitality, student housing, medical office product, self-storage or nursing home.

“UCC”: The Uniform Commercial Code as in effect in the State of New York ~~provided, that, if, by reason of a~~ Requirements of Law, the perfection, effect on perfection or non-perfection or priority of the security interest in any Purchased Asset is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, then “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority.

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

"Underlying Obligor": Individually and collectively, as the context may require, the Mortgagor or Mezzanine Borrower and other obligor or obligors under a Purchased Asset, including (a) any Person who has not signed the related Mortgage Note but owns an interest in the related Mortgaged Property, which interest has been encumbered to secure such Purchased Asset, and (b) any other Person who has assumed or guaranteed the obligations of such Mortgagor under the Mortgage Loan Documents relating to a Purchased Asset.

"Underwriting Issues": Means, with respect to any Purchased Asset as to which Seller intends to request a Transaction, Additional Funding Transaction or Future Funding Transaction, all material information known by Seller that, based on the making of reasonable inquiries and the exercise of reasonable care and diligence under the circumstances, would be considered a materially "negative" factor (either separately or in the aggregate with other information), or a material defect in loan documentation or closing deliveries (such as any absence of any material Mortgage Loan Document(s)), to a reputable nationally recognized institutional mortgage buyer in determining whether to originate or acquire the Purchased Asset in question.

"Underwriting Package": With respect to one or more Assets, a summary memorandum outlining the proposed Transaction or advance, as applicable, including potential benefits and all material underwriting risks, all Underwriting Issues and all other characteristics of the proposed Transaction or advance, as applicable, that a reasonable buyer would consider material. In addition, the Underwriting Package shall include all of the following, to the extent applicable and available:

(a) all Mortgage Loan Documents required to be delivered to Custodian under Section 2.01 of the Custodial Agreement, (b) an Appraisal, (c) the current occupancy report, tenant stack and rent roll, (d) at least two (2) years of property-level financial statements, (e) the current financial statement of the Underlying Obligor, (f) the Mortgage Asset File, (g) third-party reports and agreed-upon procedures, letters and reports (whether drafts or final forms), site inspection reports, market studies and other due diligence materials prepared by or on behalf of or delivered to Seller, (h) aging of accounts receivable and accounts payable, (i) a copy of the Purchase Agreement along with an annotation stating whether the Purchase Agreement is assignable, (j) any and all agreements, documents, reports, or other information concerning the Purchased Assets (including, without limitation, all of the related Mortgage Loan Documents) received or obtained in connection with the origination of the Purchased Assets, (k) any other material documents or reports concerning the Purchased Assets prepared or executed by Seller, Pledgor or Guarantor, (l) if the related Asset was acquired by Seller from a third party, all documents, instruments and agreements received in respect of the closing of the acquisition transaction under the Purchase Agreement, and (m) such further documents or information as Buyer may reasonably request.

"Upsize Option": Defined in Section 3.13.

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

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

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

“U.S. Buyer”: Any Buyer that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“U.S. Tax Compliance Certificate”: Defined in Section 12.06(e).

“VCOC”: A “venture capital operating company” within the meaning of Section 2510.3-101(d) of the Plan Asset Regulations.

“Waterfall Account”: A segregated non-interest bearing account established at Waterfall Account Bank, in the name of Seller, pledged to Buyer and subject to a Controlled Account Agreement.

“Waterfall Account Bank”: PNC Bank, National Association, or any other bank approved by Buyer.

“Wet Mortgage Asset”: An Eligible Asset for which Seller has delivered a Transaction Request pursuant to Section 3.01(g) hereof, and for which a complete Mortgage Asset File has not been delivered to Custodian prior to the related Purchase Date.

“Whole Loan”: A performing first priority loan secured by a Mortgage on a Mortgaged Property.

Section 2.02 Rules of Interpretation. Headings are for convenience only and do not affect interpretation. The following rules of this Section 2.02 apply unless the context requires otherwise. The singular includes the plural and conversely. A gender includes all genders. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning. A reference to an Article, Section, Subsection, Paragraph, Subparagraph, Clause, Annex, Schedule, Appendix, Attachment, Rider or Exhibit is, unless otherwise specified, a reference to an Article, Section, Subsection, Paragraph, Subparagraph or Clause of, or Annex, Schedule, Appendix, Attachment, Rider or Exhibit to, this Agreement, all of which are hereby incorporated herein by this reference and made a part hereof. A reference to a party to this

Agreement or another agreement or document includes the party's successors, substitutes or assigns permitted by the Repurchase Documents. A reference to an agreement or document is to the agreement or document as amended, restated, modified, novated, supplemented or replaced, except to the extent prohibited by any Repurchase Document. A reference to legislation or to a provision of legislation includes a modification, codification, replacement, amendment or reenactment of it, a legislative provision substituted for it and a rule, regulation or statutory instrument issued under it. A reference to writing includes a facsimile or electronic transmission and any means of reproducing words in a tangible and permanently visible form. A reference to conduct includes an omission, statement or undertaking, whether or not in writing. A Default or Event of Default has occurred and is continuing until it has been cured or waived in writing by Buyer. The words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, unless the context clearly requires or the language provides otherwise. The word "including" is not limiting and means "including without limitation." The word "any" is not limiting and means "any and all" unless the context clearly requires or the language provides otherwise. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including." The words "will" and "shall" have the same meaning and effect. A reference to day or days without further qualification means calendar days. A reference to any time means New York time. This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their respective terms. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be

construed in accordance with GAAP, and all accounting determinations, financial computations and financial statements required hereunder shall be made in accordance with GAAP, without duplication of amounts, and on a consolidated basis with all Subsidiaries. All terms used in Articles 8 and 9 of the UCC, and used but not specifically defined herein, are used herein as defined in such Articles 8 and 9. A reference to "fiscal year" and "fiscal quarter" means the fiscal periods of the applicable Person referenced therein. A reference to an agreement includes a security interest, guarantee, agreement or legally enforceable arrangement whether or not in writing. A reference to a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in computer disk form. Whenever a Person is required to provide any document to Buyer under the Repurchase Documents, the relevant document shall be provided in writing or printed form unless Buyer requests otherwise. At the request of Buyer, the document shall be provided in computer disk form or both printed and computer disk form. The Repurchase Documents are the result of negotiations between the Parties, have been reviewed by counsel to Buyer and counsel to Seller, and are the product of both Parties. No rule of construction shall apply to disadvantage one Party on the ground that such Party proposed or was involved in the preparation of any particular provision of the Repurchase Documents or the Repurchase Documents themselves. Except where otherwise expressly stated, Buyer may give or withhold, or give conditionally, approvals and consents, and may form opinions and make determinations, in its sole and absolute discretion subject in all cases to the implied covenant of good faith and fair dealing. Reference herein or in any other Repurchase Document to Buyer's discretion, shall mean, unless otherwise expressly stated herein or therein, Buyer's sole and absolute discretion, and the exercise of such discretion shall be final and conclusive. In addition, whenever Buyer has a decision or right of determination, opinion or request, exercises any right given to it to agree, disagree, accept,

consent, grant waivers, take action or no action or to approve or disapprove (or any similar language or terms), or any arrangement or term is to be satisfactory or acceptable to or approved by Buyer (or any similar language or terms), the decision of Buyer with respect thereto shall, except where otherwise expressly stated, be in the sole and absolute discretion of Buyer, and such decision shall be final and conclusive, except as may be otherwise specifically provided herein.

Section 2.03 Rates. ~~Price Differential on Transactions denominated in Dollars or any other currency permitted hereunder (if any) may be determined by reference to a benchmark rate that is, or may in the future become, the subject of regulatory reform or cessation. Regulators have signaled the need to use alternative reference rates for some of these benchmark rates and, as a result, such benchmark rates may cease to comply with applicable laws and regulations, may be permanently discontinued or the basis on which they are calculated may change.~~ Buyer does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the continuation of, administration of, submission of, calculation of or any other matter related to ~~the London interbank~~ any offered rate, the rates in any Benchmark, any component definition thereof or rates ~~referenced~~ referred to in the definition thereof or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 12.01, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (ii) the

effect, implementation or composition of any ~~Benchmark Replacement~~ Conforming Changes. Buyer and its Affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto ~~and such transactions, in each case, in a manner that~~ may be adverse to Seller. Buyer may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates ~~referenced~~ referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to Seller or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 3

THE TRANSACTIONS

Section 3.01 Procedures

- a. From time to time during the Funding Period, with not less than three (3) Business Days prior written notice to Buyer, Seller may request Buyer to enter into a proposed Transaction by sending Buyer written notice of such request (which notice may be given via email) (such request, a "Transaction Request"), which Transaction Request shall: (i) describe the Transaction and each proposed Asset and any related Mortgaged Property

and other security therefor in reasonable detail, (ii) transmit a complete Underwriting Package for each proposed Asset, and (iii) set forth the Representation Exceptions, if any, with respect to each proposed Asset. Seller shall promptly deliver to Buyer any supplemental materials requested at any time by Buyer. Buyer shall conduct such review of the Underwriting Package and each such Asset as Buyer determines appropriate. Buyer shall determine whether or not it is willing to purchase any or all of the proposed Assets, and if so, on what terms and conditions. In connection with such review and determination, Buyer may also consider the *pro forma* effect that acquiring the proposed Purchased Asset would have on the concentrations of specific asset categories. It is expressly agreed and acknowledged that Buyer is entering into the Transactions on the basis of all such representations and warranties and on the completeness and accuracy of the information contained in the applicable Underwriting Package, and any incompleteness or inaccuracies in the related Underwriting Package will only be acceptable to Buyer if disclosed in writing to Buyer by Seller in advance of the related Purchase Date, and then only if Buyer opts to purchase the related Purchased Asset from Seller notwithstanding such incompleteness and inaccuracies. In the event of a Representation Breach, Seller shall repurchase the related Asset or Assets in accordance with Section 3.06 and all other requirements set forth in this Agreement.

- a. Buyer shall give Seller notice of the date when Buyer has received a complete Underwriting Package and supplemental materials. Buyer shall endeavor to communicate to Seller a preliminary non-binding determination of whether or not it is willing to purchase any or all of such Assets, and if so, on what terms and conditions, within ten (10) Business Days after such date, and if its preliminary determination is favorable, by what date Buyer expects to communicate to Seller a final non-binding indication of its determination. If

Buyer has not communicated its final non-binding indication to Seller by such date, Buyer shall automatically and without further action be deemed to have determined not to purchase any such Asset.

- a. If Buyer communicates to Seller a final non-binding determination that it is willing to purchase any or all of such Assets, Seller shall deliver to Buyer an executed preliminary Confirmation for such Transaction, describing each such Asset and its proposed Purchase Date, Market Value, Applicable Percentage, Purchase Price Percentage, Purchase Price, Maximum Purchase Price and such other terms and conditions as Buyer may require. If Buyer requires changes to the preliminary Confirmation, Seller shall make such changes and re-execute the preliminary Confirmation. If Buyer determines to enter into the Transaction on the terms described in the preliminary Confirmation, Buyer shall promptly execute and return the same to Seller, which shall thereupon become effective as the Confirmation of the Transaction. Buyer's approval of the purchase of an Asset on such terms and conditions as Buyer may require shall be evidenced only by its execution and delivery of the related Confirmation. For the avoidance of doubt, Buyer shall not be bound by any preliminary or final non-binding determination referred to above, unless and until all applicable conditions precedent in Article 6 have been satisfied or waived by Buyer.

- a. Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Transaction covered thereby, and shall be construed to be cumulative to the extent possible. If terms in a Confirmation are inconsistent with terms in this Agreement with respect to a particular Transaction, the Confirmation shall prevail. Whenever the outstanding Purchase Price, Maximum Purchase Price, Purchase Price Percentage or any other term of a Transaction (other than the Pricing Rate and Applicable Percentage) with respect to an Asset is revised or adjusted in accordance with this Agreement for any reason, including, without limitation, due to any transfer of an Additional Funding Amount, Future Funding Transaction, reduction of the Maximum Purchase Price pursuant to Section 3.10(b) or other application of principal, or payment of a Margin Deficit hereunder, an amended and restated Confirmation reflecting such revision or adjustment and that is otherwise acceptable to the Parties shall be prepared by Seller and executed by the Parties.
- a. The fact that Buyer has conducted or has failed to conduct any partial or complete examination or any other due diligence review of any Asset or Purchased Asset shall in no way affect any rights Buyer may have under the Repurchase Documents or otherwise with respect to any representations or warranties or other rights or remedies thereunder or otherwise, including the right to determine at any time that such Asset or Purchased Asset is not an Eligible Asset.
- a. No Transaction shall be entered into if (i) any Margin Deficit, Default, Event of Default or Material Adverse Effect exists or would exist as a result of such Transaction,
- (ii) the Repurchase Date for the Purchased Assets subject to such Transaction would be later than the Maturity Date, (iii) the proposed Purchased Asset does not qualify as an Eligible Asset on the Purchase Date, (iv) the Maximum Concentration Limit would be exceeded, (v) after giving effect to such Transaction, the aggregate Repurchase Price of all Purchased Assets subject to Transactions then outstanding would exceed the Maximum Amount, (vi) other than with respect to Additional Funding Transactions, the Funding Expiration Date has occurred, (vii) for
- all Transactions, including Additional Funding Transactions, the Stabilization Period has ended, or (viii) all Mortgage Loan Documents have not been delivered to Custodian in accordance with the applicable provisions of this Agreement and the Custodial Agreement.
- ~~Notwithstanding anything to the contrary herein, in no event shall any LIBORBased Transaction be entered into on or after the Amendment Effective Date, unless otherwise agreed by Buyer in its sole discretion.~~
- a. In addition to the foregoing provisions of this Section 3.01, solely with respect to any Wet Mortgage Asset, a copy of the related Confirmation shall be delivered by Seller to Bailee no later than noon (New York City time) one (1) Business Day prior to the requested Purchase Date, to be held in escrow by Bailee on behalf of Buyer pending finalization of the Transaction.
- a. Notwithstanding any of the foregoing provisions of this Section 3.01 or any contrary provisions set forth in the Custodial Agreement, solely with respect to any Wet Mortgage Asset:

- a. by 12:00 p.m. (New York City time) on the Purchase Date, Seller or Bailee shall deliver signed .pdf copies of the Mortgage Loan Documents to Custodian via electronic mail, and Seller shall deliver the appropriate written third-party wire transfer instructions to Buyer;
- a. not later than 12:00 p.m. (New York City time) on the Purchase Date, (A) Bailee shall deliver an executed .pdf copy of the Bailee Agreement to Seller, Buyer and Custodian by electronic mail and (B) if Buyer has previously received the trust receipt in accordance with Section 3.01(b) of the Custodial Agreement, determined that all other applicable conditions in this Agreement, including without limitation those set forth in Section 6.02 hereof, have been satisfied, and otherwise has agreed to purchase the related Wet Mortgage Asset, Buyer shall (I) execute and deliver a .pdf copy of the related Confirmation to Seller and Bailee via electronic mail and (II) wire funds in the amount of the Purchase Price for the related Wet Mortgage Asset in accordance with the wire transfer instructions that were previously delivered to Buyer by Seller; and
- a. within three (3) Business Days after the applicable Purchase Date with respect to any Wet Mortgage Asset, Seller shall deliver, or cause to be delivered (A) to Custodian, the complete original Mortgage Asset File with respect to such Wet Mortgage Asset, pursuant to and in accordance with the terms of the Custodial Agreement, and (B) to Buyer, the complete original Underwriting Package with respect to the related Wet Mortgage Assets purchased by Buyer; provided, that if Seller cannot deliver, or cause to be delivered within three (3) Business Days, (A) any Basic Mortgage Asset Document to Custodian that is required by its terms to be recorded, due to a delay caused solely by the public recording office where such document or instrument has been delivered for recordation, then Seller shall deliver to Custodian (x) within three (3) Business Days of the applicable Purchase Date, a copy thereof (certified by Seller to be a true and complete copy of the original thereof submitted for recording) and (y) within ninety (90) days of the applicable Purchase Date, either the original of such document, or a photocopy

thereof, with evidence of recording thereon and (B) any document in the Mortgage Asset File other than a Basic Mortgage Asset Document, due to an unavoidable delay outside the control of Seller, then Seller shall deliver to Custodian within thirty (30) days of the applicable Purchase Date, either the original of such document, or a photocopy thereof certified by Seller to be a true and correct copy of the original. For the avoidance of doubt (A) Seller shall, in all cases, deliver the original Mortgage Note or, in the case of a Senior Interest consisting of a participation interest, the original participation certificate to Buyer within three (3) Business Days of the applicable Purchase Date and (B) Buyer may, but shall not be obligated to, consent to such later date for delivery of any part of the Mortgage Asset File as Buyer sees fit, in Buyer's sole discretion.

Section 3.02 Transfer of Purchased Assets; Servicing Rights. On the Purchase Date for each Purchased Asset, and subject to the satisfaction of all applicable conditions precedent in Article 6, (a) ownership of and title to such Purchased Asset shall be transferred to and vest in Buyer or its designee against the simultaneous transfer of the Purchase Price to the account of Seller specified in Annex 1 (or if not specified therein, in the related Confirmation or as directed by Seller), and (b) Seller hereby sells, transfers, conveys and assigns to Buyer on a servicing-released basis all of Seller's right, title and interest (except with respect to any Retained Interests) in and to such Purchased Asset, together with all related Servicing Rights. Subject to

this Agreement, during the Funding Period Seller may sell to Buyer, repurchase from Buyer and re-sell Eligible Assets to Buyer, but may not substitute other Eligible Assets for Purchased Assets. Buyer has the right to designate each Servicer of the Purchased Assets; the Servicing Rights and other servicing provisions under this Agreement are not severable from or to be separated from the Purchased Assets under this Agreement; and, such Servicing Rights and other servicing provisions of this Agreement constitute (a) "related terms" under this Agreement within the meaning of Section 101(47)(A)(i) of the Bankruptcy Code and/or (b) a security agreement or other arrangement or other credit enhancement related to the Repurchase Documents. To the extent any additional limited liability company is formed by a Division of Seller (and without prejudice to Sections 8.01 and 9.01 hereof), Seller shall cause each such Division LLC to sell, transfer, convey and assign to Buyer on a servicing released basis and for no additional consideration all of each such Division LLC's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights in the same manner and to the same extent as the sale, transfer, conveyance and assignment by Seller on each related Purchase Date of all of Seller's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights.

Section 3.03 Maximum Amount. The aggregate outstanding Purchase Price for all Purchased Assets as of any date of determination shall not exceed the Maximum Amount. If the aggregate outstanding Purchase Price of the Purchased Assets as of any date of determination exceeds the Maximum Amount, Seller shall immediately pay to Buyer an amount necessary to reduce such aggregate outstanding Purchase Price to an amount equal to or less than the Maximum Amount.

Section 3.04 Early Repurchase Date; Mandatory Repurchases. Seller may terminate any Transaction with respect to any or all Purchased Assets and repurchase such Purchased Assets on any Business Day prior to the Repurchase Date (an "Early Repurchase Date"); provided, that (a) with respect to repurchases (i) in connection with a breach of

representation or warranty pursuant to Section 3.01 or a Margin Deficit payment pursuant to Section 4.01(b), Seller provides Buyer with prior written notice of the Early Repurchase Date,

(ii) in connection with the repurchase by Seller of all Purchased Assets from Buyer following receipt by Seller of a written notice from Buyer pursuant to Section 12.01, following the occurrence of any of the events set forth in Section 12.02, or in connection with the repayment in full of a Mortgage Loan by the related Underlying Obligor, in each case, Seller provides Buyer with one (1) Business Day's notice prior to the related Early Repurchase Date, and (iii) in connection with any other early repurchase made by Seller, Seller must notify Buyer at least three (3) Business Days before the proposed Early Repurchase Date, in each case, identifying the Purchased Asset(s) to be repurchased and the Repurchase Price thereof, (b) no Margin Deficit, Default or Event of Default has occurred and is continuing (or would exist as a result of such repurchase), (c) if the Early Repurchase Date is not a Remittance Date, Seller pays to Buyer any amount due under Section 12.03 and pays all amounts due to any Affiliated Hedge Counterparty under the related Interest Rate Protection Agreement, and (d) except in connection with an early repurchase resulting from a Principal Payment or Margin Deficit payment, Representation Breach or Default, or in connection with Sections 12.01 or 12.02, Seller pays to Buyer any Exit Fee due in accordance with Section 3.07, and Seller thereafter complies with Section 3.06.

In addition to other rights and remedies of Buyer under any Repurchase Document, Seller shall, in accordance with the procedures set forth in Section 3.06, immediately

(a) repurchase any Purchased Asset that no longer qualifies as an Eligible Asset, as determined by Buyer, and (b) reduce the outstanding Purchase Price of any Purchased Asset with respect to which the Maximum Concentration Limit is exceeded by the amount necessary to cause the outstanding Purchase Price of such Purchased Asset to be equal to or less than the Maximum Concentration Limit.

Section 3.05 Extension of Repurchase Dates. Prior to the Maturity Date, at the request of Seller delivered to Buyer within thirty (30) days prior to the then-current Repurchase Date, Seller may elect to extend the Repurchase Date for the related Purchased Asset for an additional period not to exceed the earlier of (x) three hundred sixty-four (364) days and (y) the Repurchase Date for the related Purchased Asset pursuant to clause (b), (c) or (d) of the definition of Repurchase Date (including the proviso thereto), as applicable, so long as, on the date of such request, (i) no Default or Event of Default has occurred and is continuing, (ii) no Margin Deficit shall be outstanding, and (iii) Buyer has received payment from Seller of the Annual Funding Fee with respect to the related Purchased Asset. For the avoidance of doubt, in no event may the Repurchase Date for any Purchased Asset be extended beyond the date that is two (2) Business Days prior to the maturity date of such Purchased Asset.

Section 3.06 Repurchase. On the Repurchase Date for each Purchased Asset, Seller shall transfer to Buyer the Repurchase Price for such Purchased Asset as of the Repurchase Date, and pay all amounts due to any Affiliated Hedge Counterparty under the related Interest Rate Protection Agreement and, so long as no Event of Default has occurred and is continuing, Buyer shall transfer to Seller such Purchased Asset, whereupon the Transaction with respect to such Purchased Asset shall terminate; provided, however, that, with respect to any Repurchase Date that occurs on the second Business Day prior to the maturity date (under the related Mortgage Loan Documents) for such Purchased Asset by reason of clause (d) of the definition of "Repurchase Date", settlement of the payment of the Repurchase Price and such amounts may occur up to the second Business Day after such Repurchase Date. So long as no Event of Default has occurred and is continuing, Buyer shall be deemed to have simultaneously released its security interest in such Purchased Asset, shall authorize Custodian to release to Seller the Mortgage Loan Documents for such Purchased Asset and, to the extent any UCC financing statement filed against Seller specifically identifies such Purchased Asset, Buyer shall deliver an amendment thereto or termination thereof evidencing the release of such Purchased Asset from Buyer's security interest therein. Any such transfer or release shall be without recourse to Buyer and without representation or warranty by Buyer, except that Buyer shall represent to Seller, to the extent that good title was transferred and assigned by Seller to Buyer hereunder on the related Purchase Date, that Buyer is the sole owner of such Purchased Asset, free and clear of any other interests or Liens caused by Buyer's actions or inactions. Notwithstanding the notice periods set forth in Section 3.04, in no event shall Buyer be required to return the Mortgage Asset File related to any Purchased Asset repurchased in total by Seller prior to the later of (x) the third Business Day following the date on which Buyer and Custodian receive written notice of such repurchase request and (y) one (1) Business Day after the related Repurchase Date. Any Income with respect to such Purchased Asset received by Buyer or Waterfall Account Bank after payment of the Repurchase Price therefor shall be remitted to Seller as soon as reasonably possible thereafter. Notwithstanding the foregoing, Seller shall repurchase all Purchased Assets no later than the Maturity Date by paying to Buyer the

outstanding Repurchase Price therefor and all other outstanding Repurchase Obligations. Notwithstanding any provision to the contrary contained elsewhere in any Repurchase Document, at any time during the existence of an unsatisfied Margin Deficit, an uncured monetary or material non-monetary Default or an Event of Default (each as determined by Buyer in its sole discretion), Seller shall only be permitted to repurchase a Purchased Asset in connection with a full payoff of all amounts due in respect of such Purchased Asset by the Underlying Obligor, if Seller shall pay directly to Buyer an amount equal to the greater of (y) one-hundred percent (100%) of the net proceeds paid in connection with the relevant payoff and (z) one hundred percent (100%) of the net proceeds received by Seller in connection with the sale of such Purchased Asset. The portion of all such net proceeds in excess of the then-current Repurchase Price of the related Purchased Asset shall be applied by Buyer to reduce any other amounts due and payable to Buyer under this Agreement in accordance with Article 5.

Section 3.07 Payment of Price Differential and Fees

- a. Notwithstanding that Buyer and Seller intend that each Transaction hereunder constitute sales to Buyer of the Purchased Assets, Seller shall pay to Buyer the accrued value of the Price Differential for each Purchased Asset on each Remittance Date. Buyer shall give Seller notice of the Price Differential and any fees and other amounts due under the Repurchase Documents on or prior to the second (2nd) Business Day preceding each Remittance Date; provided, that Buyer's failure to deliver such notice shall not affect Seller's obligation to pay such amounts. If the Price Differential includes any estimated Price Differential, Buyer shall recalculate such Price Differential after the Remittance Date and, if necessary, make adjustments to the Price Differential amount due on the following Remittance Date.
- a. Seller and Guarantor shall pay to Buyer all fees and other amounts as and when due as set forth in this Agreement including, without limitation:
 - i. the Annual Funding Fee, with respect to each Purchased Asset, which shall be payable by Seller and Guarantor as set forth in the Fee Letter; and
 - i. the Exit Fee, which shall be due and payable in accordance with the terms and provisions as set forth in Section 2 of the Fee Letter and hereby incorporated by reference.
- a. Seller and Buyer each agree that, to the extent that Guarantor or any Subsidiary of Guarantor, is a seller, borrower or obligor under any other repurchase agreement, loan agreement, warehouse facility, guaranty or similar credit facility (whether now in effect or that comes into effect at any time during the term of this Agreement), backed by commercial real estate collateral similar to the Eligible Assets, with funded balances that may increase and decrease, and that has provisions regarding the payment of non-usage fees, or any other similar fee, that are more restrictive to the seller, borrower or obligor thereunder or that are otherwise more favorable to the related lender or buyer thereunder than the terms set forth in this Agreement, then any such provisions shall, with no further action required on the part of either Seller or Buyer, automatically be deemed to be a part of this Agreement, mutatis mutandis, and be incorporated herein, and Seller hereby agrees to comply with such new, more restrictive and/or more favorable terms, as

applicable, at all times throughout the remaining term of this Agreement. Seller agrees to promptly notify Buyer of the execution of any agreement or other document described in this Section 3.07(c). Seller further agrees, at Buyer's request, to execute and deliver any related amendments to this Agreement, each in form and substance acceptable to Buyer, provided that the execution of any such amendment shall not be a precondition to the effectiveness of this Section 3.07(c), but shall merely be for the convenience of Seller and Buyer.

Section 3.08 Payment, Transfer and Custody.

- a. Unless otherwise expressly provided herein, all amounts required to be paid or deposited by Seller, Pledgor, Guarantor or any other Person under the Repurchase Documents shall be paid or deposited in accordance with the terms hereof no later than (i) for purposes of calculating Price Differential hereunder, 3:00 p.m. on the day when due, and (ii) for all other purposes, 5:00 p.m. on the day when due, in each case, in immediately available Dollars and without deduction, set-off or counterclaim, and if not received before such time shall be deemed to be received on the next Business Day. Whenever any payment under the Repurchase Documents shall be stated to be due on a day other than a Business Day, such payment shall be made on the next following Business Day, and such extension of time shall in such case be included in the computation of such payment. Seller, Guarantor and Pledgor shall, to the extent permitted by Requirements of Law, pay to Buyer interest in connection with any amounts not paid when due under the Repurchase Documents, which interest shall be calculated at a rate equal to the Default Rate, until all such amounts are received in full by Buyer. Amounts payable to Buyer and not otherwise required to be deposited into the Waterfall Account shall be deposited into an account of Buyer as directed by Buyer in writing. Seller shall have no rights in, rights of withdrawal from, or rights to give notices or instructions regarding Buyer's account or the Waterfall Account.
- a. Any Mortgage Loan Documents not delivered to Buyer or Custodian on the relevant Purchase Date and subsequently received or held by Seller are and shall be held in trust by Seller or its agent for the benefit of Buyer as the owner thereof. Seller or its agent shall maintain a copy of such Mortgage Loan Documents and the originals of the Mortgage Loan Documents not delivered to Buyer or Custodian. The possession of Mortgage Loan Documents by Seller or its agent is in a custodial capacity only at the will of Buyer for the sole purpose of assisting the related Servicer with its duties under the Servicing Agreement. Each Mortgage Loan Document retained or held by Seller or its agent shall be segregated on Seller's books and records from the other assets of Seller or its agent, and the books and records of Seller or its agent shall be marked to reflect clearly the sale of the related Purchased Asset to Buyer on a servicing-released basis. Seller or its agent shall release its custody of the Mortgage Loan Documents only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Assets by Servicer or is in connection with a repurchase of any Purchased Asset by Seller, in each case in accordance with the Custodial Agreement.

Section 3.09 Repurchase Obligations Absolute. All amounts payable by Seller under the Repurchase Documents shall be paid without notice, demand, counterclaim, set-off, deduction or defense (as to any Person and for any reason whatsoever) and without abatement,

suspension, deferment, diminution or reduction (as to any Person and for any reason whatsoever), and the Repurchase Obligations shall not be released, discharged or otherwise affected, except as expressly provided herein, by reason of: (a) any damage to, destruction of, taking of, restriction or prevention of the use of, interference with the use of, title defect in, encumbrance on or eviction from, any Purchased Asset, the Pledged Collateral or related Mortgaged Property, (b) any Insolvency Proceeding relating to Seller or any Underlying Obligor, or any action taken with respect to any Repurchase Document or Mortgage Loan Document by any trustee or receiver of Seller or any Underlying Obligor or by any court in any such proceeding, (c) any claim that Seller has or might have against Buyer under any Repurchase Document or otherwise, (d) any default or failure on the part of Buyer to perform or comply with any Repurchase Document or other agreement with Seller, (e) the invalidity or unenforceability of any Purchased Asset, Repurchase Document or Mortgage Loan Document, or (f) any other occurrence whatsoever, whether or not similar to any of the foregoing, and whether or not Seller has notice or Knowledge of any of the foregoing. The Repurchase Obligations and all Other Facility Repurchase Obligations shall be full recourse to Seller, and limited recourse to Guarantor as set forth in the Guarantee Agreement, it being expressly agreed that Seller is liable to each Other Facility Buyer for all obligations of the respective sellers under each Other Repurchase Agreement, including, without limitation, the related Other Facility Repurchase Obligations. This Section 3.09 shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations.

Section 3.10 Partial Repurchases.

- a. On any Business Day prior to the applicable Repurchase Date for a Purchased Asset, Seller shall have the right, from time to time, to transfer to Buyer cash, together with a signed, revised Confirmation, for the purpose of reducing the outstanding Purchase Price of, but not terminating, a Transaction and without the release of any Purchased Assets; provided,

that (i) any such reduction in outstanding Purchase Price occurring on a date other than a Remittance Date shall be required to be accompanied by payment of any other amounts due and payable by Seller under this Agreement (including, without limitation, under Section 12.03) and under any related Interest Rate Protection Agreement(s) with respect to such Purchased Asset,

(ii) such transfer of cash to Buyer shall be in an amount no less than \$1,000,000, and (iii) Seller shall provide Buyer with one (1) Business Day's prior notice with respect to a reduction in outstanding Purchase Price in an amount greater than \$5,000,000 occurring on any date that is not a Remittance Date. The revised Confirmation shall not be effective until executed by Buyer and delivered to Seller in accordance with Section 3.01(c).

- a. To the extent that the Purchase Price of any Purchased Asset is reduced by Seller pursuant to clause (a) above, such that the Purchase Price, immediately after giving effect to such partial repurchase is less than fifty percent (50%) of the Maximum Purchase Price of such Purchased Asset, on the date of such partial repurchase, the Additional Funding Capacity shall be permanently reduced by the amount equal to the difference between (i) fifty percent (50%) of the Maximum Purchase Price of such Purchased Asset (for the avoidance of doubt, after first reducing such amount by an amount equal to all prior reductions, if any, under this Section 3.10(b)) and (ii) the Purchase Price of such Purchased Asset following the application of such reduction to the Purchase Price

pursuant to this Section 3.10(b) which causes the Purchase Price to be less than fifty percent (50%) of the Maximum Purchase Price (as permanently reduced in the manner set forth herein); provided that Buyer may, in its sole discretion, waive any such permanent reduction of the Additional Funding Capacity.

Section 3.11 Future Funding Transaction. Buyer's agreement to enter into any Future Funding Transaction is subject to the satisfaction of the following conditions precedent, both immediately prior to entering into such Future Funding Transaction and also after giving effect to the consummation thereof:

- a. Seller shall give Buyer written notice of each Future Funding Transaction, together with a Confirmation prior to the related Future Funding Date, signed by a Responsible Officer of Seller. Each Confirmation shall identify the related Purchased Asset, shall identify Buyer and Seller and shall be executed by both Buyer and Seller; provided, however, that Buyer shall not be liable to Seller if it inadvertently acts on a signed Confirmation that has not been signed by a Responsible Officer of Seller. Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Future Funding Transaction covered thereby, and shall be construed to be cumulative to the extent possible. If terms in a Confirmation are inconsistent with terms in this Agreement with respect to a particular Future Funding Transaction, other than with respect to the Applicable Percentage and the Purchase Price Percentage set forth in such Confirmation, this Agreement shall prevail, unless otherwise expressly stated in the applicable Confirmation that a specific provision set forth therein is expressly intended to prevail; provided, however, in no event shall the Future Funding Amount cause the aggregate outstanding Purchase Price of all Transactions to exceed the Maximum Amount or the Purchase Price of any Purchased Asset to exceed the Maximum Concentration Limit. Notwithstanding the foregoing, no Future Funding Amount shall be funded at any time that any Additional Funding Capacity under Section 3.12 is available in connection with the related Purchased Asset.
- b. For each proposed Future Funding Transaction, no less than seven (7) Business Days prior to the proposed Future Funding Date, Seller shall deliver to Buyer a Future Funding Request Package. Buyer shall have the right to conduct an additional due diligence investigation of the Future Funding Request Package and/or the related Whole Loan and/or Senior Interest as Buyer determines. Prior to the approval of each proposed Future Funding Transaction by Buyer, as determined by Buyer, in its sole and absolute discretion, Buyer shall have determined, also in its sole and absolute discretion, that all of the applicable conditions precedent for a Transaction, as described in Section 6.02, have been met, and that the related Purchased Asset is not a Defaulted Asset. Notwithstanding any other provision herein or otherwise, Buyer shall have no obligation to enter into any Future Funding Transaction (even with respect to any Purchased Asset identified on the applicable Purchase Date as having future funding obligations) until such time as Buyer has delivered a signed Confirmation to Seller. Any determination to enter into a Future Funding Transaction shall be made in Buyer's sole and absolute discretion.
- a. Upon the approval by Buyer of a particular Future Funding Transaction (which approval shall expire and be of no force or effect and considered void and invalidated if Buyer does not fund such Future Funding Transaction within three (3) Business Days of such approval), Buyer shall deliver to Seller a signed copy of the related Confirmation

described in clause (i) above, on or before the related Future Funding Date. On the related Future Funding Date, (a) if an escrow agreement has been established in connection with such Future Funding Transaction, Buyer shall remit the related Future Funding Amount to the related escrow account,

(b) if the terms of the Underlying Loan Documents provide for a reserve account in connection with future advances, Buyer shall remit the related Future Funding Amount to the applicable reserve account, (c) upon evidence satisfactory to Buyer that Seller has paid (or caused to be paid) to or as directed by the Underlying Obligor the future funding obligation required by the Mortgage Loan Documents, Buyer shall remit the related Future Funding Amount to Seller, or

(d) otherwise, Buyer shall remit the related Future Funding Amount directly to the related Underlying Obligor.

~~Notwithstanding anything to the contrary herein, in no event shall any Future Funding Transaction be entered into with respect to any LIBOR Based Transaction on or after the Amendment Effective Date, unless otherwise agreed by Buyer in its sole discretion.~~

Section 3.12 Additional Funding Transactions. At any time prior to the Cash-Sweep Tail Period, if the Purchase Price for any Purchased Asset is less than the Maximum Purchase Price therefor, Seller may, upon the delivery of prior written notice to Buyer, to be received by 11:00 a.m. on the Business Day immediately preceding the date of the requested Additional Funding Transaction, submit to Buyer a request for a new Transaction with respect to any such Purchased Asset requesting that Buyer transfer additional cash to Seller in an amount no less than \$1,000,000, representing a portion of the Purchase Price for such Purchased Asset in an amount requested by Seller, which shall not exceed the lesser of (I) the difference as of the proposed date for such new Transaction between (A) the Maximum Purchase Price of such Purchased Asset *minus* (B) the outstanding Purchase Price of such Purchased Asset as of such proposed date (in each case, determined using the lower of the Market Value of the related Purchased Asset on the related Purchase Date or the then-current Market Value of the related

Purchased Asset), and (II) the Additional Funding Transaction Available Amount (such lesser amount, the "Additional Funding Capacity", each such transaction, an "Additional Funding Transaction" and the amount so funded with respect to each Additional Funding Transaction, the "Additional Funding Amount"). Buyer shall not be required to fund any Additional Funding Transaction unless, immediately prior to and, immediately after giving effect to, such proposed Additional Funding Transaction and the funding of the Additional Funding Amount, (i) no uncured Margin Deficit, Default, Event of Default or Material Adverse Effect has occurred and is continuing or would result from the funding of such Additional Funding Transaction, (ii) the Maximum Concentration Limit is not exceeded, (iii) the aggregate outstanding Purchase Price of all Transactions does not exceed the Maximum Amount, (iv) the Cash Sweep Tail Period has not commenced, and (v) all Mortgage Loan Documents have been delivered to Custodian in accordance with the applicable provisions of this Agreement and the Custodial Agreement. Upon delivery of a written request by Seller for an Additional Funding Transaction, and Buyer's satisfaction in its sole discretion that all terms and conditions set forth in this Section 3.12 have been satisfied, Buyer shall fund each such Additional Funding Transaction transferring the Additional Funding Amount to Seller (or as directed by Seller in writing), which Additional Funding Amount shall not be greater than the Additional Funding Capacity of such Purchased Asset as of the date such Additional Funding Amount is so transferred; provided that, if during each of any two (2) calendar months during the Stabilization Period Seller shall engage in six (6)

or more Additional Funding Transactions, then upon notice thereof from Buyer to Seller, subsequent Additional Funding Transactions shall be limited to four (4) Additional Funding Transactions per calendar month. In connection with any such Additional Funding Transaction, Buyer and Seller shall execute and deliver to each other an updated Confirmation setting forth the new outstanding Purchase Price with respect to such Transaction, a copy of which must be delivered to Buyer by Seller by 3:00 p.m. on the Business Day immediately preceding the date of the requested Additional Funding Transaction.

~~Notwithstanding anything to the contrary herein, in no event shall any Additional Funding Transaction be entered into with respect to any LIBOR Based Transaction on or after the Amendment Effective Date, unless otherwise agreed by Buyer in its sole discretion.~~

Section 3.13 Maximum Amount Upsize Option. Seller may request up to three

- a. separate increases to the Maximum Amount, in increments of no less than \$100,000,000 each, to an amount not to exceed \$3,000,000,000 in the aggregate (each such increase, an "Upsize Option"), in each case by the delivery of at least thirty (30) days prior written notice thereof to Buyer. No Upsize Option shall be allowed on or after the last day of the Funding Period. Seller's request(s) to exercise any Upsize Option may be approved or denied by Buyer, in its sole discretion, and no Upsize Option shall be effective unless, in each case, Buyer has approved such Upsize Option in writing and given Seller written notice of the effective date thereof and the amount of the related increase. Seller's request(s) to exercise any Upsize Option will be deemed to be denied if, on the date of such request or on the proposed effective date of such increase (i) a Default or Event of Default has occurred and is continuing, (ii) an unsatisfied Margin Deficit exists or (iii) Buyer has requested a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller (to the extent Seller qualifies as a "legal entity customer"), and Seller has failed to provide such new or updated Beneficial Ownership Certification to Buyer.

ARTICLE 4

MARGIN MAINTENANCE

Section 4.01 Margin Deficit.

- i. If on any Business Day the Market Value of a Purchased Asset is less than the product of (A) Buyer's Margin Percentage times (B) the outstanding Repurchase Price for such Purchased Asset as of such date (the excess, if any, "Margin Deficit"), then Buyer shall, at any time when the then-current aggregate unpaid Margin Deficits with respect to all Purchased Assets exceeds \$250,000, have the right from time to time as determined in its sole and absolute discretion to make a margin call in writing ("Margin Call") to Seller.
- i. Upon delivery of a Margin Call on any Business Day, Seller shall, within one (1) Business Day from the date of the related Margin Call if such Margin Call is delivered by 3:00 p.m. New York City time, otherwise within two (2) Business Days, (i) subject to Buyer's approval in Buyer's sole discretion, apply available Margin Excess pursuant to Section 4.02 in whole or in part to satisfy such Margin Deficit, in the amount and manner permitted by Buyer, in Buyer's sole discretion

and/or (ii) transfer cash to Buyer in the amount necessary (as such amount may be reduced by any application of Margin Excess pursuant to clause (i) above) to fully cure the related Margin Deficit.

- i. In no case shall Buyer's forbearance from delivering a Margin Call at any time there is a Margin Deficit be deemed to waive such Margin Deficit or in any way limit, stop or impair Buyer's right to deliver a Margin Call at any time when the same or any other Margin Deficit exists on the same or any other Purchased Asset. Buyer's rights under this Section 4.01 are cumulative and in addition to and not in lieu of any other rights of Buyer under the Repurchase Documents or Requirements of Law.
- i. All cash transferred to Buyer pursuant to this Section 4.01 with respect to a Purchased Asset shall be deposited into the Waterfall Account, except as directed by Buyer, and notwithstanding any provision in Section 5.02 or 5.03 to the contrary, shall be applied to reduce the Purchase Price of such Purchased Asset.

Section 4.02 Margin Excess.

In Buyer's sole discretion, on any date upon which a Margin Deficit with respect to any Purchased Asset exists, if, with respect to any other Purchased Asset, the lesser of either

(a) the Market Value for such Purchased Asset on the related Purchase Date, or (b) the then-current Market Value of such Purchased Asset (or the par amount of such Purchased Asset, if lower than Market Value) on the date of the determination thereof, exceeds the product of (x) Seller's Margin Percentage and (y) the outstanding Repurchase Price for such Purchased Asset as of such date (the positive difference, if any, a "Margin Excess"), Seller may request that Buyer apply such Margin Excess as credit against the Margin Deficit on any Purchased Asset for which a Margin Deficit Exists pursuant to Section 4.01, in full or partial satisfaction of such Margin Deficit.

~~Notwithstanding anything to the contrary herein, in no event shall available Margin Excess in respect of any LIBOR Based Transaction be reallocated (i.e., in such a way that the Purchase Price of any such LIBOR Based Transaction would be increased) at any time to cure in whole or in part a Margin Deficit relating to (x) any SOFR Based Transaction or (y) any LIBOR Based Transaction where such reallocation would result in an increase to the Purchase Price of any LIBOR Based Transaction with a Repurchase Date that is later than the Repurchase Date of the LIBOR Based Transaction in respect of which such Margin Deficit exists.~~

ARTICLE 5

APPLICATION OF INCOME

Section 5.01 Waterfall Account. The Waterfall Account shall be established at Waterfall Account Bank. Buyer shall have sole dominion and control (including, without limitation, "control" within the meaning of Section 9-104(a) of the UCC) over the Waterfall Account pursuant to the terms of the applicable Controlled Account Agreement. Neither Seller nor any Person claiming through or under Seller shall have any claim to or interest in the

Waterfall Account. All Income received by Seller, Buyer, any Servicer or Waterfall Account Bank in respect of the Purchased Assets, shall be deposited, subject to the applicable provisions of the Servicing Agreement, directly into the Waterfall Account within two (2) Business Days of receipt thereof and shall be applied to and remitted by Waterfall Account Bank in accordance with this Article 5.

Section 5.02 Disbursement of all Income (other than Principal Payments) before an Event of Default. If no Event of Default has occurred and is continuing, all Income other than Principal Payments deposited into the Waterfall Account during each Pricing Period shall be applied by Waterfall Account Bank by no later than the next following Remittance Date in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such Remittance Date;

second, to pay to Buyer an amount equal to all default interest, late fees, fees, expenses and Indemnified Amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents;

third, to pay to Buyer an amount sufficient to eliminate any outstanding Margin Deficit (without limiting Seller's obligation to satisfy a Margin Deficit in a timely manner as required by Section 4.01);

fourth, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

fifth, to pay to Buyer (a) any other amounts due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents and (b) during the Cash Sweep Tail Period, one hundred percent (100%) of all remaining Income to reduce the

outstanding Repurchase Price of the Purchased Assets in such order and in such amounts as determined by Buyer, until the aggregate Repurchase Price of all Purchased Assets has been reduced to zero;

sixth, to make a payment to each Other Facility Buyer or its Affiliates on account of any other amounts then due and payable under any Other Facility (in such order of application to each Other Facility as Buyer determines in its sole discretion) pursuant to priorities *first* through *fifth* of Section 5.02 of the applicable Other Repurchase Agreement until such other amounts then due and payable pursuant to priorities *first* through *fifth* of Section 5.02 of each such Other Repurchase Agreement have been reduced to zero, each such payment to be deposited into the related Waterfall Account (as defined in the applicable Other Repurchase Agreement) and allocated in accordance with the applicable Other Repurchase Agreement; and

seventh, to pay to Seller any remainder for its own account, for payment of any other disbursements as determined by Seller in Seller's sole discretion (including distributions to Pledgor or its Affiliates); provided that, if any Default has occurred and is continuing on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be retained in the Waterfall Account until the earlier of (x) the day on which Buyer provides written notice to the

Waterfall Account Bank that such Default has been cured to the satisfaction of Buyer in its sole discretion and no other Default or Event of Default has occurred and is continuing, at which time the Waterfall Account Bank shall apply all such amounts pursuant to this priority *seventh*; and (y) the expiration of the cure period applicable to such Default, at which time the Waterfall Account Bank shall apply all such amounts pursuant to Section 5.04.

Section 5.03 Disbursement of Principal Payments Before an Event of Default If no Event of Default has occurred and is continuing, all Principal Payments deposited into the Waterfall Account shall be applied by Waterfall Account Bank within one (1) Business Day of such deposit in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such Remittance Date, to the extent not previously paid pursuant to Section 5.02;

second, to pay to Buyer an amount equal to all default interest, late fees, fees, expenses and Indemnified Amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents, to the extent not previously paid pursuant to Section 5.02;

third, to pay to Buyer an amount sufficient to eliminate any outstanding Margin Deficit (without limiting Seller's obligation to satisfy a Margin Deficit in a timely manner as required by Section 4.01), to the extent not previously paid pursuant to Section 5.02;

fourth, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement, in each case, to the extent not previously paid pursuant to Section 5.02;

fifth, to pay to Buyer, (A) prior to the Cash Sweep Tail Period, the Purchase Price Percentage of any Principal Payments, *plus* the amount, if any, that would be necessary to satisfy any Margin Deficit that would otherwise exist or be created assuming the making of any Principal Payment to Buyer pursuant to clause *eighth* of this Section 5.03, to be applied, in each case, to reduce the outstanding Repurchase Price of the Purchased Assets to which such Principal Payments relate, or (B) during the Cash Sweep Tail Period, to pay one hundred percent (100%) of all Principal Payments received with respect to any Purchased Asset to Buyer, to be applied by Buyer within one Business Day of receipt to reduce the outstanding Repurchase Price of the applicable Purchased Asset and, after payment in full of such Repurchase Price, any remaining portion of such Principal Payment shall be applied to the outstanding Purchase Price of the other Purchased Assets in such order and in such amounts as determined by Buyer, until the aggregate Repurchase Price of all Purchased Assets has been reduced to zero;

sixth, to pay to Buyer any other amounts due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents;

seventh, to make a payment to each Other Facility Buyer or its Affiliates on account of any other amounts then due and payable under any Other Facility (in such order of application to each Other Facility as Buyer determines in its sole discretion) pursuant to, as applicable (A) priorities *first* through *ninth* of Section 5.03 of the Kensington Repurchase

Agreement until such other amounts then due and payable pursuant to priorities *first* through *ninth* of Section 5.03 of the Kensington Repurchase Agreement have been reduced to zero, and (B) priorities *first* through *sixth* of Section

5.03 of the Gloss Loan Agreement until such other amounts then due and payable pursuant to priorities *first* through *sixth* of Section 5.03 of the Gloss Loan Agreement have been reduced to zero, in each case, with each such payment to be deposited into the related Waterfall Account (as defined in the applicable Other Repurchase Agreement) in accordance with the applicable Other Repurchase Agreement; and

eighth, to pay to Seller any remainder for its own account, for payment of any other disbursements as determined by Seller in Seller's sole discretion (including distributions to Pledgor or its Affiliates); provided that, if any Default has occurred and is continuing on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be retained in the Waterfall Account until the earlier of (x) the day on which Buyer provides written notice to the Waterfall Account Bank that such Default has been cured to the satisfaction of Buyer in its sole discretion and no other Default or Event of Default has occurred and is continuing, at which time the Waterfall Account Bank shall apply all such amounts pursuant to this priority *eighth*; and (y) the expiration of the cure period applicable to such Default, up to a maximum of ten (10) days after the occurrence of the applicable Default, at which time the Waterfall Account Bank shall apply all such amounts pursuant to Section 5.04.

Notwithstanding the foregoing, prior to the application of funds during the Cash Sweep Tail Period pursuant to sub-clause (B) within clause *fifth* of this Section 5.03, Seller shall be entitled upon written request to Buyer to receive distributions in an amount not to exceed the Tax Distribution Amount; provided, that such distributions shall be subject to the condition precedent (which Seller shall be required to demonstrate to the reasonable satisfaction of Buyer) that Guarantor has exhausted all other sources of cash flow and income, whether in the form of equity or debt, from which to otherwise distribute an amount equal to the Tax Distribution Amount to holders of its common stock prior to such request being made to Buyer.

Section 5.04 After Event of Default. If an Event of Default has occurred and is continuing, all Income deposited into the Waterfall Account in respect of the Purchased Assets shall be applied by Waterfall Account Bank, on the Business Day next following the Business Day on which each amount of Income is so deposited, in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such date;

second, to pay to Buyer an amount equal to all default interest, late fees, fees, expenses and Indemnified Amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents;

third, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement, in each case, to the extent not otherwise paid by Seller;

fourth, to pay to Buyer an amount equal to the aggregate Repurchase Price of all Purchased Assets (to be applied in such order and in such amounts as determined by Buyer, until such Repurchase Price has been reduced to zero); and (ii) to pay to any Affiliated Hedge

Counterparty an amount equal to all termination payments due and payable with respect to each related Interest Rate Protection Agreement;

fifth, to pay to Buyer all other Repurchase Obligations due and payable to Buyer;

sixth, to make a payment to each Other Facility Buyer or its Affiliates on account of the Repurchase Price of all Purchased Assets (each as defined in the Kensington Repurchase Agreement) or the Repayment Amount of all Pledged Assets (each as defined in the Gloss Loan Agreement) related to each Other Repurchase Agreement and any other amounts due and owing under each such Other Facility (in such order of application to each Other Facility as Buyer determines in its sole discretion) until the Repurchase Price for such Purchased Assets (each as defined in the Kensington Repurchase Agreement) or the Repayment Amount of all Pledged Assets (each as defined in the Gloss Loan Agreement) and such other amounts due and owing have been reduced to zero, each such payment to be deposited into the related Waterfall Account (as defined in the applicable Other Repurchase Agreement) and allocated in the applicable Other Facility Buyer's sole discretion; and

seventh, to pay to Seller any remainder for its own account;provided, that if Buyer has exercised the remedies described in Section 10.02(d)(ii) with respect to any or all Purchased Assets, Seller shall not be entitled to any proceeds from any eventual sale of such Purchased Assets.

Section 5.05 Seller to Remain Liable. If the amounts remitted to Buyer as provided in Sections 5.02 through 5.04 are insufficient to pay all amounts due and payable from Seller to Buyer under this Agreement or any Repurchase Document on a Remittance Date, a Repurchase Date or Maturity Date, whether due to the occurrence of an Event of Default or otherwise, Seller shall remain liable to Buyer for payment of all such amounts when due.

Section 5.06 Currency of Payments. Dollars shall be the currency of account and payment for any and all sums due from Seller under any Repurchase Document, provided, that, notwithstanding anything herein to the contrary, if on any date, any amount is due and payable under *clause sixth* of Sections 5.02, *clause seventh* of Section 5.03 or *clause sixth* of Section 5.04 in a currency other than Dollars, such due amounts shall be paid in the equivalent amount of such other currency by converting Income to such other currency. All such currency conversion calculations and related payments pursuant to this Section 5.06 shall be calculated by Buyer based on the applicable spot rate determined by Buyer in its reasonable discretion based upon the then-current spot rate of exchange and shall be final and binding on Seller absent manifest error.

ARTICLE 6

CONDITIONS PRECEDENT

Section 6.01 Conditions Precedent to Initial Transaction. Buyer shall not be obligated to enter into any Transaction or purchase any Asset until the following conditions have been satisfied or waived by Buyer, on and as of the Closing Date and the first Purchase Date:

- a. Buyer has received the following documents, each dated the Closing Date or as of the first Purchase Date unless otherwise specified: (i) each Repurchase Document duly executed and delivered by the parties thereto, (ii) an official good standing certificate dated a recent date with respect to Seller, Pledgor and Guarantor (including, with respect to Seller, in each jurisdiction where any Mortgaged Property is located to the extent necessary for Buyer to enforce its rights and remedies thereunder), (iii) certificates of the secretary or an assistant secretary of Seller, Pledgor and Guarantor with respect to attached copies of the Governing Documents and applicable resolutions of Seller, Pledgor and Guarantor, and the incumbencies and signatures of officers of Seller, Pledgor and Guarantor executing the Repurchase Documents to which each is a party, evidencing the authority of Seller, Pledgor and Guarantor with respect to the execution, delivery and performance thereof, (iv) a Closing Certificate, (v) an executed Power of Attorney, (vi) such opinions from counsel to Seller, Pledgor and Guarantor as Buyer may require, including with respect to corporate matters, enforceability, non-contravention, no consents or approvals required other than those that have been obtained, first priority perfected security interests in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Documents, Investment Company Act matters, true sale (unless such

Purchased Asset was purchased by Seller from an unaffiliated third party seller in an arm's-length transaction for fair market value), substantive non-consolidation and the applicability of Bankruptcy Code safe harbors, and (vii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

- a. (i) UCC financing statements have been filed against Seller and Pledgor in Delaware, (ii) Buyer has received such searches of UCC filings, tax liens, judgments, pending litigation and other matters relating to Seller and the Purchased Assets as Buyer may require, and
- (iii) the results of such searches are satisfactory to Buyer;
- a. Buyer has received payment from Seller of all fees and expenses then payable under Section 3.07(b), the related provisions of the Fee Letter and all expenses payable as contemplated by Section 13.02, together with any other fees and expenses otherwise due and payable pursuant to any of the other Repurchase Documents;
- a. Buyer has completed to its satisfaction such due diligence (including, Buyer's "Know Your Customer", Anti-Corruption Laws, Sanctions and Anti-Money Laundering Laws diligence) and modeling as Buyer may require; and
- a. Buyer has received, prior to the Closing Date, approval from its internal credit committee and all other necessary approvals required for Buyer, to enter into this Agreement and consummate Transactions hereunder.

Buyer's execution and delivery of this Agreement will be evidence that the foregoing conditions contained in this Section 6.01 have been satisfied to Buyer's satisfaction.

Section 6.02 Conditions Precedent to All Transactions. Buyer shall not be obligated to enter into any Transaction, purchase any Asset, or be obligated to take, fulfill or perform any other action hereunder, until the following additional conditions have been satisfied

or waived by Buyer, with respect to each Asset on and as of the Purchase Date (including the first Purchase Date) therefor:

- a. Buyer has received the following documents for each Purchased Asset: (i) [reserved], (ii) an Underwriting Package, (iii) a Confirmation, (iv) Irrevocable Redirection Notices, (v) a trust receipt and other items required to be delivered under the Custodial Agreement, (vi) with respect to any Wet Mortgage Asset, a Bailee Agreement, (vii) the related Servicing Agreement, if a copy was not previously delivered to Buyer, and (viii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;
- a. immediately before such Transaction and after giving effect thereto and to the intended use thereof, no Representation Breach (including with respect to any Purchased Asset, but excluding any Approved Representation Exception), Default, Event of Default, Margin Deficit, or Material Adverse Effect shall have occurred and be continuing;
- a. Buyer has completed its due diligence review of the Underwriting Package, Mortgage Loan Documents and such other documents, records and information as Buyer deems appropriate, and the results of such reviews are satisfactory to Buyer;
- a. Buyer has (i) determined that such Asset is an Eligible Asset, (ii) approved the purchase of such Asset, (iii) obtained all necessary internal credit and other approvals for such Transaction, (iv) executed the Confirmation, (v) determined that such Asset is adequately structured and stabilized, (vi) received payment of the Annual Funding Fee with respect to such Asset (which Annual Funding Fee may be netted from the Purchase Price funded on the applicable Purchase Date or netted from the Future Funding Amount funded on the applicable Future Funding Date, as applicable), and (vii) determined that such Asset satisfies the PPV Test as of the Purchase Date;
- a. immediately after giving effect to such Transaction, the aggregate outstanding Purchase Price of all Transactions does not exceed the Maximum Amount;
- a. the Repurchase Date specified in the Confirmation is not later than the Maturity Date;
- a. Seller has satisfied all requirements and conditions and has performed all covenants, duties, obligations and agreements contained in the other Repurchase Documents to be performed by Seller on or before the Purchase Date;
- a. to the extent the related Mortgage Loan Documents contain notice, cure and other provisions in favor of a pledgee under a repurchase or warehouse facility, and without prejudice to the sale treatment of such Asset to Buyer, Buyer has received evidence that Seller has given notice to the applicable Persons of Buyer's interest in such Asset and otherwise satisfied any other applicable requirements under such pledgee provisions so that Buyer is entitled to the rights and benefits of a pledgee under such pledgee provisions;

- a. if requested by Buyer, to the extent not covered by opinions previously delivered under similar facts and circumstances where there has been no change in Requirements of Law in connection with this Agreement, such customary opinions from counsel to Seller, Pledgor and Guarantor as Buyer may require, including, without limitation, with respect to the perfected security interest in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Document, and true sale opinions for each Purchased Asset purchased or transferred to Seller from an Affiliate of Seller or from any third party in a transaction not on arm's-length terms or for other than fair market value, to the extent such transfer was in a manner or structure different from the manner or structure of transfer and sale analyzed in a true sale opinion previously delivered in connection with such Purchased Asset; and
- a. Custodian shall have received executed blank assignments of all Mortgage Loan Documents each, if recordable, to be in appropriate form for recording in the jurisdiction in which the underlying Mortgaged Property is located (the "Blank Assignment Documents").
- a. Buyer has received payment from Seller of all fees and expenses then due and payable under Section 3.07(b), the related provisions of the Fee Letter and all expenses then due and payable as contemplated by Section 13.02, together with any other fees and expenses otherwise then due and payable pursuant to any of the other Repurchase Documents.

Each Confirmation delivered by Seller shall constitute a certification by Seller that all of the conditions precedent in this Article 6 have been satisfied other than those set forth in Sections 6.01(a)(vii), (d) and (e) and Sections 6.02(a)(viii), (c), (d) and (k).

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer and to each Other Facility Buyer, on and as of the date of this Agreement, each Purchase Date, and at all times when any Repurchase Document or Transaction is in full force and effect as follows:

Section 7.01 Seller. Seller has been duly organized and validly exists in good standing as a corporation, limited liability company or limited partnership, as applicable, under the laws of the jurisdiction of its incorporation, organization or formation. Seller (a) has all requisite power, authority, legal right, licenses and franchises where such licenses or franchises are necessary for the transaction of Seller's business, except where failure to have such license or franchise does not have a Material Adverse Effect, (b) is duly qualified to do business in all jurisdictions necessary for the transaction of Seller's business, except where failure to so qualify does not have a Material Adverse Effect, and (c) has been duly authorized by all necessary action, to (w) own, lease and operate its properties and assets, (x) conduct its business as presently conducted, (y) execute, deliver and perform its obligations under the Repurchase Documents to which it is a party, and (z) acquire, own, sell, assign, pledge and repurchase the Purchased Assets. Seller's exact legal name is set forth in the preamble and signature pages of this Agreement. Seller's location (within the meaning of Article 9 of the UCC), and the office where Seller keeps all records (within the meaning of Article 9 of the UCC) relating to the

Purchased Assets is at the address of Seller referred to in Annex 1. Seller has not changed its name or location within the past twelve (12) months. Seller's organizational identification number is 5443316 and its tax identification number is 90-132116. Seller is a one hundred percent (100%) direct and wholly-owned Subsidiary of Pledgor. The fiscal year of Seller is the calendar year. Seller has no Indebtedness, Contractual Obligations or Investments other than (a) ordinary trade payables, (b) in connection with Assets acquired or originated for the Transactions, and (c) the Repurchase Documents. Seller has no Guarantee Obligations. Seller has no Subsidiaries.

Section 7.02 Repurchase Documents. Each Repurchase Document to which Seller is a party has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by Insolvency Laws and general principles of equity. The execution, delivery and performance by Seller of each Repurchase Document to which it is a party do not and will not (a) conflict with, result in a breach of, or constitute (with or without

notice or lapse of time or both) a default under, any (i) Governing Document, Indebtedness, Guarantee Obligation or Contractual Obligation applicable to Seller or any of its properties or assets, (ii) Requirements of Law, or (iii) approval, consent, judgment, decree, order or demand of any Governmental Authority, or (b) result in the creation of any Lien (other than Permitted Liens) on any of the properties or assets of Seller. All approvals, authorizations, consents, orders, filings, notices or other actions of any Person or Governmental Authority required for the execution, delivery and performance by Seller of the Repurchase Documents to which it is a party and the sale of and grant of a security interest in each Purchased Asset to Buyer, have been obtained, effected, waived or given and are in full force and effect. The execution, delivery and performance of the Repurchase Documents do not require compliance by Seller with any "bulk sales" or similar law. There is no material litigation, proceeding or investigation pending or, to the Knowledge of Seller threatened, against Seller, Pledgor, Guarantor or any Affiliate of Seller Pledgor or Guarantor before any Governmental Authority (a) asserting the invalidity of any Repurchase Document, (b) seeking to prevent the consummation of any Transaction, or (c) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

Section 7.03 Solvency. None of Seller, Guarantor or any other direct or indirect Subsidiary of Guarantor is or has ever been the subject of an Insolvency Proceeding. Seller, Guarantor and all of its other direct or indirect Subsidiaries is Solvent and the Transactions do not and will not render Seller, Guarantor or any other direct or indirect Subsidiary of Guarantor not Solvent. Seller is not entering into the Repurchase Documents or any Transaction with the intent to hinder, delay or defraud any creditor of Seller, Guarantor or any other direct or indirect Subsidiary of Guarantor. Seller has received or will receive reasonably equivalent value for the Repurchase Documents and each Transaction. Seller has adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations. Seller is generally able to pay, and as of the date hereof is paying, its debts as they come due.

Section 7.04 Taxes. Guarantor is a REIT. Seller is disregarded as a separate entity from Guarantor for U.S. federal income tax purposes. Seller and Guarantor have each filed all required federal income tax returns and all other material tax returns, domestic and foreign,

required to be filed by them and have (for all prior fiscal years and for the current fiscal year to date) paid all material Taxes which have become due and payable, other than any such Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves have been established in accordance with GAAP. There is no material suit or claim relating to any Taxes now pending or, to the Knowledge of Seller, threatened by any Governmental Authority which is not being contested in good faith as provided above, unless Seller provides Buyer with written notice of such suit or claim.

Section 7.05 True and Complete Disclosure. The information, reports, certificates, documents, financial statements, operating statements, forecasts, books, records, files, exhibits and schedules furnished by or on behalf of Seller, Pledgor or Guarantor to Buyer in connection with the Repurchase Documents and the Transactions, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of Seller,

Pledgor or Guarantor to Buyer in connection with the Repurchase Documents and the Transactions will be true, correct and complete in all material respects, or in the case of projections will be based on reasonable estimates prepared and presented in good faith, on the date as of which such information is stated or certified.

Section 7.06 Compliance with Laws. Seller, Pledgor and Guarantor have complied in all respects with all Requirements of Laws, and no Purchased Asset contravenes any Requirements of Laws. No AML Entity (i) is in violation of any Sanctions or (ii) is a Sanctioned Target. The proceeds of any Transaction have not been and will not be used, directly or indirectly, to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Target or otherwise in violation of Sanctions, Anti-Corruptions Laws or Anti-Money Laundering Laws. Seller and all Affiliates of Seller are in compliance with the Foreign Corrupt Practices Act of 1977 and any foreign counterpart thereto. Neither Seller nor any Affiliate of Seller has made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Seller, any Affiliate of Seller or any other Person, in violation of the Foreign Corrupt Practices Act.

Section 7.07 Compliance with ERISA. (a) Neither Seller, Pledgor nor Guarantor has any employees as of the date of this Agreement.

- a. Each of Seller, Pledgor and Guarantor either (i) qualifies as a VCOC or a REOC, (ii) complies with an exception set forth in the Plan Asset Regulations such that the assets of such Person would not be subject to Title I of ERISA and/or Section 4975 of the Code, or (iii) does not hold any "plan assets" within the meaning of the Plan Asset Regulations that are subject to ERISA.
- a. Assuming that no portion of the Purchased Assets are funded by Buyer with "plan assets" within the meaning of the Plan Asset Regulations, none of the transactions contemplated

by the Repurchase Documents will constitute a nonexempt prohibited transaction (as such term is defined in Section 4975 of the Code or Section 406 of ERISA) that could subject Buyer to any tax or penalty or prohibited transactions imposed under Section 4975 of the Code or Section 502(i) of ERISA.

Section 7.08 No Default. No Default or Event of Default has occurred and is continuing, and no Internal Control Event has occurred. Seller has delivered to Buyer all underlying servicing agreements (or provided Buyer with access to a service, internet website or other system where Buyer can successfully access such agreements) with respect to the Purchased Assets, and to Seller's Knowledge no material default or event of default (however defined) exists thereunder. No default or event of default (however defined) on the part of Guarantor or Pledgor has occurred and is continuing as of the Closing Date under any credit facility, repurchase facility or substantially similar facility that is presently in effect, to which Guarantor or Pledgor is a party; it being understood and agreed that the representation in this

sentence is only being made as of the Closing Date and will not be remade or deemed to be remade on any date after the Closing Date.

Section 7.09 Purchased Assets. Except to the extent set forth in writing on the related Confirmation as an Approved Representation Exception, each Purchased Asset is an Eligible Asset as of the Purchase Date; provided, however, that the foregoing representation expressly excludes clause (a) within the definition of Eligible Asset. Each representation and warranty of Seller set forth in the Repurchase Documents (including in Schedule 1 applicable to the Class of such Purchased Asset) and the Mortgage Loan Documents with respect to each Purchased Asset is true and correct. The review and inquiries made on behalf of Seller in connection with the next preceding sentence have been made by Persons having the requisite expertise, knowledge and background to verify such representations and warranties. Seller has complied with all requirements of the Custodial Agreement with respect to each Purchased Asset, including delivery to Custodian of all required Mortgage Loan Documents.

Section 7.10 Purchased Assets Acquired from Transferors. With respect to each Purchased Asset purchased by Seller or an Affiliate of Seller from a Transferor, (a) such Purchased Asset was acquired and transferred pursuant to a Purchase Agreement, (b) such Transferor received reasonably equivalent value in consideration for the transfer of such Purchased Asset, (c) no such transfer was made for or on account of an antecedent debt owed by such Transferor to Seller or an Affiliate of Seller, (d) no such transfer is or may be voidable or subject to avoidance under the Bankruptcy Code, and (e) to the extent either permitted by the terms of the related Purchase Agreement or to the extent that the consent of the related Transferor may be obtained by Seller by exercising commercially reasonable efforts, the representations and warranties made by such Transferor to Seller or such Affiliate in such Purchase Agreement are hereby incorporated herein *mutatis mutandis* and are hereby remade by Seller to Buyer on each date as of which they speak in such Purchase Agreement. To the extent permitted by the terms of the related Purchase Agreement, Seller or such Affiliate of Seller has been granted a security interest in each such Purchased Asset, filed one or more UCC financing statements against the Transferor to perfect such security interest, and assigned such financing statements in blank and delivered such assignments to Buyer or Custodian.

Section 7.11 Transfer and Security Interest. The Repurchase Documents constitute a valid and effective transfer to Buyer of all right, title and interest of Seller in, to and under all Purchased Assets (together with all related Servicing Rights), free and clear of any Liens (other than Permitted Liens). With respect to the protective security interest granted by Seller in Section 11.01, upon the delivery of the Confirmations and the Mortgage Loan Documents to Custodian, the execution and delivery of the Controlled Account Agreement and the filing of the UCC financing statements as provided herein, such security interest shall be a valid first priority perfected security interest to the extent such security interest can be perfected by possession, filing or control under the UCC, subject only to Permitted Liens. Upon receipt by Custodian of each Mortgage Loan Document required to be endorsed in blank by Seller and payment by Buyer of the Purchase Price for the related Purchased Asset, Buyer shall either own such Purchased Asset and the related Mortgage Loan Documents or have a valid first priority perfected security interest in such Mortgage Loan Document. The Purchased Assets are comprised of the following, as defined in the UCC: a general intangible, instrument, investment property, security, deposit account, financial asset, uncertificated security, securities account,

and/or security entitlement. Seller has not sold, assigned, pledged, granted a security interest in, encumbered or otherwise conveyed any of the Purchased Assets to any Person other than pursuant to the Repurchase Documents. Seller has not authorized the filing of and has no Knowledge of any UCC financing statements filed against Seller as debtor that include the Purchased Assets, other than any financing statement that has been terminated or filed pursuant to this Agreement.

Section 7.12 No Broker. Neither Seller nor any Affiliate of Seller has dealt with any broker, investment banker, agent or other Person, except for Buyer or an Affiliate of Buyer, who may be entitled to any commission or compensation in connection with any Transaction. Buyer and Seller both acknowledge that, for the avoidance of doubt, neither Buyer nor any Affiliate of Buyer is entitled to any commission or compensation in connection with this Agreement or any Transaction except to the extent expressly set forth in the Repurchase Documents.

Section 7.13 Interest Rate Protection Agreements. (a) Seller has entered into all Interest Rate Protection Agreements required under Section 8.08, (b) each such Interest Rate Protection Agreement is in full force and effect, (c) no termination event, default or event of default (however defined) has occurred and is continuing thereunder, and (d) Seller has effectively assigned to Buyer all Seller's rights (but none of its obligations) under such Interest Rate Protection Agreements.

Section 7.14. Separateness. Seller is in compliance with the requirements of Article 9.

Section 7.15 Investment Company Act. Seller is a "qualified purchaser" as defined in the Investment Company Act. None of Seller, Guarantor or any Affiliate of Seller or Guarantor (a) is or is "controlled" by an "investment company", or by a company "controlled" by an "investment company", within the meaning of the Investment Company Act, or otherwise required to register thereunder, (b) is a "broker" or "dealer" as defined in, or could be subject to a liquidation proceeding under, the Securities Investor Protection Act of 1970, or (c) is subject to

regulation by any Governmental Authority limiting its ability to incur the Repurchase Obligations.

Section 7.16 Other Indebtedness. Seller shall not incur any Indebtedness other than Indebtedness as evidenced by this Agreement.

Section 7.17 Location of Books and Records. The location where each Seller keeps its books and records, including all computer tapes and records relating to the Purchased Assets is its chief executive office.

Section 7.18 Chief Executive Office; Jurisdiction of Organization. On the Effective Date, Seller's chief executive office, is, and has been, located at 345 Park Avenue, New York, New York 10154. On the Effective Date, Seller's jurisdiction of organization is Delaware. Seller shall provide Buyer with thirty (30) days advance notice of any change in Seller's principal office or place of business or jurisdiction. Seller does not have a trade name. During the preceding five (5) years, Seller has not been known by or done business under any

other name, corporate or fictitious, and has not filed or had filed against it any bankruptcy receivership or similar petitions nor has it made any assignments for the benefit of creditors.

Section 7.19 Anti-Money Laundering Laws and Anti-Corruption Laws. The operations of each of Seller and Guarantor are, and have been, conducted at all times in compliance with all applicable Anti-Money Laundering Laws. and Anti-Corruption Laws. No litigation, regulatory or administrative proceedings of or before any court, tribunal or agency with respect to any Anti-Money Laundering Laws or Anti-Corruption Laws have been started or (to its knowledge and belief, after due inquiry) threatened against any AML Entity.

Section 7.20 Sanctions. No AML Entity (a) is a Sanctioned Target, (b) is controlled by or is acting on behalf of a Sanctioned Target or (c) is under investigation for an alleged breach of Sanctions by a governmental authority that enforces Sanctions. To Seller's Knowledge, no Investor is a Sanctioned Target.

Section 7.21 Beneficial Ownership Certification. The information included in each Beneficial Ownership Certification is true and correct in all respects, in each case as of the date of delivery.

ARTICLE 8

COVENANTS OF SELLER

From the date hereof until the Repurchase Obligations are indefeasibly paid in full and the Repurchase Documents are terminated, Seller shall perform and observe the following covenants, which shall be given independent effect (so that if a particular action or condition is prohibited by any covenant, the fact that it would be permitted by an exception to or be otherwise within the limitations of another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists):

Section 8.01 Existence; Governing Documents; Conduct of Business. Seller shall (a) preserve and maintain its legal existence, (b) qualify and remain qualified in good

standing in each jurisdiction where the failure to be so qualified would have a Material Adverse Effect, (c) comply with its Governing Documents, including all special purpose entity provisions, and (d) not modify, amend or terminate its Governing Documents. Seller shall (a) continue to engage in the same (and no other) general lines of business as presently conducted by it, (b) maintain and preserve all of its material rights, privileges, licenses and franchises necessary for the operation of its business, and (c) maintain Seller's status as a qualified transferee, qualified lender or any similar term (however defined) under the Mortgage Loan Documents. Seller shall not (A) change its name, organizational number, tax identification number, fiscal year, method of accounting, identity, structure or jurisdiction of organization (or have more than one such jurisdiction), move the location of its principal place of business and chief executive office, as defined in the UCC) from the location referred to in Section 7.17, or

(B) move, or consent to Custodian moving, the Mortgage Loan Documents from the location thereof on the applicable Purchase Date for the related Purchased Asset, unless in each case Seller has given at least thirty (30) days prior notice to Buyer and has taken all actions required

under the UCC to continue the first priority perfected security interest of Buyer in the Purchased Assets.

Section 8.02 Compliance with Laws, Contractual Obligations and Repurchase Documents. Seller shall comply in all material respects with each and every Requirements of Law, including those relating to any Purchased Asset and to the reporting and payment of taxes. No part of the proceeds of any Transaction shall be used for any purpose that violates Regulation T, U or X of the Board of Governors of the Federal Reserve System. Seller shall maintain the Custodial Agreement and Controlled Account Agreement in full force and effect.

Section 8.03 Protection of Buyer's Interest in Purchased Assets With respect to each Purchased Asset, Seller shall take all action necessary or required by the Repurchase Documents, the Mortgage Loan Documents and each and every Requirements of Law, or requested by Buyer, to perfect, protect and more fully evidence the security interest granted in the Purchase Agreements and Buyer's ownership of and first priority perfected security interest in such Purchased Asset and related Mortgage Loan Documents, including executing or causing to be executed (a) such other instruments or notices as may be necessary or appropriate and filing and maintaining effective UCC financing statements, continuation statements and assignments and amendments thereto, and (b) all documents necessary to both collaterally and absolutely and unconditionally assign all rights (but none of the obligations) of Seller under each Purchase Agreement, in each case as additional collateral security for the payment and performance of each of the Repurchase Obligations. Seller shall (a) not assign, sell, transfer, pledge, hypothecate, grant, create, incur, assume or suffer or permit to exist any security interest in or Lien (other than Permitted Liens) on any Purchased Asset to or in favor of any Person other than Buyer, (b) defend such Purchased Asset against, and take such action as is necessary to remove, any such Lien, and (c) defend the right, title and interest of Buyer in and to all Purchased Assets against the claims and demands of all Persons whomsoever. Notwithstanding the foregoing, (i) if Seller grants a Lien on any Purchased Asset in violation of this Section 8.03 or any other Repurchase Document, Seller shall be deemed to have simultaneously granted an equal and ratable Lien on such Purchased Asset in favor of Buyer to the extent such Lien has not already been granted to Buyer; provided, that such equal and ratable Lien shall not cure any resulting Event of Default, and (ii) to the extent any additional limited liability company is formed by a Division of Seller (and without prejudice to Sections 8.01 and 9.01 hereof), Seller shall cause any such Division

LLC to assign, pledge and grant to Buyer, for no additional consideration, all of its assets, and shall cause any owner of each such Division LLC to pledge all of the Equity Interests and any rights in connection therewith of each such Division LLC to Buyer, for no additional consideration, in support of all Repurchase Obligations in the same manner and to the same extent as the assignment, pledge and grant by Seller of all of Seller's assets hereunder, and in the same manner and to the same extent as the pledge by Pledgor of all of Pledgor's right, title and interest in all of the Equity Interests of Seller and any rights in connection therewith, in each case pursuant to the Pledge and Security Agreement. Seller shall not materially amend, modify, waive or terminate any provision of any Purchase Agreement. Seller shall not, or permit Servicer or any other servicer to, extend, amend, waive, terminate, rescind, cancel, release or otherwise modify the material terms of or any collateral, guaranty or indemnity for, or exercise any material right or remedy of a holder (including all lending, corporate and voting rights, remedies, consents, approvals and waivers) of, any Purchased Asset, Mortgage Loan Document, without the prior written consent of Buyer. Seller shall mark its computer records and tapes to

evidence the interests granted to Buyer hereunder. Seller shall not take any action to cause any Purchased Asset that is not evidenced by an instrument or chattel paper (as defined in the UCC) to be so evidenced. If a Purchased Asset becomes evidenced by an instrument or chattel paper, the same shall be promptly (but in no event later than one (1) Business Day following Seller's receipt) delivered to Custodian on behalf of Buyer, together with endorsements required by Buyer.

Section 8.04 Actions of Seller Relating to Distributions, Indebtedness, Guarantee Obligations, Contractual Obligations, Investments and Liens. Seller shall not declare or make any payment on account of, or set apart assets for, a sinking or similar fund for the purchase, redemption, defeasance, retirement or other acquisition of any Equity Interest of Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, 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, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor. Seller shall not contract, create, incur, assume or permit to exist any Indebtedness, Guarantee Obligations, Contractual Obligations or Investments, except to the extent (a) arising or existing under the Repurchase Documents, (b) existing as of the Closing Date, as referenced in the financial statements delivered to Buyer prior to the Closing Date, and any renewals, refinancings or extensions thereof in a principal amount not exceeding that outstanding as of the date of such renewal, refinancing or extension, (c) incurred after the Closing Date to originate or acquire Assets to provide funding with respect to Assets, (d) related to Interest Rate Protection Agreements pursuant to Section 8.08 or entered into in order to manage risks related to Assets and (e) permitted by the terms of Section 9.01. Seller shall not (a) contract, create, incur, assume or permit to exist any Lien on or with respect to any of its property or assets (including the Purchased Assets) of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, except for Permitted Liens, or

(b) except as provided in the preceding clause (a), grant, allow or enter into any agreement or arrangement with any Person that prohibits or restricts or purports to prohibit or restrict the granting of any Lien on any of the foregoing.

Section 8.05 Delivery of Income. Seller shall and, pursuant to Irrevocable Redirection Notices or otherwise cause the Underlying Obligors under the Purchased Assets and all other applicable Persons to, deposit all Income in respect of the Purchased Assets into the

Waterfall Account in accordance with Section 5.01 hereof on the day the related payments are due. Seller and Servicer (a) shall comply with and enforce each Irrevocable Redirection Notice,

- a. shall not amend, modify, waive, terminate or revoke any Irrevocable Redirection Notice without Buyer's consent, and (c) shall take all reasonable steps to enforce each Irrevocable Redirection Notice. In connection with each principal payment or prepayment under a Purchased Asset, Seller shall provide or cause to be provided to Buyer and Custodian sufficient detail to enable Buyer and Custodian to identify the Purchased Asset to which such payment applies. If Seller receives any rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any Purchased Assets, or otherwise in respect thereof, Seller shall accept the same as Buyer's agent, hold the same in trust for Buyer and immediately deliver the same to Buyer or its designee in the exact form received, together with duly executed instruments of transfer, stock powers or assignment in blank and such other documentation as Buyer shall reasonably request. If any Income is received by Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, Seller shall pay or deliver such Income for deposit into the Waterfall Account to

Buyer within two (2) Business Days after receipt, and, until so paid or delivered, hold such Income in trust for Buyer, segregated from other funds of Seller.

Section 8.06 Delivery of Financial Statements and Other Information. Seller shall deliver the following to Buyer, as soon as available and in any event within the time periods specified:

- i. within forty-five (45) days after the end of each fiscal quarter and each fiscal year of Guarantor, (i) the unaudited balance sheets of Guarantor as at the end of such period, (ii) the related unaudited statements of income, retained earnings and cash flows for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, and (iii) a Compliance Certificate;
- i. within ninety (90) days after the end of each fiscal year of Guarantor, (i) the audited balance sheets of Guarantor as at the end of such fiscal year, (ii) the related statements of income, retained earnings and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, (iii) an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall not be qualified as to scope of audit or going concern and shall state that said financial statements fairly present the financial condition and results of operations of Guarantor as at the end of and for such fiscal year in accordance with GAAP, (iv) a certification from such accountants that, in making the examination necessary therefor, no information was obtained of any Default or Event of Default except as specified therein, ~~and (v) projections of Guarantor of the operating budget and cash flow budget of Guarantor for the following fiscal year, and (vi)~~ a Compliance Certificate;
- i. all reports submitted to Guarantor by independent certified public accountants in connection with each annual, interim or special audit of the books and records of Guarantor made by such accountants, including any management letter commenting on Guarantor's internal controls;

i. with respect to each Purchased Asset and related Mortgaged Property serviced by a Servicer other than Wells Fargo Bank, National Association: (i) within forty-five (45) days after the end of each fiscal quarter of Seller, a quarterly report of the following: delinquency, loss experience, internal risk rating, surveillance, rent roll, occupancy and other property-level information, and (ii) within ten (10) days after receipt or preparation thereof by Seller or any Servicer, remittance, servicing, securitization, exception and other reports, operating and financial statements of Underlying Obligors, and modifications or updates to the items contained in the Underwriting Materials;

- i. all financial statements, reports, notices and other documents that Guarantor sends to holders of its Equity Interests or makes to or files with any Governmental Authority, promptly after the delivery or filing thereof;
- i. within ten (10) Business Days after the end of each month, a report of all proposed sales, repurchases and other transactions with respect to the Purchased Assets, which schedule shall be acceptable to Buyer;
- i. any other material agreements, correspondence, documents or other information not included in an Underwriting Package which is related to Seller or the Purchased Assets, promptly after the discovery thereof by Seller, Guarantor or any Affiliate of Seller or Guarantor; and
- i. such other information regarding the financial condition, operations or business of Guarantor or any Underlying Obligor as Buyer may reasonably request.

Section 8.07 Delivery of Notices. Seller shall promptly notify Buyer if, to Seller's Knowledge in its commercially reasonable judgment, any of the following events have occurred, together with a certificate of a Responsible Officer of Seller setting forth details of such occurrence and any action Seller has taken or proposes to take with respect thereto:

- a. a Representation Breach or any representation or warranty or MTM Representation being untrue or incorrect in any respect;
- a. any of the following: (i) with respect to any Purchased Asset or related Mortgaged Property: material change in Market Value, material loss or damage, material licensing or permit issues, violation of Requirements of Law, discharge of or damage from Materials of Environmental Concern or any other actual or expected event or change in circumstances that could reasonably be expected to result in a default or material decline in value or cash flow, and (ii) with respect to Seller: violation of Requirements of Law, material decline in the value of Seller's assets or properties, an Internal Control Event or other event or circumstance that could reasonably be expected to have a Material Adverse Effect;
- a. the existence of any Default, Event of Default or material default under or related to a Purchased Asset, Mortgage Loan Document, Indebtedness, Guarantee Obligation or Contractual Obligation of Seller;

- a. the resignation or termination of any Servicer under any Servicing Agreement with respect to any Purchased Asset;
- a. the establishment of a rating by any Rating Agency applicable to Seller, Guarantor or any Affiliate of Seller or Guarantor, and any downgrade in or withdrawal of such rating once established;
- a. the commencement of, settlement of or material judgment in any litigation, action, suit, arbitration, investigation or other legal or arbitrable proceedings before any Governmental Authority that (i) affects Seller, Guarantor or any Affiliate of Seller or Guarantor, Purchased Asset, Pledged Collateral or Mortgaged Property, (ii) questions or challenges the validity or enforceability of any Repurchase Document, Transaction, Purchased Asset or Mortgage Loan Document, or (iii) individually or in the aggregate, if adversely determined, could reasonably be likely to have a Material Adverse Effect; and
- a. any fact or circumstance not specified in an Approved Representation Exception that could reasonably lead Seller to expect that any Purchased Asset will not be paid in full.

Notwithstanding the foregoing, Seller shall be deemed to have breached the covenant set forth in this Section 8.07 if any failure of Seller to have Knowledge of any related circumstance or event results from the bad faith or willful misconduct of any employee of Seller, Guarantor or Manager.

Section 8.08 Hedging. With respect to each Purchased Asset that is a Hedge Required Asset, Seller shall enter into one or more one-hundred percent (100%) cash-collateralized Interest Rate Protection Agreement(s) at the direction of and in a form acceptable to Buyer. Seller shall take such actions as Buyer deems necessary to perfect the security interest granted in each Interest Rate Protection Agreement pursuant to Section 11.01, and shall assign to Buyer, which assignment shall be consented to in writing by each Hedge Counterparty, all of Seller's rights (but none of the obligations) in, to and under each Interest Rate Protection Agreement. Each Interest Rate Protection Agreement shall contain provisions acceptable to Buyer for additional credit support in the event the rating of any Rating Agency assigned to the Hedge Counterparty (other than an Affiliated Hedge Counterparty) is downgraded or withdrawn, in which event Seller shall ensure that such additional credit support is provided or promptly, subject to the approval of Buyer, enter into new Interest Rate Protection Agreements with respect to the related Purchased Assets with a replacement Hedge Counterparty.

Section 8.09 Pledge and Security Agreement. Seller shall not take any direct or indirect action inconsistent with the Pledge and Security Agreement or the security interest granted thereunder to Buyer in the Pledged Collateral. Seller shall not permit any additional Persons to acquire Equity Interests in Seller other than the Equity Interests owned by Pledgor and pledged to Buyer on the Closing Date, and Seller shall not permit any sales, assignments, pledges or transfers of the Equity Interests in Seller other than to Buyer.

Section 8.10 Taxes. Guarantor will continue to be a REIT. Seller will continue to be disregarded as a separate entity from Guarantor for U.S. federal income tax purposes. Seller and Guarantor will each file all required federal income tax returns and all other material tax

returns, domestic and foreign, required to be filed by them and will pay all material Taxes which become due and payable, other than any such Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves are established in accordance with GAAP.

Section 8.11 Management. Guarantor shall not, without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed), terminate Manager as Guarantor's external manager pursuant to the Amended and Restated Management Agreement, dated as of March 26, 2013, between Guarantor and Manager, and, in connection therewith, any replacement external manager shall be subject to Buyer's prior written approval, not to be unreasonably withheld, conditioned or delayed.

Section 8.12 Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

- a. The proceeds of any Transaction shall not be used, directly or indirectly, for any purpose which would breach any applicable Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.
- a. Seller and Guarantor shall (i) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; and (ii) maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.
- a. The repurchase of any Purchased Asset or any other payment due to Buyer under this Agreement or any other Repurchase Document shall not be funded, directly or indirectly, with proceeds derived from a transaction that would be prohibited by Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, or in any manner that would cause Seller, Guarantor or any Affiliates of Seller or Guarantor to be in breach of any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.
- a. Seller shall conduct or cause to be conducted the requisite due diligence in connection with the origination or acquisition of each Purchased Asset for purposes of complying with all applicable Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable Underlying Obligor and the origin of the assets used by such Person to purchase the underlying Mortgaged Property, and will maintain sufficient information to identify such Person for purposes of such Anti-Money Laundering Laws.

Section 8.13 Compliance with Sanctions. The proceeds of any Transaction hereunder will not, directly or indirectly, be used to lend, contribute, or otherwise be made available to any Sanctioned Target or any Person (i) to fund any activities or business of or with a Sanctioned Target, or (ii) be used in any manner that would be prohibited by Sanctions or would otherwise cause Buyer to be in breach of any Sanctions. Seller and Guarantor shall comply with all applicable Sanctions, and shall maintain policies and procedures reasonably designed to ensure compliance with Sanctions. Seller or Guarantor shall notify the Buyer in writing not more than one (1) Business Day after becoming aware of any breach of Section 7.20 or this Section 8.13.

Section 8.14 Beneficial Ownership. To the extent that Seller is a “legal entity customer” under the Beneficial Ownership Regulation, Seller shall promptly give notice to Buyer of any change in the information provided in any Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and shall promptly deliver an updated Beneficial Ownership Certification to Buyer.

ARTICLE 9

SINGLE-PURPOSE ENTITY

Section 9.01 Covenants Applicable to Seller. Seller shall (i) own no assets other than the Whole Loans identified to Buyer as Central Campus and Fountains at Lake Success and 120-125 Riverside, and shall not engage in any business, other than the assets and

transactions specifically contemplated by this Agreement and any other Repurchase Document,

(ii) not incur any Indebtedness or other obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (I) with respect to the Mortgage Loan Documents and the Retained Interests, (II) commitments to make loans which may become Eligible Assets, (III) unsecured trade debt not to exceed \$100,000 incurred in the ordinary course of business, and (IV) as otherwise permitted under this Agreement, (iii) not make any loans or advances to any Affiliate or third party and shall not acquire obligations or securities of its Affiliates, in each case other than in connection with the origination or acquisition of Assets for purchase under the Repurchase Documents, (iv) pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) only from its own assets, (v) comply with the provisions of its Governing Documents, (vi) do all things necessary to observe organizational formalities and to preserve its existence, and shall not amend, modify, waive provisions of or otherwise change its Governing Documents without the prior written consent of Buyer, (vii) maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates; (except that such financial statements may be consolidated to the extent consolidation is required under GAAP or as a matter of Requirements of Law; provided, that (i) appropriate notation shall be made on such financial statements to indicate the separateness of Seller from such Affiliate and to indicate that Seller’s assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (ix) such assets shall also be listed on Seller’s own separate balance sheet) and file its own tax returns (except to the extent consolidation is required or permitted under Requirements of Law),

- a. be, and at all times shall hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, and shall not identify itself or any of its Affiliates as a division of the other, (ix) 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 and shall remain Solvent, (x) not engage in or suffer any Change of Control, dissolution, winding up, liquidation, consolidation or merger in whole or in part or convey or transfer all or substantially all of its properties and assets to any Person (except as contemplated herein), nor shall Seller adopt, file or effect a Division, (xi) not commingle its funds or other assets with those of any Affiliate or any other Person and shall maintain its properties and assets in such a manner that it would not be costly or difficult to identify, segregate or ascertain its properties and assets from those of others, (xii) maintain its properties, assets and

accounts separate from those of any Affiliate or any other Person, (xiii) not hold itself out to be responsible for the debts or obligations of any other Person, (xiv) not, without the prior unanimous written consent of all of its Independent Directors, take any Insolvency Action, (xv)

- i. have at all times at least one (1) Independent Director whose vote is required to take any Insolvency Action, and (II) provide Buyer with up-to-date contact information for each such Independent Director and a copy of the agreement pursuant to which such Independent Director consents to and serves as an "Independent Director" for Seller, (xvi) the Governing Documents for Seller shall provide that for so long as any Repurchase Obligations remain outstanding, that

(I) Buyer be given at least five (5) 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, (II) to the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, any Independent Director or Independent Manager shall consider only the interests of Seller, including its respective creditors, in acting or otherwise voting on the Insolvency Action, and (III) except for duties to Seller as set forth in the immediately preceding clause (including duties to the holders of the Equity Interests in Seller or Seller's respective creditors solely to the extent of their respective economic interests in Seller, but excluding (A) all other interests of the holders of the Equity Interests in Seller, (B) the interests of other Affiliates of Seller, and (C) the interests of any group of Affiliates of which Seller is a part), the Independent Directors or Independent Managers shall not have any fiduciary duties to the holders of the Equity Interests in Seller, any officer or any other Person bound by the Governing Documents; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing, (xvii) not enter into any transaction with an Affiliate of Seller except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction, (xviii) maintain a sufficient number of employees (or, subject to clause (xx) below, the ability to utilize employees of its Affiliates) in light of contemplated business operations (xix) use separate stationary, invoices and checks bearing its own name, (xx) allocate fairly and reasonably any overhead for shared office space and for services performed by an employee of an affiliate, (xxi) not pledge its assets to secure the obligations of any other Person, and (xxii) not form, acquire or hold any Subsidiary or own any Equity Interest in any other entity.

ARTICLE 10

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default. Each of the following events shall be an Event

1. Seller fails to make a payment of (i) Margin Deficit or Repurchase Price

(other than Price Differential) when due, whether by acceleration or otherwise, (ii) Price Differential within one (1) Business Day of when due, or (iii) any other amount within two (2) Business Days of when due, in each case under the Repurchase Documents;

1. Seller fails to observe or perform in any material respect any other Repurchase Obligation of Seller under the Repurchase Documents or the Mortgage Loan Documents to which Seller is a party, and (except in the case of a failure to perform or observe the Repurchase Obligations of Seller under Section 8.03 and 18.08(a)) such failure continues unremedied for ten (10) days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;
1. any Representation Breach (other than a Representation Breach arising out of the representations and warranties set forth in Schedule 1) exists and continues unremedied for ten (10) days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;
1. Seller or Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation under any Indebtedness, Guarantee Obligation or Contractual Obligation with an aggregate outstanding amount of (x) with respect to Seller, at least \$100,000 and (y) with respect to Guarantor, at least equal to the Guarantor Default

Threshold, and such default permits the acceleration of the maturity of such Indebtedness, Guarantee Obligations or Contractual Obligations;

1. Seller, Guarantor or any Subsidiary of Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation due to Buyer or any Affiliate of Buyer under any other financing, hedging, security or other agreement (other than under this Agreement) between Seller, Guarantor or any Subsidiary of Guarantor and Buyer or any Affiliate of Buyer, which involves the failure to pay a matured Indebtedness or permit the acceleration of the maturity of the related Indebtedness;
1. an Insolvency Event occurs with respect to Seller, Pledgor or Guarantor;
1. a Change of Control occurs with respect to Seller, Pledgor or Guarantor;
1. a final judgment or judgments for the payment of money in excess of in the aggregate (x) with respect to Seller, \$100,000 and (y) with respect to Guarantor, at least equal to the Guarantor Default Threshold, in each case, is entered against Seller or Guarantor by one or more Governmental Authorities and the same is not satisfied, discharged (or provision has not been made for such discharge) or bonded, or a stay of execution thereof has not been procured, within thirty (30) Business Days from the date of entry thereof;
1. a Governmental Authority takes any action to (i) condemn, seize or appropriate, or assume custody or control of, all or any substantial part of the property of Seller,

(ii) displace the management of Seller or curtail its authority in the conduct of the business of Seller, (iii) terminate the activities of Seller as contemplated by the Repurchase Documents, or

(iv) remove, limit or restrict the approval of Seller of the foregoing as an issuer, buyer or a seller of securities, and in each case such action is not discontinued or stayed within thirty (30) days;

1. any Senior Employee admits in writing to any Person in an external written communication (whether electronic or otherwise) that it is not Solvent or is not able to perform or intends to contest or has knowledge of a potential default under any of its Repurchase Obligations or any other Indebtedness;
1. any provision of the Repurchase Documents, any right or remedy of Buyer or obligation, covenant, agreement or duty of Seller thereunder, or any Lien, security interest or control granted under or in connection with the Repurchase Documents, Pledged Collateral or Purchased Assets terminates, is declared null and void, ceases to be valid and effective, ceases to be the legal, valid, binding and enforceable obligation of Seller or any other Person, or the validity, effectiveness, binding nature or enforceability thereof is contested, challenged, denied or repudiated by Seller or any Affiliate thereof, in each case directly, indirectly, in whole or in part;
1. Buyer ceases for any reason to have a valid and perfected first priority security interest in any Purchased Asset or any Pledged Collateral;
1. Seller, Guarantor or Pledgor is required to register as an "investment company" (as defined in the Investment Company Act) or the arrangements contemplated by the

Repurchase Documents shall require registration of Seller, Guarantor or Pledgor as an "investment company";

1. Seller engages in any conduct or action where Buyer's prior consent is required by any Repurchase Document and Seller fails to obtain such consent;
1. Seller, Servicer, any Underlying Obligor or any other Person fails to deposit to the Waterfall Account all Income and other amounts as required by Section 5.01 and other provisions of this Agreement when due, or the occurrence of a Servicer Event of Default, and such failure to deposit or Servicer Event of Default, as applicable, is not cured within five

(5) Business Days;

1. Guarantor's audited annual financial statements or the notes thereto or other opinions or conclusions stated therein are qualified or limited by reference to the status of Guarantor as a "going concern" or a reference of

similar import, other than a qualification or limitation expressly related to Buyer's rights in the Purchased Assets;

1. any termination event, default or event of default (however defined) shall have occurred with respect to Seller under any Interest Rate Protection Agreement or Guarantor breaches any of the obligations, terms or conditions set forth in the Guarantee Agreement;
1. any Material Modification is made to any Purchased Asset or any Mortgage Loan Document without the prior written consent of Buyer; provided that Seller shall have one opportunity to cure a breach of this clause (r) by repurchasing the related Purchased Asset for the full Repurchase Price therefor pursuant to Sections 3.04 and 3.06 within ten (10) Business Days of the date of the related Material Modification;
1. Guarantor fails to qualify as a REIT (after giving effect to any cure or corrective periods or allowances pursuant to the Code), or (2) Seller becomes subject to U.S. federal income tax on a net income basis;
1. either any breach by a Senior Employee of the covenant set forth in Section 8.07, or if any failure of Seller to have Knowledge of any circumstances or events under Section 8.07 results from the bad faith or willful misconduct of any employee of Seller, Guarantor or Manager;
1. any breach by Seller of the covenant set forth in Section 8.11;
1. (i) an Event of Default (as such term is defined in the Gloss Loan Agreement) has occurred and is continuing under the Gloss Facility or (ii) an Event of Default (as such term is defined in the Kensington Repurchase Agreement) has occurred and is continuing under the Kensington Facility; and
1. Seller adopts, files or effects a Division.

Section 10.02 Remedies of Buyer as Owner of the Purchased Assets If an Event of Default has occurred and is continuing, at the option of Buyer, exercised by notice to Seller (which option shall be deemed to be exercised, even if no notice is given, automatically and

immediately upon the occurrence of an Event of Default under Section 10.01(f) or (g)), the Repurchase Date for all Purchased Assets shall be deemed automatically and immediately to occur (the date on which such option is exercised or deemed to be exercised, the "Accelerated Repurchase Date"). If Buyer exercises or is deemed to have exercised the foregoing option:

- a. All Repurchase Obligations shall become immediately due and payable on and as of the Accelerated Repurchase Date.
- a. All amounts in the Waterfall Account and all Income paid after the Accelerated Repurchase Date shall be retained by Buyer and applied in accordance with Article 5.

- a. Buyer may complete any assignments, allonges, endorsements, powers or other documents or instruments executed in blank and otherwise obtain physical possession of all Mortgage Loan Documents and all other instruments, certificates and documents then held by Custodian under the Custodial Agreement. Buyer may obtain physical possession of all Servicing Files, Servicing Agreements and other files and records of Seller or Servicer. Seller shall deliver to Buyer such assignments and other documents with respect thereto as Buyer shall request.
- a. Buyer may immediately, at any time, and from time to time, exercise either of the following remedies with respect to any or all of the Purchased Assets: (i) sell such Purchased Assets on a servicing-released basis and/or without providing any representations and warranties on an "as-is where is" basis, in a recognized market and by means of a public or private sale at such price or prices as Buyer accepts, and apply the net proceeds thereof in accordance with Article 5, or (ii) retain such Purchased Assets and give Seller credit against the Repurchase Price for such Purchased Assets (or if the amount of such credit exceeds the Repurchase Price for such Purchased Assets, to credit against Repurchase Obligations due and any other amounts (without duplication) then owing to Buyer by any other Person pursuant to any Repurchase Document, in such order and in such amounts as determined by Buyer), in an amount equal to the Market Value of such Purchased Assets. Until such time as Buyer exercises either such remedy with respect to a Purchased Asset, Buyer may hold such Purchased Asset for its own account and retain all Income with respect thereto, which Income shall be applied in accordance with Section 5.04.
- a. The Parties agree that the Purchased Assets are of such a nature that they may decline rapidly in value, and may not have a ready or liquid market. Accordingly, Buyer shall not be required to sell more than one Purchased Asset on a particular Business Day, to the same purchaser or in the same manner. Buyer may determine whether, when and in what manner a Purchased Asset shall be sold, it being agreed that both a good faith public and a good faith private sale shall be deemed to be commercially reasonable. Buyer shall not be required to give notice to Seller or any other Person prior to exercising any remedy in respect of an Event of Default. If no prior notice is given, Buyer shall give notice to Seller of the remedies exercised by Buyer promptly thereafter.
- a. Seller shall be liable to Buyer for (i) any amount by which the Repurchase Obligations due to Buyer exceed the aggregate of the net proceeds and credits referred to in the preceding clause (d), (ii) the amount of all actual out-of-pocket expenses, including reasonable legal fees and expenses, actually incurred by Buyer in connection with or as a consequence of an Event of Default, (iii) any costs and losses payable under Section 12.03, and (iv) any other actual loss, damage, cost or expense resulting from the occurrence of an Event of Default.
- a. Buyer shall be entitled to an injunction, an order of specific performance or other equitable relief to compel Seller to fulfill any of its obligations as set forth in the Repurchase Documents, including this Article 10, if Seller fails or refuses to perform its obligations as set forth herein or therein.

- a. Seller hereby appoints Buyer as attorney-in-fact of Seller for purposes of carrying out the Repurchase Documents, including executing, endorsing and recording any instruments or documents and taking any other actions that Buyer deems necessary or advisable to accomplish such purposes, which appointment is coupled with an interest and is irrevocable.
- a. Buyer may, without prior notice to Seller, exercise any or all of its set-off rights including those set forth in Section 18.17 and pursuant to any other Repurchase Document. This Section 10.02(i) shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer is at any time otherwise entitled.
- a. All rights and remedies of Buyer under the Repurchase Documents, including those set forth in Section 18.17, are cumulative and not exclusive of any other rights or remedies that Buyer may have and may be exercised at any time when an Event of Default has occurred and is continuing. Such rights and remedies may be enforced without prior judicial process or hearing. Seller agrees that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's-length. Seller hereby expressly waives any defenses Seller might have to require Buyer to enforce its rights by judicial process or otherwise arising from the use of nonjudicial process, disposition of any or all of the Purchased Assets, or any other election of remedies.

ARTICLE 11

SECURITY INTEREST

Section 11.01 Grant. (a) Buyer and Seller intend that the Transactions be sales to Buyer of the Purchased Assets and not loans from Buyer to Seller secured by the Purchased Assets. However, to preserve and protect Buyer's rights with respect to the Purchased Assets and under the Repurchase Documents if any Governmental Authority recharacterizes any Transaction with respect to a Purchased Asset as other than a sale, and as security for the performance by Seller of the Repurchase Obligations and the performance by the respective sellers under each Other Repurchase Agreement of the respective Other Facility Repurchase Obligations, (i) Seller hereby grants to Buyer a present Lien on and security interest in all of the right, title and interest of Seller in, to and under (A) the Purchased Assets (which for this purpose shall be deemed to include the items described in the proviso in the definition thereof), and (B) each Interest Rate Protection Agreement with each Hedge Counterparty relating to each Purchased Asset ((A) and (B) collectively, the "Collateral") and (ii) Seller hereby grants to each Other Facility Buyer a present Lien on and security interest in all of the right, title and interest of

Seller in, to and under the Collateral; and the transfer of the Purchased Assets to Buyer shall be deemed to constitute and confirm such grant, to secure the payment and performance by Seller of the Repurchase Obligations (including the obligation of Seller to pay the Repurchase Price, or if the related Transaction is recharacterized as a loan, to repay such loan for the Repurchase Price) and the performance by the respective sellers under each Other Repurchase Agreement of the respective Other Facility Repurchase Obligations.

- a. Each Other Facility Buyer hereby acknowledges and agrees that its security interest in the Collateral as security for the Other Facility Repurchase Obligations owing to such Other Facility Buyer shall at all times be junior and subordinate in all respects to Buyer's security interest in the Collateral as security for the Repurchase Obligations. The preceding subordination of each Other Facility Buyer's security interest in the Collateral affects only the relative priority of each Other Facility Buyer's security interest in the Collateral, and shall not subordinate any Other Facility Repurchase Obligations in right of payment to the Repurchase Obligations.
- a. Buyer agrees to act as agent for and on behalf of each Other Facility Buyer (including without limitation for purposes of Sections 9-313(c), 8-106(d)(3), 9-104(a) and 9-106(a) of the UCC) with respect to the security interest granted hereby to secure the obligations owing to each Other Facility Buyer under the related Other Facility, including, without limitation, with respect to the Purchased Assets and the Purchased Asset Files held by Custodian pursuant to the Custodial Agreement.

Section 11.02 Effect of Grant. If any circumstance described in Section 11.01 occurs, (a) this Agreement shall also be deemed to be a security agreement as defined in the UCC, (b) Buyer and each Other Facility Buyer shall have all of the rights and remedies provided to a secured party by Requirements of Law (including the rights and remedies of a secured party under the UCC and the right to set off any mutual debt and claim) and under any other agreement between Buyer and Seller or between any Affiliated Hedge Counterparty and Seller, (c) without limiting the generality of the foregoing, Buyer and each Other Facility Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Assets against all of the Repurchase Obligations or Other Facility Repurchase Obligations, as applicable, without prejudice to Buyer's or any Other Facility Buyer's right to recover any deficiency, (d) the possession by Buyer or any of its agents, including Custodian, of the Mortgage Loan Documents, the Purchased Assets and such other items of property as constitute instruments, money, negotiable documents, securities or chattel paper shall be deemed to be possession by the secured party for purposes of perfecting such security interest under the UCC and Requirements of Law, and (e) notifications to Persons (other than Buyer) holding such property, and acknowledgments, receipts or confirmations from Persons (other than Buyer) holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, securities intermediaries, bailees or agents (as applicable) of the secured party for the purpose of perfecting such security interest under the UCC and Requirements of Law. The security interests of Buyer granted herein shall be, and Seller hereby represents and warrants to Buyer and all other Affiliated Hedge Counterparties that it is, a first priority perfected security interest. The security interests of the Other Facility Buyers granted herein shall be, and Seller hereby represents and warrants to Buyer and all other Affiliated Hedge Counterparties that it is, a perfected security interest subordinate in priority only to the security interests of Buyer. For the avoidance of doubt, (i) each Purchased

Asset and each Interest Rate Protection Agreement relating to a Purchased Asset secures the Repurchase Obligations of Seller with respect to all other Transactions and all other Purchased Assets, including any Purchased Assets that are junior in priority to the Purchased Asset in question, and the Other Facility Repurchase Obligations, and (ii) if an Event of Default has occurred and is continuing, no Purchased Asset or Interest Rate Protection Agreement relating to a Purchased Asset will be released from Buyer's or any Other Facility Buyer's Lien or transferred to Seller until the Repurchase Obligations and all Other Facility Repurchase

Obligations are indefeasibly paid in full. Notwithstanding the foregoing, the Repurchase Obligations and all Other Facility Repurchase Obligations shall be full recourse to Seller.

Section 11.03 Seller to Remain Liable. Buyer and Seller agree that the grant of a security interest under this Article 11 shall not constitute or result in the creation or assumption by Buyer of any Retained Interest or other obligation of Seller or any other Person in connection with any Purchased Asset, or any Interest Rate Protection Agreement whether or not Buyer exercises any right with respect thereto. Seller shall remain liable under the Purchased Assets, each Interest Rate Protection Agreement and the Mortgage Loan Documents to perform all of Seller's duties and obligations thereunder to the same extent as if the Repurchase Documents had not been executed.

Section 11.04 Waiver of Certain Laws. Seller agrees, to the extent permitted by Requirements of Law, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Purchased Assets may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and Seller, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws and any and all right to have any of the properties or assets constituting the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset marshaled upon any such sale, and agrees that Buyer or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Purchased Assets and each Interest Rate Protection Agreement relating to a Purchased Asset as an entirety or in such parcels as Buyer or such court may determine.

ARTICLE 12

BENCHMARK REPLACEMENT; INCREASED COSTS; CAPITAL ADEQUACY

Section 12.01 Benchmark replacement for LIBOR-Based Transactions; Market Disruption (a) ~~Notwithstanding anything to the contrary herein or in any other Repurchase Document, with respect to any LIBOR-Based Transaction, if the USD LIBOR Transition Date has occurred prior to the LIBOR Reference Time in respect of any setting of USD LIBOR for any Pricing Period of such LIBOR-Based Transaction, then such LIBOR-Based Transaction shall be permanently converted to being a SOFR-Based Transaction as of the first day of such Pricing Period (such conversion, a "Rate Conversion") without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document (such date on which the LIBOR-Based Transactions are converted to SOFR-Based Transactions, the "Rate Conversion Effective Date"); provided, that except as otherwise expressly specified in any Confirmation (or amended and restated Confirmation) entered into by Buyer and Seller following the Amendment Effective Date, from and after the Rate Conversion Effective Date, the Pricing Margin (as in effect immediately prior to the effectiveness of such Rate Conversion) for each such converted Transaction shall be increased by an amount equal to the SOFR Adjustment without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document.~~

(b)

- a. Benchmark Replacement ~~for SOFR-Based Transactions~~. Notwithstanding anything to the contrary herein or in any other Repurchase Document, with respect to any ~~SOFR Based~~ Transaction, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to ~~the Reference Time in respect of~~ any setting of the applicable then-current Benchmark ~~(as determined pursuant to clause (B) and/or clause (C) of such definition, as applicable)~~, then the Benchmark Replacement will replace ~~the then-current~~ such Benchmark ~~(as determined pursuant to clause (B) and/or clause (C) of such definition, applicable)~~ with respect to each affected ~~SOFR Based~~ Transaction for all purposes hereunder or under any Repurchase Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Repurchase Document.
- b. Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Buyer will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of Seller or any other party to, this Agreement or any other Repurchase Document.
- c. ~~Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement or any Rate Conversion, Buyer will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Seller or any other party to this Agreement or any other Repurchase Document.~~
- d. Notices; Standards for Decisions and Determinations. Buyer will ~~promptly~~ notify Seller of (i) the implementation of any Benchmark Replacement ~~or Rate Conversion, as applicable~~, and (ii) the effectiveness of any ~~Benchmark Replacement~~ Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Any determination, decision or election that may be made by Buyer pursuant to this Section 12.01, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from Seller or any other party to this Agreement or any other Repurchase Document. ~~Any notice of Rate Conversion delivered by Buyer as described in the preceding clause (i) shall specify the Applicable SOFR designated by Buyer with respect to each such converted Transaction, which designation shall be conclusive and binding on Seller for all purposes of this Agreement.~~

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

- a. Initial Benchmark Conforming Changes. In connection with the use or administration of any Benchmark, Buyer will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Repurchase Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of Seller or any other party to this Agreement or any other Repurchase Document. Buyer will notify Seller of the effectiveness of any Conforming Changes in connection with the use or administration of any Benchmark.

In exercising its rights and remedies under this Section 12.01, Buyer shall treat Seller in a manner that is substantially similar to the manner it treats other similarly situated sellers in facilities with substantially similar assets.

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

Section 12.03 Breakfunding. In the event of (a) the failure by Seller to terminate any Transaction after Seller has given a notice of termination pursuant to Section 3.04, (b) any payment to Buyer on account of the outstanding Repurchase Price, including a payment made

pursuant to Section 3.04 but excluding a payment made pursuant to Sections 5.02 or 5.03, on any day other than a Remittance Date ~~(based on the assumption that Buyer funded its commitment with respect to the Transaction in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods that Buyer deems appropriate and practical)~~, (c) any failure by Seller to sell Eligible Assets to Buyer after Seller has notified Buyer of a proposed Transaction and Buyer has agreed to purchase such Eligible Assets in accordance

with this Agreement, or (d) any redetermination of the Pricing Rate based on a Benchmark Replacement ~~or Rate Conversion~~ for any reason on a day that is not the last day of the then-current Pricing Period, Seller shall compensate Buyer for the cost and expense attributable to such event. A certificate of Buyer setting forth any amount or amounts that Buyer is entitled to receive pursuant to this Section 12.03 shall be delivered to Seller and shall be conclusive to the extent calculated in good faith and absent manifest error. Seller shall pay Buyer the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 12.04 Increased Costs. If the adoption of, or any change in, any Requirements of Law or in the interpretation or application thereof by any Governmental Authority, or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority having jurisdiction over Buyer made after the date of this Agreement, shall: (a) subject Buyer to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" or (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (b) impose, modify or hold applicable any reserve (including pursuant to regulations issued from time to time by the Board of Governors of the Federal Reserve System of the United States for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the Board of Governors of the Federal Reserve System of the United States, as amended and in effect from time to time)), special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of Buyer, or (c) impose on Buyer any other condition; and the result of any of the preceding clauses (a), (b) and (c) is to increase the cost to Buyer, by an amount that Buyer deems to be material, of entering into, continuing or maintaining Transactions, or to reduce any amount receivable under the Repurchase Documents in respect thereof, then, in any such case, upon not less than thirty (30) days' prior written notice to Seller, Seller shall pay to Buyer such additional amount or amounts as reasonably necessary to fully compensate Buyer for such increased cost or reduced amount receivable; provided, however, that Buyer shall not treat Seller differently than other similarly situated customers in requiring the payment of such amount or amounts.

Section 12.05 Capital Adequacy. If Buyer determines that any change in a Requirement of Law or internal policy regarding capital requirements has or would have the effect of reducing the rate of return on Buyer's capital as a consequence of this Agreement or its obligations under the Transactions hereunder to a level below that which Buyer could have achieved but for such change in a Requirement of Law (taking into consideration Buyer's policies with respect to capital adequacy, then from time to time Seller will promptly upon demand pay to Buyer such additional amount or amounts as will compensate Buyer for any such

reduction suffered. In determining any additional amounts due under this Section 12.05, Buyer shall treat Seller in the same manner it treats other similarly situated sellers in facilities with substantially similar assets. Buyer will provide Seller with no less than thirty (30) days prior notice of the implementation of any change or event pursuant to which additional amounts are due or will become due under this Section 12.05.

Section 12.06 Taxes.

- a. Any and all payments by or on account of any obligation of Seller under any Repurchase Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law 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 (including such deductions and withholdings applicable to additional sums payable under this Section 12.06) Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made.
- a. Seller shall timely pay, without duplication, any Other Taxes (i) imposed on Seller to the relevant Governmental Authority in accordance with applicable law, and (ii) imposed on Buyer or Eligible Assignee, as the case may be, upon written notice from such Person setting forth in reasonable detail the calculation of such Other Taxes.
- a. Seller shall indemnify Buyer, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 12.06) paid by Buyer or required to be withheld or deducted from a payment to Buyer, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability setting forth in reasonable detail the calculation of the amount of such payment or liability delivered to Seller by Buyer shall be conclusive absent manifest error.
- a. As soon as practicable after any payment of Taxes by Seller to a Governmental Authority pursuant to this Section 12.06, 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.
- a. (i) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Repurchase Document, Buyer shall deliver to Seller, at the time or times reasonably requested by Seller, such properly completed and executed documentation reasonably requested by Seller as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Buyer, if reasonably requested by Seller, shall deliver such other documentation prescribed by applicable law or reasonably requested by Seller as will enable Seller to determine whether or not Buyer is subject to backup

withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 12.06(e)(i)(A), Section 12.06(e)(i)(B) and Section 12.06(e)(i)(D) below) shall not be required if in Buyer's reasonable judgment such

completion, execution or submission would subject Buyer to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Buyer. Without limiting the generality of the foregoing:

- i. if Buyer is a U.S. Buyer, it shall deliver to Seller on or prior to the date on which Buyer becomes a party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed originals of IRS Form W-9 certifying that Buyer is exempt from U.S. federal backup withholding tax;
- i. if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), whichever of the following is applicable:
 - 1. in the case of a Foreign Buyer claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Repurchase Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Repurchase Document, IRS Form W-8BEN 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;
 - 1. executed originals of IRS Form W-8ECI;
 - 1. in the case of a Foreign Buyer claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Buyer is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Seller within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or
 - 1. to the extent a Foreign Buyer is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Buyer is a partnership and one or more direct or indirect partners of such Foreign Buyer are claiming the portfolio interest exemption, such Foreign Buyer may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;
- i. if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a party under this Agreement (and from

time to time thereafter upon the reasonable request of Seller), 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

- i. if a payment made to Buyer under any Repurchase Document would be subject to U.S. federal withholding Tax imposed by FATCA if Buyer were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), Buyer shall deliver to Seller at the time or times prescribed by law and at such time or times reasonably requested by Seller such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Seller as may be necessary for Seller to comply with its obligations under FATCA and to determine that Buyer has complied with Buyer's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Buyer agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Seller in writing of its legal inability to do so.

- a. If any Party determines, in its sole discretion, exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 12.06 (including by the payment of additional amounts pursuant to this Section 12.06), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 12.06 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 12.06(f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 12.06(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 12.06(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to

indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 12.06(f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

- a. For the avoidance of doubt, for purposes of this Section 12.06, the term “applicable law” includes FATCA.

Section 12.07 Payment and Survival of Obligations. Buyer may at any time send Seller a notice showing the calculation of any amounts payable pursuant to this Article 12, and Seller shall pay such amounts to Buyer within the time period stated in the applicable provision of this Article 12, or if no such time period is stated, within ten (10) Business Days after Seller receives such notice. Each Party’s obligations under this Article 12 shall survive any assignment of rights by, or the replacement of Buyer, the termination of the Transactions and the repayment, satisfaction or discharge of all obligations under any Repurchase Document.

Section 12.08 Limitation on Tax Payments. Notwithstanding anything to the contrary in this Agreement, no payment shall be required under Section 12.06(b)(ii) or (c) for any claim by Buyer or any Eligible Assignee with respect to Indemnified Taxes unless a written notice thereof (setting forth in reasonable detail the calculation of the amount of such claim) is delivered to Seller within two hundred and seventy (270) days from the earlier of (i) the filing of the applicable tax return in which such amount is included, or (if earlier) the payment thereof by or on behalf of such Buyer or Eligible Assignee, and (ii) the receipt by such Buyer or Eligible Assignee of a written assertion by a Governmental Authority that such Indemnified Taxes are owed by, or on behalf of, any such Buyer or Eligible Assignee.

ARTICLE 13

INDEMNITY AND EXPENSES

Section 13.01 Indemnity.

- a. Seller shall release, defend, indemnify and hold harmless Buyer, Affiliates of Buyer and its and their respective officers, directors, shareholders, partners, members, owners, employees, agents, attorneys, Affiliates and advisors (each an “Indemnified Person” and collectively the “Indemnified Persons”), against, and shall hold each Indemnified Person harmless, on a net after-Tax basis, from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, fees, costs, expenses (including reasonable legal fees, charges, and disbursements of any counsel for any such Indemnified Person and expenses), penalties or fines of any kind that may be imposed on, incurred by or asserted against any such Indemnified Person (collectively, the “Indemnified Amounts”) in any way relating to, arising out of or resulting from or in connection with (i) the Repurchase Documents, the Mortgage Loan Documents, the Purchased Assets, the Pledged Collateral, the Transactions, any Mortgaged Property or related property, or any action taken or omitted to be taken by any Indemnified Person in connection with or under any of the foregoing, or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or

in respect of any Repurchase Document, any Transaction, any Purchased Asset, any Mortgage Loan Document or any Pledged Collateral, (ii) any claims, actions or damages by an Underlying Obligor or lessee with respect to a Purchased Asset, (iii) any violation or alleged violation of, non-compliance with or liability under any Requirements of Law, (iv) ownership of, Liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the

preceding clause (i), (v) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vi) any use, nonuse or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vii) any failure by Seller to perform or comply with any Repurchase Document, Mortgage Loan Document or Purchased Asset, (viii) performance of any labor or services or the furnishing of any materials or other property in respect of any Mortgaged Property or Purchased Asset, (ix) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any lease or other transaction involving any Repurchase Document, Purchased Asset or Mortgaged Property, (x) the execution, delivery, filing or recording of any Repurchase Document, Mortgage Loan Document, or any memorandum of any of the foregoing, (xi) any Lien or claim arising on or against any Purchased Asset or related Mortgaged Property under any Requirements of Law or any liability asserted against Buyer or any Indemnified Person with respect thereto, (xii) except and to the extent, in each case listed in this subsection (a)(xii), as results from any Indemnified Person's gross negligence or intentional misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment, (1) a past, present or future violation or alleged violation of any Environmental Laws in connection with any Mortgaged Property by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor, (2) any presence of any Materials of Environmental Concern in, on, within, above, under, near, affecting or emanating from any Mortgaged Property in violation of Environmental Law, (3) the failure to timely perform any Remedial Work related to a Mortgaged Property required under the Mortgage Loan Documents or pursuant to Environmental Law, (4) any past, present or future activity by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from any Mortgaged Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting any Mortgaged Property, in each case, in violation of Environmental Law, (5) any past, present or future actual Release (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting any Mortgaged Property by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor, in each case, in violation of Environmental Law, (6) the imposition, recording or filing or the threatened imposition, recording or filing of any Lien on any Mortgaged Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any Environmental Law, or (7) any misrepresentation or failure to perform any obligations pursuant to any Repurchase Document or Mortgage Loan Document or in connection with environmental matters relating to a Mortgaged Property in any way, (xiii) the Term Sheet or any business communications or dealings between the Parties relating thereto, or (xiv) Seller's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 13.01, that, in each case, results from anything whatsoever

other than any Indemnified Person's gross negligence or intentional misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment. In any suit, proceeding or action brought by an Indemnified Person in connection with any Purchased Asset for any sum owing thereunder, or to enforce any provisions of any Purchased Asset, Seller shall defend, indemnify and hold such Indemnified Person harmless from and against all expense, loss

or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction of liability whatsoever of the account debtor or Underlying Obligor arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or Underlying Obligor from Seller. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.01 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by Seller, an Indemnified Person or any other Person or any Indemnified Person is otherwise a party thereto and whether or not any Transaction is entered into. For the avoidance of doubt, this Article 13 shall not apply to claims with respect to Indemnified Taxes with respect to which Seller has paid additional amounts to Buyer pursuant to this Section 12.06, or to claims with respect to any Taxes other than Taxes that represent losses, claims, damages, or other liabilities arising from a non-Tax claim.

- a. If for any reason the indemnification provided in this Section 13.01 is unavailable to the Indemnified Person or is insufficient to hold an Indemnified Person harmless, even though such Indemnified Person is entitled to indemnification under the express terms thereof, then Seller shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Indemnified Person on the one hand and Seller on the other hand, the relative fault of such Indemnified Person, and any other relevant equitable considerations.
- a. An Indemnified Person may at any time send Seller a notice showing the calculation of Indemnified Amounts, and Seller shall pay such Indemnified Amounts to such Indemnified Person within ten (10) Business Days after Seller receives such notice. The obligations of Seller under this Section 13.01 shall apply (without duplication) to Eligible Assignees and Participants and survive the termination of this Agreement.

Section 13.02 Expenses. Seller shall promptly on demand pay to or as directed by Buyer all third-party out-of-pocket costs and expenses (including outside legal and accounting fees and expenses) incurred by Buyer in connection with (a) the development, evaluation, preparation, negotiation, execution, consummation, delivery and administration of, and any amendment, supplement or modification to, or extension, renewal or waiver of, the Repurchase Documents and the Transactions, (b) any Asset or Purchased Asset, including due diligence, inspection, testing, review, recording, registration, travel custody, care, insurance or preservation, (c) the enforcement of the Repurchase Documents or the payment or performance by Seller of any Repurchase Obligations, and (d) any actual or attempted sale, exchange, enforcement, collection, compromise or settlement relating to the Purchased Assets.

ARTICLE 14

INTENT

Section 14.01 Safe Harbor Treatment. The Parties intend (a) for each Transaction to qualify for the safe harbor treatment provided by the Bankruptcy Code and for Buyer to be entitled to all of the rights, benefits and protections afforded to Persons under the Bankruptcy Code with respect to a “repurchase agreement” as defined in Section 101(47) of the

Bankruptcy Code and a “securities contract” as defined in Section 741(7) of the Bankruptcy Code and that payments and transfers under this Agreement constitute transfers made by, to or for the benefit of a financial institution, financial participant or repo participant within the meaning of Section 546(e) or 546(f) of the Bankruptcy Code, and that payments under this Agreement are deemed “margin payments” or “settlement payments” as such terms are defined in Section 741 of the Bankruptcy Code, (b) the Guarantee Agreement, the Pledge and Security Agreement and Seller’s grant to Buyer and each Other Facility Buyer of a security interest in the Collateral pursuant to Article 11 each constitute a security agreement or arrangement or other credit enhancement within the meaning of Section 101 of the Code related to a “securities contract” as defined in Section 741(7)(A)(xi) of the Bankruptcy Code and a “repurchase agreement” as that term is defined in Section 101(47)(A)(v) of the Bankruptcy Code, and (c) that Buyer (for so long as Buyer is a “financial institution,” “financial participant,” “repo participant,” “master netting participant” or other entity listed in Section 546(e)-(f), 546(j), 555, 559, 362(b)(6) or 362(b)(7) of the Bankruptcy Code) shall be entitled to the “safe harbor” benefits and protections afforded under the Bankruptcy Code with respect to a “repurchase agreement,” “securities contract” and a “master netting agreement,” including (x) the rights, set forth in Article 10 and in Sections 555, 559 and 561 of the Bankruptcy Code, to liquidate the Purchased Assets and terminate this Agreement, and (y) the right to offset or net out as set forth in Article 10 and Section 18.17 and in Sections 362(b)(6), 362(b)(7), 362(b)(27), 362(o) and 546 of the Bankruptcy Code. Each of Buyer and Seller hereby further agrees that it shall not challenge the characterization of (i) this Agreement or any Transaction as a “repurchase agreement,” “securities contract” and/or “master netting agreement,” or (ii) each party as a “repo participant” within the meaning of the Bankruptcy Code.

Section 14.02 Liquidation. The Parties acknowledge and agree that Buyer’s right to liquidate Purchased Assets delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Articles 10 and 11 and as otherwise provided in the Repurchase Documents is a contractual right to liquidate such Transactions as described in Sections 555, 559 and 561 of the Bankruptcy Code.

Section 14.03 Qualified Financial Contract. The Parties acknowledge and agree that if a Party is an “insured depository institution,” as such term is defined in the Federal Deposit Insurance Act, as amended (“FDIA”), then each Transaction hereunder is a “qualified financial contract,” as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

Section 14.04 Netting Contract. The Parties acknowledge and agree that this Agreement constitutes a “netting contract” as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) and each payment entitlement and payment obligation under any Transaction shall constitute a “covered contractual payment entitlement” or “covered contractual payment obligation,” respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a “financial institution” as that term is defined in FDICIA).

Section 14.05 Master Netting Agreement. The Parties intend that this Agreement, the Guarantee Agreement and the Pledge and Security Agreement constitutes a “master netting agreement” as defined in Section 101(38A) of the Bankruptcy Code.

ARTICLE 15

DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

The Parties acknowledge that they have been advised and understand that:

- a. if one of the Parties is a broker or dealer registered with the Securities and Exchange Commission under Section 14 of the Exchange Act, the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 do not protect the other Party with respect to any Transaction;
- a. if one of the Parties is a government securities broker or a government securities dealer registered with the Securities and Exchange Commission under Section 14C of the Exchange Act, the Securities Investor Protection Act of 1970 will not provide protection to the other Party with respect to any Transaction;
- a. if one of the Parties is a financial institution, funds held by the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable; and
- a. if one of the Parties is an "insured depository institution" as that term is defined in Section 1813(c)(2) of Title 12 of the United States Code, funds held by the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund or the Bank Insurance Fund, as applicable.

ARTICLE 16

NO RELIANCE

Each Party acknowledges, represents and warrants to the other Party that, in connection with the negotiation of, entering into, and performance under, the Repurchase Documents and each Transaction:

- a. It is not relying (for purposes of making any investment decision or otherwise) on any advice, counsel or representations (whether written or oral) of the other Party, other than the representations expressly set forth in the Repurchase Documents;
- a. It has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent that it has deemed necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of any Transaction) based on its own judgment and on any advice from such advisors as it has deemed necessary and not on any view expressed by the other Party;
- a. It is a sophisticated and informed Person that has a full understanding of all the terms, conditions and risks (economic and otherwise) of the Repurchase Documents and each

Transaction and is capable of assuming and willing to assume (financially and otherwise) those risks;

- a. It is entering into the Repurchase Documents and each Transaction for the purposes of managing its borrowings or investments or hedging its underlying assets or liabilities and not for purposes of speculation;
- a. It is not acting as a fiduciary or financial, investment or commodity trading advisor for the other Party and has not given the other Party (directly or indirectly through any other Person) any assurance, guaranty or representation whatsoever as to the merits (either legal, regulatory, tax, business, investment, financial accounting or otherwise) of the Repurchase Documents or any Transaction; and
- a. No partnership or joint venture exists or will exist as a result of the Transactions or entering into and performing the Repurchase Documents.

ARTICLE 17

SERVICING

This Article 17 shall apply to all Purchased Assets.

Section 17.01 Servicing Rights. Buyer is the owner of all Servicing Rights. Without limiting the generality of the foregoing, Buyer shall have the right to hire or otherwise engage any Person to service or sub-service all or part of the Purchased Assets, provided, however, that at any time prior to an Event of Default, Seller may designate a Servicer to be selected by Buyer, so long as such Servicer is reasonably acceptable to Buyer, and such Person shall have only such servicing obligations with respect to such Purchased Assets as are approved by Buyer. As of the Closing Date, Buyer and Seller agree that the initial Servicer shall be Midland Loan Services, a division of PNC Bank, National Association. Notwithstanding the preceding sentence, Buyer agrees with Seller as follows with respect to the servicing of the Purchased Assets:

- a. Servicer shall service the Purchased Assets on behalf of Buyer. The Servicing Agreement shall contain provisions which are consistent with this Article 17 and must otherwise be in form and substance satisfactory to Buyer, it being understood that in all cases where an Affiliate of Seller is the Servicer, the related Servicing Agreement shall be in the form approved by Buyer.
- a. Contemporaneously with the execution of the Repurchase Agreement on the Closing Date, Buyer will enter into, and cause Servicer to enter into, the Servicing Agreement and sign and return the Servicer Notice. Each Servicing Agreement shall automatically terminate on the 30th day following its execution and at the end of each thirty (30) day period thereafter, unless, in each case, Buyer shall agree, by prior written notice to the related Servicer to be delivered on or before the Remittance Date immediately preceding each such scheduled termination date, to extend the termination date an additional thirty (30) days, which extension notice may be delivered by Buyer via email. Neither Seller

nor the related Servicer may assign its rights or obligations under the related Servicing Agreement without the prior written consent of Buyer.

- a. Seller shall not and shall not direct any Servicer to (i) make any Material Modification without the prior written consent of Buyer or (ii) take any action which would result in a violation of the obligations of any Person under the related Servicing Agreement, the Repurchase Agreement or any other Repurchase Document, or which would otherwise be inconsistent with the rights of Buyer under the Repurchase Documents. Buyer, as owner of the Purchased Assets, shall own all related servicing and voting rights and, as owner, shall act as servicer with respect to the Purchased Assets, subject to an interim revocable option from Buyer in favor of Seller to direct each related Servicer, so long as no Default or Event of Default has occurred and is continuing; provided, however, that Seller cannot give any direction or take any action that could materially adversely affect the value or collectability of any amounts due with respect to the Purchased Assets without the consent of Buyer. Such revocable option is not evidence of any ownership or other interest or right of Seller in any Purchased Asset.
- a. The servicing fee payable to each Servicer shall be payable as a servicing fee in accordance with the Repurchase Agreement and each Servicing Agreement, including without limitation pursuant to priority *fourth* of Section 5.02 or priority *third* of Section 5.04, as applicable.
- a. Upon the occurrence and during the continuance of an Event of Default under the Repurchase Agreement, in addition to all of the other rights and remedies of Buyer and Servicer under each Servicing Agreement, the Repurchase Agreement and the other Repurchase Documents (and in addition to the provisions of each Servicing Agreement providing for termination of each such Servicing Agreement pursuant to its terms), (i) for the avoidance of doubt, the right, if any, of each Servicer to direct the servicing of the Purchased Assets shall immediately and automatically cease to exist, and (ii) either Buyer or each Servicer may at any time terminate the related Servicing Agreement immediately upon the delivery of a written termination notice from either Buyer or the related Servicer to Seller. Seller shall pay all expenses associated with any such termination, including without limitation any fees and

expenses required in connection with the transfer of servicing to the related Servicer and/or a replacement Servicer.

Section 17.02 Servicing Reports. Seller shall deliver and cause each Servicer to deliver to Buyer and Custodian a monthly remittance report on or before the second Business Day immediately preceding each monthly Remittance Date containing servicing information, including those fields reasonably requested by Buyer from time to time, on an asset by asset and in the aggregate, with respect to the Purchased Assets for the month (or any portion thereof) before the date of such report

Section 17.03 Servicer Event of Default. If an Event of Default or Servicer Event of Default has occurred and is continuing, Buyer shall have the right at any time thereafter to terminate the related Servicing Agreement, assume the role of Waterfall Account Bank for all purposes hereunder and to transfer the Waterfall Account to Buyer or its nominee, and transfer

servicing of the related Purchased Assets to Buyer or its designee, at no cost or expense to Buyer, it being agreed that Seller will pay any fees and expenses required to terminate such Servicing Agreement and transfer servicing to Buyer or its designee.

ARTICLE 18

MISCELLANEOUS

Section 18.01 Governing Law. This Agreement and any claim, controversy or dispute arising under or related to or in connection with this Agreement, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties will be governed by the laws of the State of New York without regard to any conflicts of law principles other than Section 5-1401 of the New York General Obligations Law.

Section 18.02 Submission to Jurisdiction; Service of Process Each Party irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Repurchase Documents, or for recognition or enforcement of any judgment, and each Party irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such State court or, to the fullest extent permitted by applicable law, in such Federal court. Each Party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or the other Repurchase Documents shall affect any right that Buyer may otherwise have to bring any action or proceeding arising out of or relating to the Repurchase Documents against Seller or its properties in the courts of any jurisdiction. Seller irrevocably and unconditionally waives, to the fullest extent permitted by Requirements of Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to the Repurchase Documents in any court referred to above, and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each Party irrevocably consents to service of process in the manner provided for

notices in Section 18.12. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

Section 18.03 IMPORTANT WAIVERS.

- a. SELLER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO ASSERT A COUNTERCLAIM, OTHER THAN A COMPULSORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY BUYER OR ANY INDEMNIFIED PERSON.
- a. TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN THEM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH OR RELATED TO THE

REPURCHASE DOCUMENTS, THE PURCHASED ASSETS, THE TRANSACTIONS, ANY DEALINGS OR COURSE OF CONDUCT BETWEEN THEM, OR ANY STATEMENTS (WRITTEN OR ORAL) OR OTHER ACTIONS OF EITHER PARTY. NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

- a. TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, EACH PARTY HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PERSON, ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES, WHETHER SUCH WAIVED DAMAGES ARE BASED ON STATUTE, CONTRACT, TORT, COMMON LAW OR ANY OTHER LEGAL THEORY, WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN AND REGARDLESS OF THE FORM OF THE CLAIM OF ACTION. NO INDEMNIFIED PERSON SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH ANY REPURCHASE DOCUMENT OR THE TRANSACTIONS.
- a. SELLER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BUYER OR AN INDEMNIFIED PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PERSON WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 18.03 IN THE EVENT OF LITIGATION OR OTHER CIRCUMSTANCES. THE SCOPE OF SUCH WAIVERS IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE REPURCHASE DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY.
- a. EACH PARTY ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 18.03 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT SUCH PARTY HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE REPURCHASE DOCUMENTS, AND THAT SUCH PARTY WILL CONTINUE TO RELY ON SUCH WAIVERS IN THEIR RELATED FUTURE DEALINGS UNDER THE REPURCHASE DOCUMENTS. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED SUCH WAIVERS WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL AND OTHER RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.
- a. THE WAIVERS IN THIS SECTION 18.03 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR

MODIFICATIONS TO ANY OF THE REPURCHASE DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

- a. THE PROVISIONS OF THIS SECTION 18.03 SHALL SURVIVE TERMINATION OF THE REPURCHASE DOCUMENTS AND THE INDEFEASIBLE PAYMENT IN FULL OF THE REPURCHASE OBLIGATIONS.

Section 18.04 Integration. The Repurchase Documents supersede and integrate all previous negotiations, contracts, agreements and understandings (whether written or oral), including, without limitation, the Term Sheet, between the Parties relating to a sale and repurchase of Purchased Assets and the other matters addressed by the Repurchase Documents, and contain the entire final agreement of the Parties relating to the subject matter thereof.

Section 18.05 Single Agreement. Seller agrees that (a) each Transaction is in consideration of and in reliance on the fact that all Transactions constitute a single business and contractual relationship, and that each Transaction has been entered into in consideration of the other Transactions, (b) a default by it in the payment or performance of any its obligations under a Transaction shall constitute a default by it with respect to all Transactions, (c) Buyer may set off claims and apply properties and assets held by or on behalf of Buyer with respect to any Transaction against the Repurchase Obligations owing to Buyer with respect to other Transactions, and (d) payments, deliveries and other transfers made by or on behalf of Seller with respect to any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers with respect to all Transactions, and the obligations of Seller to make any such payments, deliveries and other transfers may be applied against each other and netted.

Section 18.06 Use of Employee Plan Assets. No assets of an employee benefit plan subject to any provision of ERISA shall be used by either Party in a Transaction.

Section 18.07 Survival and Benefit of Seller's Agreements. The Repurchase Documents and all Transactions shall be binding on and shall inure to the benefit of the Parties and their successors and permitted assigns. All of Seller's representations, warranties,

agreements and indemnities in the Repurchase Documents shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations, and shall apply to and benefit all Indemnified Persons, Buyer and its successors and assigns, Eligible Assignees and Participants. No other Person shall be entitled to any benefit, right, power, remedy or claim under the Repurchase Documents.

Section 18.08 Assignments and Participations.

- a. Sellers shall not sell, assign or transfer any of its rights or the Repurchase Obligations or delegate its duties under this Agreement or any other Repurchase Document without the prior written consent of Buyer, and any attempt by a Seller to do so without such consent shall be null and void.

- a. The terms and provisions governing assignments and participations under Section 18.08(b) are set forth in the Fee Letter, and are incorporated by reference herein.
- a. The terms and provisions governing assignments and participations under Section 18.08(c) are set forth in the Fee Letter, and are incorporated by reference herein.
- a. Seller shall cooperate with Buyer, at Buyer's sole cost and expense, in connection with (i) any such sale and assignment of participations, syndications or assignments and (ii) any intercreditor agreement entered in connection therewith, and shall enter into such restatements of, and amendments, supplements and other modifications to, the Repurchase Documents to give effect to any such sale or assignment; provided, that none of the foregoing shall change any economic or other material term of the Repurchase Documents in a manner adverse to Seller without the consent of Seller.
- a. Buyer, acting solely for this purpose as a non-fiduciary agent of Seller, shall maintain a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the Eligible Assignees that become Parties hereto and, with respect to each such Eligible Assignee, the aggregate assigned Purchase Price and applicable Price Differential (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Parties shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Buyer for all purposes of this Agreement. The Register shall be available for inspection by the Parties at any reasonable time and from time to time upon reasonable prior notice.
- a. Each Party that sells a participation or syndicates an interest shall, acting solely for this purpose as a non-fiduciary agent of Seller, maintain a register on which it enters the name and address of each Participant and, with respect to each such Participant, the aggregate participated Purchase Price and applicable Price Differential, and any other interest in any obligations under the Repurchase Documents (the "Participant Register"); provided that no Party shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any obligations under any Repurchase Document) to any Person except (i) that portion of the Participant Register relating to any Participant with respect to which an additional amount is requested from Seller under Article 12 or 13 shall be made available to Seller, and (ii) otherwise

to the extent that such disclosure is reasonably expected to be necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the participating Party shall treat each Person whose name is recorded in the Participant Register as the owner of the applicable participation for all purposes of this Agreement notwithstanding any notice to the contrary.

Section 18.09 Ownership and Hypothecation of Purchased Assets. Title to all Purchased Assets shall pass to and vest in Buyer on the applicable Purchase Dates and, subject to the terms of the Repurchase Documents, Buyer or its designee shall have free and unrestricted use of all Purchased Assets and be entitled to exercise all rights, privileges and options relating to the Purchased Assets as the owner thereof, including rights of subscription, conversion,

exchange, substitution, voting, consent and approval, and to direct any servicer or trustee. Buyer or its designee may, at any time, without the consent of either Seller, Pledgor or Guarantor, engage in repurchase transactions with the Purchased Assets or otherwise sell, pledge, repledge, transfer, hypothecate, or rehypothecate the Purchased Assets, all on terms that Buyer may determine; provided, that no such transaction shall affect the obligations of Buyer to transfer the Purchased Assets to Seller on the applicable Repurchase Dates free and clear of any pledge, Lien, security interest, encumbrance, charge or other adverse claim. In the event Buyer engages in a repurchase transaction with any of the Purchased Assets or otherwise pledges or hypothecates any of the Purchased Assets, Buyer shall have the right to assign to Buyer's counterparty any of the applicable representations or warranties herein and the remedies for breach thereof, as they relate to the Purchased Assets that are subject to such repurchase transaction.

Section 18.10 Confidentiality. All information regarding the terms set forth in any of the Repurchase Documents or the Transactions shall be kept confidential and shall not be disclosed by either Party to any Person except (a) to the Affiliates of such Party or its or their respective directors, officers, employees, agents, advisors and other representatives who are informed of the confidential nature of such information and instructed to keep it confidential, (b) to the extent requested by any regulatory authority or required by Requirements of Law, (c) to the extent required to be included in the financial statements of either Party or an Affiliate thereof,

(d) to the extent required to exercise any rights or remedies under the Repurchase Documents, Purchased Assets or Mortgaged Properties, (e) to the extent required to consummate and administer a Transaction, and (f) to any actual or prospective Participant, Eligible Assignee or Hedge Counterparty which agrees to comply with this Section 18.10; provided, that, except with request to the disclosures by Buyer under clause (f) of this Section 18.10, no such disclosure made with respect to any Repurchase Document shall include a copy of such Repurchase Document to the extent that a summary would suffice, but if it is necessary for a copy of any Repurchase Document to be disclosed, all pricing and other economic terms set forth therein shall be redacted before disclosure.

Section 18.11 No Implied Waivers. No failure on the part of Buyer to exercise, or delay in exercising, any right or remedy under the Repurchase Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy thereunder preclude any further exercise thereof or the exercise of any other right. The rights and remedies in the Repurchase Documents are cumulative and not exclusive of any rights and remedies provided by

law. Application of the Default Rate after an Event of Default shall not be deemed to constitute a waiver of any Event of Default or Buyer's rights and remedies with respect thereto, or a consent to any extension of time for the payment or performance of any obligation with respect to which the Default Rate is applied. Except as otherwise expressly provided in the Repurchase Documents, no amendment, waiver or other modification of any provision of the Repurchase Documents shall be effective without the signed agreement of Seller and Buyer. Any waiver or consent under the Repurchase Documents shall be effective only if it is in writing and only in the specific instance and for the specific purpose for which given.

Section 18.12 Notices and Other Communications. Unless otherwise provided in this Agreement, all notices, consents, approvals, requests and other communications required or

permitted to be given to a Party hereunder shall be in writing and sent prepaid by hand delivery, by certified or registered mail, by expedited commercial or postal delivery service, or by facsimile or email to the address for such Party specified in Annex I or such other address as such Party shall specify from time to time in a notice to the other Party (provided that (i) any party delivering the notice by facsimile also receives a confirmation of delivery by telephone on the same Business Day, and (ii) any party delivering a notice by e-mail also receives a return receipt noting that the email has been opened by the recipient). Should the sending party fail to receive the required delivery confirmation on a timely basis, the related notice shall not be legally effective until either (i) the sending party successfully confirms the receipt thereof by telephone or (ii) the sending party successfully delivers the related notice by hand delivery, by certified or registered mail or by expedited commercial or postal delivery service in accordance with the immediately preceding sentence. Any of the foregoing communications shall be effective when delivered, if such delivery occurs on a Business Day; otherwise, each such communication shall be effective on the first Business Day following the date of such delivery. A Party receiving a notice that does not comply with the technical requirements of this Section

18.12 may elect to waive any deficiencies and treat the notice as having been properly given.

Section 18.13 Counterparts; Electronic Transmission. Any Repurchase Document may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute but one and the same instrument. The Parties agree that this Agreement, any documents to be delivered pursuant to this Agreement, any other Repurchase Document and any notices hereunder may be transmitted between them by email and/or facsimile. The Parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties

Section 18.14 No Personal Liability. No administrator, incorporator, Affiliate, owner, member, partner, stockholder, officer, director, employee, agent or attorney of Buyer, any Indemnified Person, Seller, Pledgor or Guarantor, as such, shall be subject to any recourse or personal liability under or with respect to any obligation of Buyer, Seller, Pledgor or Guarantor under the Repurchase Documents, whether by the enforcement of any assessment, by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed that the obligations of Buyer, Seller, Pledgor or Guarantor under the Repurchase Documents are solely their respective corporate, limited liability company or partnership obligations, as applicable, and that any such recourse or personal liability is hereby expressly waived. This Section 18.14 shall survive the termination of the Repurchase Documents.

Assurances.

Section 18.15 Protection of Buyer's Interests in the Purchased Assets; Further

- a. Seller shall take such action as necessary to cause the Repurchase

Documents and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of Buyer to the Purchased Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect such right, title and interest. Seller shall deliver to Buyer file-stamped copies of, or filing receipts for,

any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. Seller shall execute any and all documents reasonably required to fulfill the intent of this Section 18.15.

- a. Seller will promptly at its expense execute and deliver such instruments and documents and take such other actions as Buyer may reasonably request from time to time in order to perfect, protect, evidence, exercise and enforce Buyer's rights and remedies under and with respect to the Repurchase Documents, the Transactions and the Purchased Assets. Seller and Guarantor shall, promptly upon Buyer's request, deliver documentation in form and substance satisfactory to Buyer which Buyer deems necessary or desirable to evidence compliance with all applicable "know your customer" due diligence checks, including, but not limited to, any information required to be obtained by Buyer pursuant to the Beneficial Ownership Regulation.
- a. If Seller fails to perform any of its Repurchase Obligations, then Buyer may (but shall not be required to) perform or cause to be performed such Repurchase Obligation, and the costs and expenses incurred by Buyer in connection therewith shall be payable by Seller. Without limiting the generality of the foregoing, Seller authorizes Buyer, at the option of Buyer and the expense of Seller, at any time and from time to time, to take all actions and pay all amounts that Buyer deems necessary or appropriate to protect, enforce, preserve, insure, service, administer, manage, perform, maintain, safeguard, collect or realize on the Purchased Assets and Buyer's Liens and interests therein or thereon and to give effect to the intent of the Repurchase Documents. No Default or Event of Default shall be cured by the payment or performance of any Repurchase Obligation by Buyer on behalf of Seller. Buyer may make any such payment in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax Lien, title or claim except to the extent such payment is being contested in good faith by Seller in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.
- a. Without limiting the generality of the foregoing, Seller will no earlier than six (6) or later than three (3) months before the fifth (5th) anniversary of the date of filing of each UCC financing statement filed in connection with to any Repurchase Document or any Transaction, (i) deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement (provided that Buyer may elect to file such continuation statement), and (ii) if requested by Buyer, deliver or cause to be delivered to Buyer an opinion of counsel, in form and substance reasonably satisfactory to Buyer, confirming and updating the

security interest opinion delivered pursuant to Section 6.01(a) with respect to perfection and otherwise to the effect that the security interests hereunder continue to be enforceable and perfected security interests, subject to no other Liens of record except as provided herein or otherwise permitted hereunder, which opinion may contain usual and customary assumptions, limitations and exceptions.

- a. Except as provided in the Repurchase Documents, the sole duty of Buyer, Custodian or any other designee or agent of Buyer with respect to the Purchased Assets shall be to use

reasonable care in the custody, use, operation and preservation of the Purchased Assets in its possession or control. Buyer shall incur no liability to Seller or any other Person for any act of Governmental Authority, act of God or other destruction in whole or in part or negligence or wrongful act of custodians or agents selected by Buyer with reasonable care, or Buyer's failure to provide adequate protection or insurance for the Purchased Assets. Buyer shall have no obligation to take any action to preserve any rights of Seller in any Purchased Asset against prior parties, and Seller hereby agrees to take such action. Buyer shall have no obligation to realize upon any Purchased Asset except through proper application of any distributions with respect to the Purchased Assets made directly to Buyer or its agent(s). So long as Buyer and Custodian shall act in good faith in their handling of the Purchased Assets, Seller waives or is deemed to have waived the defense of impairment of the Purchased Assets by Buyer and Custodian.

- a. At Buyer's election (at Buyer's sole cost and expense) and at any time during the term of this Agreement, Buyer may complete and record any or all of the Blank Assignment Documents as further evidence of Buyer's ownership interest in the related Purchased Assets.

Section 18.16 Default Rate. To the extent permitted by Requirements of Law, Seller shall pay interest at the Default Rate on the amount of all Repurchase Obligations not paid when due under the Repurchase Documents until such Repurchase Obligations are paid or satisfied in full.

Section 18.17 Set-off. In addition to any rights now or hereafter granted under the Repurchase Documents, Requirements of Law or otherwise, Seller hereby grants to Buyer and its Affiliates, to secure repayment of the Repurchase Obligations, and Guarantor and each other Subsidiary of Guarantor hereby grant to Buyer and its Affiliates, to secure repayment of the Obligations (as defined in the Guarantee Agreement), a right of set-off upon any and all of the following: monies, securities, collateral or other property of Seller, Guarantor or any other Subsidiary of Guarantor and any proceeds from the foregoing, now or hereafter held or received by Buyer or any Affiliate of Buyer, for the account of Seller, Guarantor or any other Subsidiary of Guarantor, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and also upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or Indebtedness of Seller, Guarantor or any other Subsidiary of Guarantor at any time existing, and any obligation owed by Buyer or any Affiliate of Buyer to Seller, Guarantor or any other Subsidiary of Guarantor and to set-off against any Repurchase Obligations or Indebtedness owed by Seller, Guarantor or any other Subsidiary of Guarantor and any Indebtedness owed by Buyer or any Affiliate of Buyer to Seller, Guarantor or any other Subsidiary of Guarantor, in each case whether direct or indirect, absolute or contingent, matured or unmatured, whether or not arising under the Repurchase Documents and irrespective of the

currency, place of payment or booking office of the amount or obligation and in each case at any time held or owing by Buyer or any Affiliate of Buyer to or for the credit of Seller, Guarantor or any other Subsidiary of Guarantor, without prejudice to Buyer's right to recover any deficiency. Each of Buyer and each Affiliate of Buyer is hereby authorized upon any amount becoming due and payable by Seller, Guarantor or any other Subsidiary of Guarantor to Buyer or any Affiliate of Buyer under the Repurchase Documents, the Repurchase Obligations or otherwise or upon the occurrence of an Event of Default, without notice to Seller, Guarantor or

any other Subsidiary of Guarantor, any such notice being expressly waived by Seller, Guarantor and any other Subsidiary of Guarantor to the extent permitted by any Requirements of Law, to set-off, appropriate, apply and enforce such right of set-off against any and all items hereinabove referred to against any amounts owing to Buyer or any Affiliate of Buyer by Seller, Guarantor or any other Subsidiary of Guarantor under the Repurchase Documents and the Repurchase Obligations, irrespective of whether Buyer or any Affiliate of Buyer shall have made any demand under the Repurchase Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Buyer's rights to recover a deficiency. Seller, Guarantor and any other Subsidiary of Guarantor shall be deemed directly indebted to Buyer and each of its Affiliates in the full amount of all amounts owing to Buyer and each of its Affiliates by Seller, Guarantor or any other Subsidiary of Guarantor under the Repurchase Documents and the Repurchase Obligations and Guarantor shall be deemed directly indebted to Buyer and each of its Affiliates in the full amount of all amounts owing to Buyer and each of its Affiliates by Guarantor under the Guarantee Agreement, and Buyer and each of its Affiliates shall be entitled to exercise the rights of set-off provided for above. ANY AND ALL RIGHTS TO REQUIRE BUYER OR ANY OF ITS AFFILIATES TO EXERCISE THEIR RIGHTS OR REMEDIES WITH RESPECT TO THE PURCHASED ASSETS UNDER THE REPURCHASE DOCUMENTS, PRIOR TO EXERCISING THE FOREGOING RIGHT OF SET-OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY SELLER, GUARANTOR AND EACH OTHER SUBSIDIARY OF GUARANTOR.

Buyer or any of its Affiliates shall promptly notify the affected Seller, Guarantor or the applicable Subsidiary of Guarantor after any such set-off and application made by Buyer or any of its Affiliates, provided that the failure to give such notice shall not affect the validity of such set-off and application. If an amount or obligation is unascertained, Buyer and each of its Affiliates may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other party when the amount or obligation is ascertained. Nothing in this Section 18.17 shall be effective to create a charge or other security interest. This Section 18.17 shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer is at any time otherwise entitled.

Section 18.18 Waiver of Set-off. Seller, Pledgor and Guarantor hereby waive any right of set-off each may have or to which each may be or become entitled under the Repurchase Documents or otherwise against Buyer, any Affiliate of Buyer, any Indemnified Person or their respective assets or properties.

Section 18.19 Power of Attorney. Seller hereby authorizes Buyer to file such financing statement or statements relating to the Purchased Assets (including a financing statement describing the collateral as "all assets of the debtor" or such other super-generic description thereof as Buyer may determine) without Seller's signature thereon as Buyer, at its

option, may deem appropriate. Seller hereby appoints Buyer as Seller's agent and attorney in fact to execute any such financing statement or statements in Seller's name and to perform all other acts which Buyer deems appropriate to perfect and continue its ownership interest in and/or the security interest granted hereby, if applicable, and to protect, preserve and realize upon the Purchased Assets, including, but not limited to, the right to endorse notes, complete blanks in documents, transfer servicing (including, but not limited, to sending "good-bye letters" to any

Underlying Obligor with respect to Purchased Assets which are Whole Loans, each to be in a form acceptable to Buyer), and sign assignments on behalf of such Seller as its agent and attorney in fact. This agency and power of attorney is coupled with an interest and is irrevocable without Buyer's consent. Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 18.19. In addition, Seller shall execute and deliver to Buyer a power of attorney in the form and substance of Exhibit G hereto ("Power of Attorney").

Section 18.20 Periodic Due Diligence Review. Buyer may perform continuing due diligence reviews with respect to the Purchased Assets, Seller and Affiliates of Seller, including ordering new third party reports, for purposes of, among other things, verifying compliance with the representations, warranties, covenants, agreements, duties, obligations and specifications made under the Repurchase Documents or otherwise. Upon reasonable prior notice to Seller, unless a Default or Event of Default has occurred and is continuing, in which case no notice is required, Buyer or its representatives may during normal business hours inspect any properties and examine, inspect and make copies of the books and records of Seller and Affiliates of Seller, the Mortgage Loan Documents and the Servicing Files. Seller shall make available to Buyer one or more knowledgeable financial or accounting officers and representatives of the independent certified public accountants of Seller for the purpose of answering questions of Buyer concerning any of the foregoing. Buyer may purchase Purchased Assets from Seller based solely on the information provided by Seller to Buyer in the Underwriting Materials and the representations, warranties, duties, obligations and covenants contained herein, and Buyer may at any time conduct a partial or complete due diligence review on some or all of the Purchased Assets, including ordering new credit reports and new Appraisals on the Mortgaged Properties and otherwise re-generating the information used to originate and underwrite such Purchased Assets. Buyer may underwrite such Purchased Assets itself or engage a mutually acceptable third-party underwriter to do so.

Section 18.21 Time of the Essence. Time is of the essence with respect to all obligations, duties, covenants, agreements, notices or actions or inactions of the parties under the Repurchase Documents.

Section 18.22 PATRIOT Act Notice. Buyer hereby notifies Seller that Buyer is required by the PATRIOT Act to obtain, verify and record information that identifies Seller.

Section 18.23 Successors and Assigns. Subject to the foregoing, the Repurchase Documents and any Transactions shall be binding upon and shall inure to the benefit of the Parties and their successors and permitted assigns.

Section 18.24 Acknowledgement of Anti-Predatory Lending Policies. Seller and Buyer each have in place internal policies and procedures that expressly prohibit their purchase of any high cost mortgage loan

Section 18.25 Effect of Amendment and Restatement. From and after the date hereof, the Original Repurchase Agreement is hereby amended, restated and superseded in its entirety by this Agreement. The parties hereto acknowledge and agree that the liens and security interests granted under the Original Repurchase Agreement are, in each case, continuing in full force and effect and, upon the amendment and restatement of the Original Repurchase

Agreement, such liens and security interests secure and continue to secure the payment of the Repurchase Obligations.

Section 18.26 Wire Instructions. The wire instructions for all amounts due to Seller hereunder are as follows: account number 483024227101 of Bank of America, account name "Blackstone Mortgage Trust, Inc.", ABA #026009593, and any modification to the foregoing requires a writing (including without limitation, a Confirmation) signed by two (2) Responsible Officers of Seller.

Section 18.27 Joint and Several Obligations.

- a. Seller hereby acknowledges and agrees that (i) Seller shall be jointly and severally liable with the sellers under each Other Repurchase Agreement to Buyer to the maximum extent permitted by Requirements of Law for all Repurchase Obligations and all Other Facility Repurchase Obligations, (ii) the liability of Seller (A) shall be absolute and unconditional and shall remain in full force and effect (or be reinstated) until all Repurchase Obligations and all Other Facility Repurchase Obligations shall have been paid in full and the expiration of any applicable preference or similar period pursuant to any Insolvency Law, or at law or in equity, without any claim having been made before the expiration of such period asserting an interest in all or any part of any payment(s) received by Buyer, and (B) until such payment has been made, shall not be discharged, affected, modified or impaired on the occurrence from time to time of any event, including any of the following, whether or not with notice to or the consent of Seller, (1) the waiver, compromise, settlement, release, modification, supplementation, termination or amendment (including any extension or postponement of the time for payment or performance or renewal or refinancing) of any of the Repurchase Obligations, Repurchase Documents, any Other Facility Repurchase Obligations or "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement), (2) the failure to give notice to Seller of the occurrence of an Event of Default, (3) the release, substitution or exchange by Buyer of any Purchased Asset or "Purchased Asset" (as defined in the Kensington Repurchase Agreement) or "Pledged Asset" (as defined in the Gloss Loan Agreement) (whether with or without consideration) or the acceptance by Buyer of any additional collateral or the availability or claimed availability of any other collateral or source of repayment or any nonperfection or other impairment of collateral, (4) the release of any Person primarily or secondarily liable for all or any part of the Repurchase Obligations or any Other Facility Repurchase Obligations, whether by Buyer or in connection with any Insolvency Proceeding affecting Seller, any seller under the Other Repurchase Agreement, or any other Person who, or any of whose property, shall at the time in question be obligated in respect of the Repurchase Obligations, any Other Facility Repurchase Obligations or any part thereof, (5) the sale, exchange, waiver, surrender or release of any Purchased Asset, "Purchased Asset" (as defined in the Kensington Repurchase Agreement), guarantee or other collateral by Buyer, "Pledged Asset" (as defined in the Gloss Loan Agreement), (6) the failure of Buyer to protect, secure, perfect or insure any Lien at any time held by Buyer as security for amounts owed by Seller or any seller under the Other Repurchase Agreement, or (7) to the extent permitted by Requirements of Law, any other event, occurrence, action or circumstance that would, in the absence of this Section 18.27, result in the release or discharge Seller from the

performance or observance of any Repurchase Obligation or any seller from the performance or observance of any Other Facility Repurchase Obligation, (iii) Buyer shall not be required first to initiate any suit or to exhaust its remedies against Seller, any seller under the Other Repurchase Agreement or any other Person to become liable, or against any of the Purchased Assets or "Purchased Assets" (as defined in the Kensington Repurchase Agreement) or "Pledged Assets" (as defined in the Gloss Loan Agreement), in order to enforce the Repurchase Documents and the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement) and Seller expressly agrees that, notwithstanding the occurrence of any of the foregoing, Seller shall be and remain directly and primarily liable for all sums due under any of the Repurchase Documents and the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement), (iv) when making any demand hereunder against Seller or any of the Purchased Assets, Buyer may, but shall be under no obligation to, make a similar demand on any seller under the Other Repurchase Agreement, or otherwise pursue such rights and remedies as it may have against any seller under the Other Repurchase Agreement or any other Person or against any collateral security or guarantee related thereto or any right of offset with respect thereto, and any failure by Buyer to make any such demand, file suit or otherwise pursue such other rights or remedies or to collect any payments from any such other seller or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any such other seller or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve Seller if a demand or collection is not made and shall not release Seller of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of Buyer against Seller (as used herein, the term "demand" shall include the commencement and continuation of legal proceedings), (v) on disposition by Buyer of any property encumbered by any Purchased Assets or "Purchased Assets" (as defined in the Kensington Repurchase Agreement) or "Pledged Assets" (as defined in the Gloss Loan Agreement), Seller shall be and shall remain jointly and severally liable for any deficiency, (vi) Seller waives (A) any and all notice of the creation, renewal, extension or accrual of any amounts at any time owing to Buyer by any other seller under the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement) and notice of or proof of reliance by Buyer upon Seller or acceptance of the obligations of Seller under this Section 18.27, and all such amounts, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the obligations of Seller under this Agreement, and all dealings between Seller, on the one hand, and Buyer, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the obligations of Seller under this Agreement and the Other Repurchase Agreement, and (B) diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Seller with respect to any amounts at any time owing to Buyer by Seller under the Repurchase Documents or any other seller under the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement), and (vii) Seller shall continue to be liable under this Section 18.27 without regard to (A) the validity, regularity or enforceability of any other provision of this Agreement, the Other Repurchase Agreement, any other

Repurchase Document or any other "Repurchase Document" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement), any amounts at any time owing to Buyer by Seller under the Repurchase Documents or any seller under the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement), or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Buyer, (B) any defense, set off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by Seller against Buyer, or (iii) any other circumstance whatsoever (with or without notice to or knowledge of Seller) which constitutes, or might be construed to constitute, an equitable or legal discharge of Seller for any amounts owing to Buyer by Seller under the Repurchase Documents, or of any seller under the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement), in bankruptcy or in any other instance.

- b. Seller shall remain fully obligated under this Agreement notwithstanding that, without any reservation of rights against Seller and without notice to or further assent by Seller, any demand by Buyer for payment of any amounts owing to Buyer by any other seller under the "Repurchase Documents" (as defined in any Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement) may be rescinded by Buyer and any the payment of any such amounts may be continued, and the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Buyer (including any extension or postponement of the time for payment or performance or renewal or refinancing of any Other Facility Repurchase Obligation), and this Agreement, the Other Repurchase Agreements, the Repurchase Documents, the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement) and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with its terms, as Buyer may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by Buyer for the payment of amounts owing to Buyer by Seller under the Repurchase Documents or any seller under the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement) may be sold, exchanged, waived, surrendered or released. Buyer shall not have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for amounts owing to Buyer by Seller under the Repurchase Documents or by sellers under the "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement), or any property subject thereto.
- c. The Repurchase Obligations and all Other Facility Repurchase Obligations are full recourse obligations to Seller, and Seller hereby forever waives, demises, acquits and discharges any and all defenses, and shall at no time assert or allege any defense, to the contrary.

- d. Anything herein or in any other Repurchase Document to the contrary notwithstanding, the maximum liability of Seller hereunder in respect of the liabilities of the sellers under each Other Repurchase Agreement and the other "Repurchase Documents" (as defined in the Kensington Repurchase Agreement) or the "Facility Documents" (as defined in the Gloss Loan Agreement) shall in no event exceed the amount which can be guaranteed by Seller under applicable federal and state laws relating to the insolvency of debtors.

Section 18.28 Recognition of the U.S. Special Resolution Regimes

- a. In the event that Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from Buyer of this Agreement and/or the Repurchase Documents, and any interest and obligation in or under this Agreement and/or the Repurchase Documents, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.
- b. In the event that Buyer or a BHC Act Affiliate of Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or the Repurchase Documents that may be exercised against Buyer are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents were governed by the laws of the United States or a state of the United States.
- c. If, at any time, each of the parties hereto has adhered to the ISDA 2018 U.S. Resolution Stay Protocol (the ISDA U.S. Stay Protocol"), the terms of the ISDA U.S. Stay Protocol will supersede and replace the foregoing terms set forth in this Section 18.28 as of the first date on which all parties hereto have so adhered, and thereafter this Section 18.28 only will be null and void with no further force or effect.

Section 18.29 Authorized Representatives of Seller and Guarantor. (a) Each individual set forth on Exhibit J (as updated from time to time in accordance with this paragraph) is a representative of Seller and Guarantor (an "Authorized Representative"), and subject to any express limitations set forth on Exhibit J with respect to any such Authorized Representative's authority, each Authorized Representative is duly authorized on behalf of Seller and Guarantor to deliver and receive all notices, requests, instructions (including, without limitation, wiring instructions), Transaction Requests and other information, deliver certificates and documents, and execute and deliver Repurchase Documents (including, without limitation, amendments or supplements thereto), in each case, in connection with this Agreement and the other Repurchase Documents, and (b) a specimen signature for each such Authorized Representative, together with such individual's title, email address and telephone number, is set forth on Exhibit J hereto. From time to time Seller and Guarantor may update the information set forth on Exhibit J hereto

by delivering to Buyer (including via email) an updated Exhibit J (or a supplement thereto) certified to be true and correct by an existing Authorized Representative of the Seller and Guarantor; provided, that at all times Seller and Guarantor shall have not less than four (4) Authorized Representatives.

[ONE OR MORE UNNUMBERED SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

SELLER:

PARLEX 5 FINCO, LLC, a Delaware limited liability company

By:

Name:

Title:

BUYER:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, a national banking association

By:

Name:

Title:

Annex I

EXHIBIT J

**AUTHORIZED REPRESENTATIVES OF SELLER AND GUARANTOR
PARLEX 5 FINCO, LLC BLACKSTONE MORTGAGE TRUST, INC.**

Name	Title	Email Address	Telephone #	Signature	Limitations on Authority (if any)
Katharine A. Keenan	Chief Executive Officer and President	[Redacted]	[Redacted]	<u>/s/ Katharine A. Keenan</u>	
Paul Kolodziej	Head of Accounting	[Redacted]	[Redacted]	<u>/s/ Paul Kolodziej</u>	
Anthony F. Marone, Jr	Chief Financial Officer, Treasurer and Assistant Secretary	[Redacted]	[Redacted]	<u>/s/ Anthony F. Marone, Jr</u>	
Robert Sitman	Managing Director, Head of Asset Management	[Redacted]	[Redacted]	<u>/s/ Robert Sitman</u>	
Leon Volchyok	Managing Director, Chief Legal Officer and Secretary	[Redacted]	[Redacted]	<u>/s/ Leon Volchyok</u>	
F. Austin Peña	Executive Vice President, Investments	[Redacted]	[Redacted]	<u>/s/ F. Austin Peña</u>	
Courtney Cheng	Vice President of Finance	[Redacted]	[Redacted]	<u>/s/ Courtney Cheng</u>	
Timothy Hayes	Vice President, Shareholder Relations	[Redacted]	[Redacted]	<u>/s/ Timothy Hayes</u>	

I hereby certify on behalf of Seller and Guarantor that the persons named in this Exhibit J are duly authorized representatives of Seller and Guarantor, holding the respective offices set opposite their names and the signatures set opposite their names are their genuine signatures.

By: /s/ Robert Sitman
Name: Robert Sitman
Title: Managing Director, Head of Asset Management

I, Robert Sitman, hereby confirm that I am the Managing Director, Head of Asset Management of Seller and Guarantor and that Blackstone Mortgage Trust Inc. is, as of the date hereof, a duly elected, qualified and acting Managing Director, Head of Asset Management of Seller and Guarantor and that the signature set forth above is his/her true and genuine signature.

By: /s/ Robert Sitman
Name: Robert Sitman
Title: Managing Director, Head of Asset Management

**CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Katharine A. Keenan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blackstone Mortgage Trust, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2024

/s/ Katharine A. Keenan
Katharine A. Keenan
Chief Executive Officer

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony F. Marone, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blackstone Mortgage Trust, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2024

/s/ Anthony F. Marone
Anthony F. Marone, Jr.
Chief Financial Officer

**CERTIFICATION 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 of Blackstone Mortgage Trust, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Katharine A. Keenan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

/s/ Katharine A. Keenan

Katharine A. Keenan
Chief Executive Officer
April 24, 2024

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Blackstone Mortgage Trust, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony F. Marone, Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

/s/ Anthony F. Marone
Anthony F. Marone, Jr.
Chief Financial Officer
April 24, 2024

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Section 13(r) Disclosure

After Blackstone Mortgage Trust, Inc. ("BXMT") filed its Form 10-K for the fiscal year ended December 31, 2023 with the Securities and Exchange Commission (the "SEC"), Blackstone Inc. ("Blackstone") filed the disclosure reproduced below with respect to such period, in accordance with Section 13(r) of the Securities Exchange Act of 1934, as amended, in regard to Mundys S.p.A. (formerly, "Atlantia S.p.A."). Mundys S.p.A. may be, or may have been at the time considered to be, an affiliate of Blackstone, and therefore an affiliate of BXMT. As of the date BXMT filed its Form 10-Q for the quarter ended March 31, 2024 with the SEC, Blackstone had not yet filed its Form 10-Q for such period. Therefore, the disclosure reproduced below does not include any information for the quarter ended March 31, 2024. BXMT did not independently verify or participate in the preparation of the disclosure reproduced below.

Blackstone included the following disclosure in its Annual Report on Form 10-K for the year ended December 31, 2023:

Mundys S.p.A. (formerly "Atlantia S.p.A.") provided the disclosure reproduced below in connection with activities during the fiscal year ended December 31, 2023. We have not independently verified or participated in the preparation of this disclosure.

"Disclosure pursuant to Section 13(r) of the Securities Exchange Act of 1934. Funds affiliated with Blackstone first invested in Mundys S.p.A. on November 18, 2022 in connection with the voluntary public tender offer by Schema Alfa S.p.A. for all of the shares of Mundys S.p.A., pursuant to which such funds obtained a minority non-controlling interest in Mundys S.p.A. Mundys S.p.A. owns and controls Aeroporti di Roma S.p.A. ("ADR"), an operator of airports in Italy including Leonardo da Vinci-Fiumicino Airport. Iran Air has historically operated periodic flights to and from Leonardo da Vinci-Fiumicino Airport as authorized, from time to time, by an aviation-related bilateral agreement between Italy and Iran, scheduled in compliance with European Regulation 95/93, and approved by the Italian Civil Aviation Authority. ADR, as airport operator, is under a mandatory obligation to provide airport services to all air carriers (including Iran Air) authorized by the applicable Italian authority. The relevant turnover attributable to these activities (whose consideration is calculated on the basis of general tariffs determined by such independent Italian authority) in the fiscal year ended December 31, 2023 was less than €210,000. Mundys S.p.A. does not track profits specifically attributable to these activities."