UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

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

FORM 10-K

For the fiscal year ended December 31, 2020

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: 000-55188

BENEFIT STREET PARTNERS REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	**46-1406086**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9 West 57th Street, Suite 4920, New York, NY	**10019**
(Address of principal executive offices)	(Zip Code)

(212) 588-6770

(Registrant's telephone number, including area code)

Securities registered pursuant to section 12(b) of the Act

Title of Each Class	Trading Symbols	Name of exchange on which registered
None		

Securities registered pursuant to section 12(g) of the Act:

Common stock, $0.01 par value per share

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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 emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicated 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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

There is no established public market for the registrant's shares of common stock. On November 2, 2020, the board of directors of the registrant, upon the recommendation of the registrant's external advisor, unanimously approved and established an estimated net asset value ("NAV") per share of the registrant's common stock of $17.88. The estimated NAV per share is based upon the estimated value of the registrant's assets less the registrant's liabilities as of September 30, 2020. For a full description of the methodologies used to value the registrant's assets and liabilities in connection with the calculation of the estimated NAV per share, see Part II, Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities."

The number of outstanding shares of the registrant's common stock on February 28, 2021 was 44,135,876 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be delivered to stockholders in connection with the registrant's 2021 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K. The registrant intends to file its proxy statement within 120 days after its fiscal year end.

BENEFIT STREET PARTNERS REALTY TRUST, INC.

FORM 10-K
Year Ended December 31, 2020

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Forward-Looking Statements

Certain statements included in this Annual Report on Form 10-K are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Benefit Street Partners Realty Trust, Inc. ("we," "our," "us," or the "Company") and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

Our forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements, and thus our investors should not place undue reliance on these statements. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in this Annual Report, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (the “SEC”), which are accessible on the SEC’s website at http://www.sec.gov. These factors include:

- our business and investment strategy;
- our ability to make investments in a timely manner or on acceptable terms;
- the impact of the COVID-19 pandemic;
- current credit market conditions and our ability to obtain long-term financing for our investments in a timely manner and on terms that are consistent with what we project when we invest;
- the effect of general market, real estate market, economic and political conditions, including the recent economic slowdown and dislocation in the global credit markets;
- our ability to make scheduled payments on our debt obligations;
- our ability to generate sufficient cash flows to make distributions to our stockholders;
- our ability to generate sufficient debt and equity capital to fund additional investments;
- our ability to refinance our existing financing arrangements;
- the degree and nature of our competition;
- the availability of qualified personnel;
- we may be deemed to be an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and thus subject to regulation under the Investment Company Act; and
- our ability to maintain our qualification as a real estate investment trust ("REIT").

All forward-looking statements should be read in light of the risks identified in Part I, Item 1A of this Annual Report on Form 10-K.

PART I

Item 1. Business

Benefit Street Partners Realty Trust, Inc. (the “Company”) is a real estate finance company that primarily originates, acquires and manages a diversified portfolio of commercial real estate debt investments secured by properties located within and outside the United States. The Company was incorporated in Maryland on November 15, 2012 and commenced business operations on May 14, 2013. We made a tax election to be treated as a real estate investment trust (a "REIT") for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2013. We believe that we have qualified as a REIT and we intend to continue to meet the requirements for qualification and taxation as a REIT. Substantially all of our business is conducted through Benefit Street Partners Realty Operating Partnership, L.P. (the “OP”), a Delaware limited partnership. We are the sole general partner and directly or indirectly hold all of the units of limited partner interests in the OP. In addition, the Company, through a subsidiary which is treated as a taxable REIT subsidiary (a “TRS”), is indirectly subject to U.S. federal, state and local income taxes.

The Company has no direct employees. Benefit Street Partners L.L.C. serves as our advisor ("Advisor") pursuant to an amended and restated advisory agreement, executed on January 19, 2018 (the "Advisory Agreement"). The Advisor, an investment adviser registered with the SEC, is a credit-focused alternative asset management firm.

Established in 2008, our Advisor's credit platform manages funds for institutions and high-net-worth investors across various credit funds and complementary strategies including high yield, levered loans, private/opportunistic debt, liquid credit, structured credit and commercial real estate debt. These strategies complement each other as they all leverage the sourcing, analytical, compliance, and operational capabilities that encompass the platform. The Advisor manages the Company's affairs on a day-to-day basis. The Advisor receives compensation fees and reimbursements for services related to the investment and management of the Company's assets and the operations of the Company. The advisor is a wholly-owned subsidiary of Franklin Resources, Inc., which together with its various subsidiaries operates as "Franklin Templeton”.

The Company invests in commercial real estate debt investments, which may include first mortgage loans, subordinated mortgage loans, mezzanine loans and participations in such loans. The Company also originates conduit loans which the Company intends to sell through its TRS into commercial mortgage-backed securities ("CMBS") securitization transactions.

The Company also invests in commercial real estate securities and properties. Real estate securities may include CMBS, senior unsecured debt of publicly traded REITs, debt or equity securities of other publicly traded real estate companies and collateralized debt obligations ("CDOs"). Property investments, other than properties owned in connection with a foreclosure, are generally subject to triple net leases.

Investment Objectives

We plan to implement policies and strategies to achieve our primary investment objectives:

- to pay attractive and stable cash distributions to stockholders; and
- to preserve and return stockholders’ invested capital.

Investment Strategies and Policies

We have four investment strategies. One strategy is to originate, acquire and manage a diversified portfolio of commercial real estate debt, including first mortgage loans, subordinate loans, mezzanine loans and participations in such loans. We expect that our portfolio of debt investments will be secured by real estate located within and outside the United States and diversified by property type and geographic location. The second strategy is to invest in commercial real estate securities, such as CMBS, senior unsecured debt of publicly-traded REITs and CDO notes. The third strategy is to originate conduit loans and sell them through our TRS business into CMBS securitization transactions. The fourth strategy represents real estate acquired by the Company through foreclosure and deed in lieu of foreclosure, and purchases of real estate that generally are, or will be, subject to a triple net lease.

We will seek to create and maintain a portfolio of commercial real estate investments that generate stable income to enable us to pay attractive and consistent cash distributions to our stockholders. Our focus on originating and acquiring commercial real estate debt instruments emphasizes the payment of current returns to investors and preservation of invested capital as our primary investment objectives.

Commercial Real Estate Debt

We originate, fund, acquire and structure commercial real estate debt, including first mortgage loans, mezzanine loans, bridge loans, and other loans related to commercial real estate. We may also acquire some equity participations in the underlying collateral of commercial real estate debt. We structure, underwrite, and originate most of our investments. We use conservative underwriting criteria to focus on risk adjusted returns based on several factors, which may include the leverage point, debt service coverage and sensitivity, lease sustainability studies, market and economic conditions, quality of the underlying collateral and location, reputation and track record of the borrower, and a clear exit or refinancing plan for the borrower. Our underwriting process involves comprehensive financial, structural, operational, and legal due diligence to assess any risks in connection with making such investments so that we can optimize pricing and structuring. By originating loans directly, we are able to structure and underwrite loans that satisfy our standards, establish a direct relationship with the borrower, and utilize our own documentation. Described below are some of the types of loans we may originate or acquire. In addition, although we generally prefer the benefits of new origination, market conditions can create situations where holders of commercial real estate debt may be in distress and are therefore willing to sell at prices that compensate the buyer for the lack of control typically associated with directly structured investments.

First Mortgage Loans

We primarily focus on first mortgage loans. First mortgage loans generally finance the acquisition, refinancing or rehabilitation of commercial real estate. First mortgage loans may be either short (one-to-five years) or long (up to ten years) term, may be fixed or floating rate, and are predominantly current-pay loans. We may originate or acquire current-pay first mortgage loans backed by properties that fit our investment strategy. We may selectively syndicate portions of these loans, including senior or junior participations that will effectively provide permanent financing or optimize returns which may include retained origination fees.

First mortgage loans typically provide for a higher recovery rate and lower defaults than other debt positions due to the lender's favorable control position, which at times can include control of the entire capital structure. Because of these attributes, this type of investment typically receives favorable treatment from third-party rating agencies and financing sources, which should increase the liquidity of these investments. However, these loans typically generate lower returns than subordinate debt, such as subordinate loans and mezzanine loans, commonly referred to as B-notes.

B-notes

B-notes consist of subordinate mortgage loans, including structurally subordinated first mortgage loans and junior participations in first mortgage loans or participations in these types of assets. Like first mortgage loans, these loans generally finance the acquisition, refinancing, rehabilitation or construction of commercial real estate. Subordinated mortgage loans or B-notes may be either short (one-to-five years) or long (up to ten years) term, may be fixed or floating rate, and are predominantly current-pay loans. We may originate or acquire current-pay subordinated mortgage loans or B-notes backed by high quality properties that fit our investment strategy. We may create subordinated mortgage loans by tranching our directly originated first mortgage loans generally through syndications of senior first mortgages or buy such assets directly from third party originators. Due to the limited opportunities in this part of the capital structure, we believe there are certain situations that allow us to directly originate or to buy subordinated mortgage investments from third parties on favorable terms.

Bridge Loans

We may offer bridge financing products to borrowers who are typically seeking short-term capital to be used in an acquisition, development or refinancing of a given property. From the borrower’s perspective, shorter term bridge financing is advantageous because it allows time to improve the property value through repositioning without encumbering it with restrictive long-term debt. The terms of these loans generally do not exceed three years.

Mezzanine Loans

Mezzanine loans are secured by one or more direct or indirect ownership interests in an entity that directly or indirectly owns commercial real estate and generally finance the acquisition, refinancing, rehabilitation or construction of commercial real estate. Mezzanine loans may be either short (one-to-five years) or long (up to ten years) term and may be fixed or floating rate. We may originate or acquire mezzanine loans backed by properties that fit our investment strategy. We may own such mezzanine loans directly or we may hold a participation in a mezzanine loan or a sub-participation in a mezzanine loan. These loans are predominantly current-pay loans (although there may be a portion of the interest that accrues) and may provide for participation in the value or cash flow appreciation of the underlying property as described below. With the credit market disruption and resulting dearth of capital available in this part of the capital structure, we believe that the opportunities to both directly originate and to buy mezzanine loans from third parties on favorable terms will continue to be attractive.

Equity Participations or "Kickers"

We may pursue equity participation opportunities in connection with our commercial real estate debt originations if we believe that the risk-reward characteristics of the loan merit additional upside participation related to the potential appreciation in value of the underlying assets securing the loan. Equity participations can be paid in the form of additional interest, exit fees, percentage of sharing in refinance or resale proceeds or warrants in the borrower. Equity participation can also take the form of a conversion feature, sometimes referred to as a "kicker," which permits the lender to convert a loan or preferred equity investment into common equity in the borrower at a negotiated premium to the current net asset value of the borrower. We expect to generate additional revenues from these equity participations as a result of excess cash flows being distributed or as appreciated properties are sold or refinanced.

Commercial Real Estate Securities

In addition to our focus on origination of and investments in commercial real estate debt, we may also acquire commercial real estate securities, such as CMBS, unsecured REIT debt, CDO notes, and equity investments in entities that own commercial real estate.

CMBS

CMBS are securities that are collateralized by, or evidence ownership interests in, a single commercial mortgage loan or a partial or entire pool of mortgage loans secured by commercial properties. CMBS are generally pass-through certificates that represent beneficial ownership interests in common law trusts whose assets consist of defined portfolios of one or more commercial mortgage loans. They are typically issued in multiple tranches whereby the more senior classes are entitled to priority distributions of specified principal and interest payments from the trust's underlying assets. The senior classes are often securities which, if rated, would have ratings ranging from low investment grade "BBB-" to higher investment grades "A," "AA" or "AAA." The junior, subordinated classes typically would include one or more non-investment grade classes which, if rated, would have ratings below investment grade "BBB." Losses and other shortfalls from expected amounts to be received on the mortgage pool are borne first by the most subordinate classes, which receive payments only after the more senior classes have received all principal and/or interest to which they are entitled. We may invest in senior or subordinated, investment grade or non-investment grade CMBS, as well as unrated CMBS.

Unsecured Publicly-Traded REIT Debt Securities

We may also choose to acquire senior unsecured debt of publicly-traded equity REITs that acquire and hold real estate. Publicly-traded REITs may own large, diversified pools of commercial real estate properties or they may focus on a specific type of property, such as shopping centers, office buildings, multifamily properties and industrial warehouses. Publicly-traded REITs typically employ moderate leverage. Corporate bonds issued by these types of REITs are usually rated investment grade and benefit from strong covenant protection.

CDO Notes

CDOs are multiple class debt notes, secured by pools of assets, such as CMBS, mezzanine loans, and unsecured REIT debt. Like typical securitization structures, in a CDO, the assets are pledged to a trustee for the benefit of the holders of the bonds. CDOs often have reinvestment periods that typically last for five years, during which time, proceeds from the sale of a collateral asset may be invested in substitute collateral. Upon termination of the reinvestment period, the static pool functions very similarly to a CMBS securitization where repayment of principal allows for redemption of bonds sequentially.

Commercial Real Estate Equity Investments

We may acquire: (i) equity interests (including preferred equity) in an entity (including, without limitation, a partnership or a limited liability company) that is an owner of commercial real property (or in an entity operating or controlling commercial real property, directly or through affiliates), which may be structured to receive a priority return or is senior to the owner's equity (in the case of preferred equity); (ii) certain strategic joint venture opportunities where the risk-return and potential upside through sharing in asset or platform appreciation is compelling; and (iii) private issuances of equity securities (including preferred equity securities) of public companies. Our commercial real estate equity investments may or may not have a scheduled maturity and are expected to be of longer duration (five-to-ten year terms) than our typical portfolio investment. Such investments are expected to be fixed rate (if they have a stated investment rate) and may have accrual structures and provide other distributions or equity participations in overall returns above negotiated levels.

Conduit Loans

The Company originates conduit loans which the Company intends to sell through its TRS into CMBS securitization transactions at a profit. The Conduit loans are typically fixed-rate commercial real estate loans and are long (up to ten years) term, and are predominantly current-pay loans.

Other Possible Investments

Although we expect that most of our investments will be of the types described above, we may make other investments. We may invest in whatever types of interests in real estate-related assets that we believe are in our best interest which may include the commercial real property underlying our debt investments as a result of a loan workout, foreclosure or similar circumstances.

Investment Process

Our Advisor has the authority to make all the decisions regarding our investments consistent with the investment guidelines and borrowing policies approved by our board of directors and subject to the direction and oversight of our board of directors. With respect to investments in commercial real estate debt, our board of directors has adopted investment guidelines that our Advisor must follow when acquiring such assets on our behalf without the approval of our board of directors. We will not, however, purchase assets in which our Advisor, any of our directors or any of their affiliates has an interest without a determination by a majority of our directors (including a majority of the independent directors) not otherwise interested in the transaction that such transaction is fair and reasonable to us and at a price to us no greater than the cost of the asset to the affiliated seller, unless there is substantial justification for the excess amount and such excess is reasonable. Our investment guidelines and borrowing policies may be altered by a majority of our directors without approval of our stockholders. Our Advisor may not alter our investment guidelines or borrowing policies without the approval of a majority of our directors, including a majority of our independent directors.

Borrowing Strategies and Policies

Our financing strategy primarily includes the use of secured repurchase agreement facilities for loans, securities and securitizations. We have also raised capital through private placements of our equity securities. In addition to our current mix of financing sources, we may also access additional forms of financings, including credit facilities, and public or private secured and unsecured debt issuances by us or our subsidiaries.

We expect to use additional debt financing as a source of capital. We intend to employ reasonable levels of borrowing in order to provide more cash available for investment and to generate improved returns. We believe that careful use of leverage will help us to achieve our diversification goals and potentially enhance the returns on our investments. Our board of directors reviews our aggregate borrowings at least quarterly.

Income Taxes

We elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code commencing with the taxable year ended December 31, 2013. In general, as a REIT, if we meet certain organizational and operational requirements and distribute at least 90% of our "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to our stockholders in a year, we will not be subject to U.S. federal income tax to the extent of the income that we distribute. We believe that we currently qualify and we intend to continue to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). If we fail to qualify as a REIT in any taxable year and statutory relief provisions were not to apply, we will be subject to U.S. federal income tax on our income at regular corporate tax rates for the year in which we do not qualify and the succeeding four years. Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and property and U.S. federal income and excise taxes on our undistributed income.

We pay income taxes on our Conduit segment, which is conducted by our wholly-owned TRS. The income taxes on the Conduit segment are paid at the U.S. federal and applicable state levels.

Competition

Our net income depends, in large part, on our ability to originate investments that provide returns in excess of our borrowing cost. In originating these investments, we compete with other mortgage REITs, specialty finance companies, savings and loan associations, banks, mortgage bankers, insurance companies, mutual funds, institutional investors, investment banking firms, private funds, other lenders, governmental bodies, and other entities, many of which have greater financial resources and lower costs of capital available to them than we have. In addition, there are numerous mortgage REITs with asset acquisition objectives similar to ours, and others may be organized in the future, which may increase competition for the investments suitable for us. Competitive variables include market presence and visibility, size of loans offered and underwriting standards. To the extent that a competitor is willing to risk larger amounts of capital in a particular transaction or to employ more liberal underwriting standards when evaluating potential loans than we are, our investment volume and profit margins for our investment portfolio could be impacted. Our competitors may also be willing to accept lower returns on their investments and may succeed in buying or underwriting the assets that we have targeted. Although we believe that we are well positioned to compete effectively in each facet of our business, there is enormous competition in our market sector and there can be no assurance that we will compete effectively or that we will not encounter increased competition in the future that could limit our ability to conduct our business effectively.

Employees

As of December 31, 2020, we had no direct employees. Our executive officers serve as officers of our Advisor and are employed by an affiliate of our Advisor. The employees of the Advisor and other affiliates of the Advisor perform a full range of real estate services for us, including origination, acquisitions, accounting, legal, asset management, wholesale brokerage, and investor relations services. We are dependent on these affiliates for services that are essential to us, including asset acquisition decisions, and other general administrative responsibilities. In the event that any of these companies were unable to provide these services to us, we would be required to provide such services ourselves or obtain such services from other sources.

Government Regulation

Our operations are subject, in certain instances, to supervision and regulation by U.S. and other governmental authorities, and may be subject to various laws and judicial and administrative decisions imposing various requirements and restrictions, which, among other things: (i) regulate credit-granting activities; (ii) establish maximum interest rates, finance charges and other charges; (iii) require disclosures to customers; (iv) govern secured transactions; and (v) set collection, foreclosure, repossession and claims-handling procedures and other trade practices. We intend to conduct our business so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act.

In our judgment, existing statutes and regulations have not had a material adverse effect on our business. In recent years, legislators in the United States and in other countries have said that greater regulation of financial services firms is needed, particularly in areas such as risk management, leverage, and disclosure. While we expect that additional new regulations in these areas will be adopted and existing ones may change in the future, it is not possible at this time to forecast the exact nature of any future legislation, regulations, judicial decisions, orders or interpretations, nor their impact upon our future business, financial condition, or results of operations or prospects.

Impact of COVID-19

Refer to “Covid-19 Pandemic” in Part II, Item 7, “Management's Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report on Form 10-K for a discussion of the impact COVID-19 is having on our business and results of operations and financial condition.

Available Information

We electronically file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, and proxy statements, with the SEC. We also filed with the SEC a registration statement in connection with our dividend reinvestment plan ("DRIP") securities offerings. The SEC maintains an internet address at *www.sec.gov* that contains reports, proxy statements and information statements, and other information, which may be obtained free of charge. In addition, copies of our filings with the SEC may be obtained from the website maintained for us at *www.bsprealtytrust.com*. Access to these filings is free of charge. We are not incorporating our website or any information from the website into this Form 10-K.

Item 1A. Risk Factors

Risks Related to an Investment in Benefit Street Partners Realty Trust, Inc.

The ongoing COVID-19 pandemic is materially and adversely affecting our financial condition, operating results and cash flows and the operations and financial performance of many of the borrowers underlying our real estate-related assets, and we expect the adverse impacts will continue in the future.

The COVID-19 pandemic has had, and another pandemic or public health crisis in the future could have, repercussions across domestic and global economies and financial markets. The global impact of the COVID-19 outbreak evolved rapidly and many governmental authorities, including state and local governments in regions in which our borrowers own properties, have reacted by instituting government restrictions, border closings, quarantines, “shelter-in-place” orders and “social distancing” guidelines which have forced many of our borrowers to suspend or significantly restrict their business activities, and has resulted in a dramatic increase in national unemployment and corporate bankruptcies, with particularly adverse impacts on the retail, including restaurants, and hospitality sectors.

The COVID-19 pandemic is materially and adversely affecting our financial condition, operating results and cash flows and the operations and financial performance of many of the borrowers underlying our real estate-related assets, and we expect the adverse impacts will continue in the future. Specifically, the COVID-19 pandemic has:

- significantly disrupted the financial markets for the assets in our real estate securities portfolio, resulting in significant decreases in market values for these assets and significant market volatility. This has resulted in margin calls from our lenders, which we have thus far satisfied, and could result in future margin calls which, if not satisfied, could result in the liquidation of some of our assets at significant losses.

- resulted in a decline in the value of commercial real estate generally, and significant declines in certain assets classes, including hospitality and retail, which has negatively impacted the value of our commercial mortgage loan portfolio, and could continue to negatively impact the value in the future, potentially materially.
- negatively impacted the financial stability of many of our borrowers, which has and is expected to continue to result in an increase in the number of our borrowers who become delinquent or default on their loans, or who seek to defer payment on or to amend the terms of their loans. Borrowers in the hospitality and retail sector have been particularly adversely impacted.
- increased the cost and decreased the availability of debt capital, including as a result of dislocations in the commercial mortgage-backed securities market, which has currently made raising capital through CDO or CLO securitizations impracticable, and as a result of lenders permitting significantly lower advance rates on our repurchase agreements.
- as a result of the decline in the market value of the loans in our CDOs and CLOs, we may not meet certain interest coverage tests, over-collateralization coverage tests or other tests that could result in a change in the priority of distributions, which could result in the reduction or elimination of distributions to the subordinate debt and equity tranches we own until the tests have been met or certain senior classes of securities have been paid in full. Accordingly, we may experience a reduction in our cash flow from those interests which may adversely affect our liquidity and therefore our ability to fund our operations or address maturing liabilities on a timely basis.
- resulted in a general decline in business activity which if continued will result in a decline in demand for mortgage financing, which could adversely affect our ability to make new investments or to redeploy the proceeds from repayments of our existing investments.

The extent to which the COVID-19 pandemic impacts our or our borrowers' operations will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, including any resurgences, the speed and effectiveness of vaccine and treatment developments and the direct and indirect economic effects of the pandemic and containment measures. The inability of our borrowers to meet their loan obligations and/or borrowers filing for bankruptcy protection would reduce our cash flows, which would impact our ability to pay dividends to our stockholders. The rapid development and fluidity of this situation precludes any prediction as to the full adverse impact of the COVID-19 pandemic. Moreover, many risk factors set forth in this Annual Report on Form 10-K should be interpreted as heightened risks as a result of the impact of the COVID-19 pandemic.

We may be unable to maintain or increase cash distributions over time, or may decide to reduce the amount of distributions for business reasons.

There are many factors that can affect the amount and timing of cash distributions to stockholders. The amount of cash available for distributions is affected by many factors, such as the cash provided by the Company's investments and obligations to repay indebtedness as well as many other variables. There is no assurance that the Company will be able to pay or maintain the current level of distributions or that distributions will increase over time. In certain prior periods, distributions have been in excess of cash flows from operations. Distributions in excess of earnings will decrease the book value and NAV per share of common stock. The Company cannot give any assurance that returns from the investments will be sufficient to maintain or increase cash available for distributions to stockholders. Actual results may differ significantly from the assumptions used by the board of directors in establishing the distribution rate to stockholders. The Company may not have sufficient cash from operations to make a distribution required to qualify for or maintain our REIT status, which may materially adversely affect the value of common stock or Series A Convertible Preferred Stock (the "Series A Preferred Stock") or Series C Convertible Preferred Stock (the "Series C Preferred Stock"), and together with the Series A Preferred Stock, (the "Preferred Stock").

No established trading market for our shares currently exists, and as a result, it will be difficult for you to sell our shares. If our shares are listed they may trade below our estimated NAV per share or our GAAP book value per share.

The Company's charter does not require the board of directors to seek stockholder approval to liquidate our assets by a specified date, nor does our charter require us to list our shares for trading on a national securities exchange by a specified date or otherwise pursue a transaction to provide liquidity to our stockholders. There is no established trading market for our shares and our shares are not currently listed on a national securities exchange. Until our shares are listed, if ever, our stockholders may have difficulty selling their shares. If our shares are eventually listed, they may trade at prices significantly below our estimated NAV per share and our most recent GAAP book value due to, among other things, significant selling pressure from legacy stockholders that had previously been unable to sell or the market perception that such selling pressure will occur. To address this risk the Company could delay the ability of legacy stockholders to sell all of their shares upon a successful listing. Because of the illiquid nature of our shares, investors should purchase our shares only as a long-term investment and be prepared to hold them for an indefinite period of time.

Our share repurchase program (the "SRP"), which is subject to numerous restrictions, may be canceled at any time and should not be relied upon as a means of liquidity.

The Company has a SRP that may enable investors to sell their shares to us in limited circumstances. Share repurchases are made at the sole discretion of the board of directors. In its sole discretion, the board of directors could amend, suspend or terminate our SRP upon 30 days prior written notice to stockholders. Further, the SRP includes numerous restrictions that would limit the ability to sell shares. For example, the SRP has historically been limited to the proceeds from our DRIP which has frequently resulted in us not satisfying all SRP requests for a given semester. Due to the foregoing, our SRP should not be relied upon as a means of liquidity.

Our business could suffer in the event our Advisor or any other party that provides us with services essential to our operations experiences system failures or cyber-incidents or a deficiency in cybersecurity.

Despite system redundancy, the implementation of security measures and the existence of a disaster recovery plan for the internal information technology systems of our Advisor and other parties that provide us with services essential to our operations, these systems are vulnerable to damage from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business.

A cyber-incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can result in third parties gaining unauthorized access to systems to disrupt operations, corrupt data or steal confidential information. As reliance on technology in our industry has increased, so have the risks posed to the systems of our Advisor and other parties that provide us with services essential to our operations, both internal and outsourced. In addition, the risk of a cyber-incident, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted attacks and intrusions evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected.

The remediation costs and lost revenues experienced by a victim of a cyber-incident may be significant and significant resources may be required to repair system damage, protect against the threat of future security breaches or to alleviate problems, including reputational harm, loss of revenues and litigation, caused by any breaches.

Although the Advisor and other parties that provide us with services essential to our operations intend to continue to implement industry-standard security measures, there can be no assurance that those measures will be sufficient, and any material adverse effect experienced by the Advisor and other parties that provide us with services essential to our operations could, in turn, have an adverse impact on us.

Risks Related to Conflicts of Interest

The Advisor faces conflicts of interest relating to purchasing commercial real estate-related investments, and such conflicts may not be resolved in our favor, which could adversely affect our investment opportunities.

We rely on the Advisor and the executive officers and other key real estate professionals at our Advisor to identify suitable investment opportunities for us. Although there are restrictions in the Advisory Agreement we have entered into with the Advisor with respect to the Advisor’s ability to manage another REIT that competes with us, or to provide any services related to fixed-rate conduit lending to another person, the Advisor and its employees are not otherwise restricted from engaging in investment and investment management activities unrelated to us. Some investment opportunities that are suitable for us may also be suitable for other investment vehicles managed by the Advisor or its affiliates. Thus, the executive officers and real estate professionals of the Advisor could direct attractive investment opportunities to other entities or investors. Such events could result in us investing in assets that provide less attractive returns, which may reduce our ability to make distributions.

The Advisor and its employees face competing demands relating to their time, and this may cause our operating results to suffer.

The Advisor and its employees are engaged in investment and investment management activities unrelated to us. Because these persons have competing demands on their time and resources, they may have conflicts of interest in allocating their time between our business and these other activities. If this occurs, the returns on our investments may suffer.

Risks Related to Our Corporate Structure

The limit on the number of shares a person may own may discourage a takeover that could otherwise result in a premium price to our stockholders.

The Company's charter, with certain exceptions, authorizes the board of directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by the board of directors, no person or entity may own more than 7.9% in value of the aggregate of our outstanding shares of stock or more than 7.9% (in value or in number of shares, whichever is more restrictive) of any class or series of shares of our stock determined after applying certain rules of attribution. This restriction may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all our assets) that might provide a premium price for holders of our common stock.

Certain provisions of Maryland law could inhibit a change in control of our Company.

Certain provisions of the Maryland General Corporation Law ("MGCL") may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of our then outstanding voting power of our shares or an affiliate or associate of ours who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of our then outstanding voting shares) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes special appraisal rights and special stockholder voting requirements on these combinations; and
- "control share" provisions that provide that "control shares" of our company (defined as shares which, when aggregated with other shares controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of "control shares") have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

Pursuant to the MGCL, our board of directors has exempted any business combination involving our Advisor or any affiliate of our Advisor. Consequently, the five-year prohibition and the super-majority vote requirements will not apply to business combinations between us and our Advisor or any affiliate of our Advisor.

In addition, the Company's bylaws contain a provision exempting from the control share provisions any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

In addition, the "unsolicited takeover" provisions of Title 3, Subtitle 8 of the MGCL permit the Board, without shareholder approval and regardless of what is currently provided in the charter or bylaws, to implement certain takeover defenses, including adopting a classified board or increasing the vote required to remove a director. Such takeover defenses may have the effect of inhibiting a third-party from making an acquisition proposal for us or of delaying, deferring or preventing a change in control of us under the circumstances that otherwise could provide our common stockholders with the opportunity to realize a premium over the then-current market price.

The value of our common stock may be reduced if we are required to register as an investment company under the Investment Company Act.

We are not registered, and do not intend to register ourselves, our operating partnership or any of our subsidiaries, as an investment company under the Investment Company Act. If we become obligated to register ourselves, our operating partnership or any of our subsidiaries as an investment company, the registered entity would have to comply with a variety of substantive requirements under the Investment Company Act imposing, among other things, limitations on capital structure and restrictions on specified investments.

Although we monitor the portfolio of the Company, the operating partnership and its subsidiaries periodically and prior to each acquisition and disposition, any of these entities may not be able to maintain an exclusion from the definition of investment company. If the Company, the operating partnership or any subsidiary is required to register as an investment company but fails to do so, the unregistered entity would be prohibited from engaging in our business, and criminal and civil actions could be brought against such entity. In addition, the contracts of such entity would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of the entity and liquidate its business.

Although our Advisor is responsible for calculating our estimated per share NAV, our Advisor will consider independent valuations of our investments, the accuracy of which our Advisor will not independently verify.

In calculating our estimated per share NAV, our Advisor will include the net value of our commercial real estate debt and other commercial real estate-related investments, taking into consideration valuations of investments obtained from our independent valuer. Although our Advisor is responsible for the accuracy of the NAV calculation and will provide our independent valuer with our valuation guidelines, which have been approved by our board of directors, our Advisor will not independently verify the appraised value of our investments. As a result, the appraised value of a particular investment may be greater or less than its potential realizable value, which would cause our estimated NAV to be greater or less than the potential realizable NAV.

The estimated per share NAV that we published does not reflect changes in our NAV since such date and does not represent the actual value of your shares on any given day.

The Company expects that our investments will only be valued annually for purposes of establishing our estimated per share NAV. The Company may experience events affecting our investments that may have a material impact on our NAV. For example, if a material borrower becomes insolvent or if investment conditions deteriorate generally, the value of an investment may materially change. Our NAV per share as published will not reflect such subsequent events. As a result, the NAV per share published after the announcement of a material event may differ significantly from our actual NAV per share. The resulting potential disparity may benefit repurchasing or non-repurchasing stockholders, depending on whether NAV is overstated or understated.

Risks Related to Our Financing Strategy

The Company uses leverage in connection with our investments, which increases the risk of loss associated with our investments.

We finance the origination and acquisition of a portion of our investments with repurchase agreements, collateralized loan obligations ("CLO") and other borrowings. Although the use of leverage may enhance returns and increase the number of investments that we can make, it may also substantially increase the risk of loss. Our ability to execute this strategy depends on various conditions in the financing markets that are beyond our control, including liquidity and credit spreads. We may be unable to obtain additional financing on favorable terms or, with respect to our debt and other investments, on terms that parallel the maturities of the debt originated or other investments acquired, if we are able to obtain additional financing at all. If our strategy is not viable, we will have to find alternative forms of long-term financing for our assets, as secured revolving credit facilities and repurchase facilities may not accommodate long-term financing. This could subject us to more restrictive recourse borrowings and the risk that debt service on less efficient forms of financing would require a larger portion of our cash flows, thereby reducing cash available for distribution, for our operations and for future business opportunities. If alternative financing is not available, we may have to liquidate assets at unfavorable prices to pay off such financing or pay significant fees to extend our financing arrangements. The return on our investments and cash available for distribution may be reduced to the extent that changes in market conditions cause the cost of our financing to increase relative to the income that we can derive from the assets we originate or acquire.

Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make distributions.

When providing financing, a lender may impose restrictions on us that affect our distribution and operating policies, and our ability to incur additional borrowings. Financing agreements that we may enter into may contain covenants that limit our ability to further incur borrowings, restrict distributions or that prohibit us from discontinuing insurance coverage or replacing our Advisor. Certain limitations would decrease our operating flexibility and our ability to achieve our operating objectives, including making distributions.

In a period of rising interest rates, our interest expense could increase while the interest we earn on our fixed-rate assets would not change, which would adversely affect our profitability.

Our operating results depend in large part on differences between the income from our assets, reduced by any credit losses and financing costs. Income from our assets may respond more slowly to interest rate fluctuations than the cost of our borrowings. Consequently, changes in interest rates, particularly short-term interest rates, may significantly influence our net income. Increases in these rates will tend to decrease our net income and the market value of our assets. Interest rate fluctuations resulting in our interest expense exceeding the income from our assets would result in operating losses for us and may limit our ability to make distributions to our stockholders. In addition, if we need to repay existing borrowings during periods of rising interest rates, we could be required to liquidate one or more of our investments at times that may not permit realization of the maximum return on those investments, which would adversely affect our profitability.

We may not be able to access financing sources on attractive terms, if at all, which could dilute our existing stockholders and adversely affect our ability to grow our business.

We will require outside capital to significantly grow our business. We have and may continue to raise equity capital through private placements to institutions and other investors. Because our common stock is not traded on a securities exchange, in order to consummate these private placements, we have and may continue to have to sell our common stock and Preferred Stock, on an as-converted basis, at prices that reflect a significant discount to our book value per share. Sales of common stock at less than our book value per share and sales of Preferred Stock that is convertible at less than our book value per share will dilute the value of common stock held by our existing shareholders. In addition, our business may be adversely affected by disruptions in the debt and equity capital markets and institutional lending market, including the lack of access to capital or prohibitively high costs of obtaining or replacing capital. If we cannot obtain sufficient debt and equity capital on acceptable terms, our business and our ability to operate could be severely impacted.

We use short-term borrowings, such as credit facilities and repurchase agreements to finance our investments, which require us to provide additional collateral in the event the lender determines there is a decrease in the fair value of our collateral, and these calls for collateral could significantly impact our liquidity position.

We use short-term borrowing through repurchase agreements, credit facilities and other arrangements that put our assets and financial condition at risk. We may need to use such short-term borrowings for extended periods of time to the extent we are unable to access long-term financing. Repurchase agreements economically resemble short-term, variable-rate financing and usually require the maintenance of specific loan-to-collateral value ratios. If the market value of the assets subject to a repurchase agreement decline, we may be required to provide additional collateral or make cash payments to maintain the loan-to-collateral value ratio. If we are unable to provide such collateral or cash repayments, the lender may accelerate the loan or we would be required to liquidate the collateral. In a weakening economic environment, or in an environment of widening credit spreads, we would generally expect the value of the commercial real estate debt or securities that serve as collateral for our short-term borrowings to decline, and in such a scenario, it is likely that the terms of our short-term borrowings would require us to provide additional collateral or to make partial repayment, which amounts could be substantial.

Further, such borrowings may require us to maintain a certain amount of cash reserves or to set aside unleveraged assets sufficient to maintain a specified liquidity position that would allow us to satisfy our collateral obligations. In addition, such short-term borrowing facilities may limit the length of time that any given asset may be used as eligible collateral, and these short-term borrowing arrangements may also be restricted to financing certain types of assets, such as first mortgage loans, which could impact our asset allocation. As a result, we may not be able to leverage our assets as fully as we would like, which could reduce our return on assets. In the event that we are unable to meet these collateral obligations, our financial condition could deteriorate rapidly.

Risks Related to Our Investments

Our commercial real estate debt investments are subject to the risks typically associated with commercial real estate.

Our commercial real estate debt and commercial real estate securities generally are directly or indirectly secured by a lien on real property. The occurrence of a default on a commercial real estate debt investment could result in our acquiring ownership of the property. We do not know whether the values of the properties ultimately securing our commercial real estate debt and loans underlying our securities will remain at the levels existing on the dates of origination of these loans and the dates of origination of the loans ultimately securing our securities, as applicable. If the values of the properties drop, our risk will increase because of the lower value of the security and reduction in borrower equity associated with such loans. In this manner, real estate values could impact the values of our debt and security investments. Therefore, our commercial real estate debt and securities investments are subject to the risks typically associated with real estate.

Our operating results may be adversely affected by a number of risks generally incident to holding real estate debt, including, without limitation:

- natural disasters, such as hurricanes, earthquakes and floods;
- acts of war or terrorism, including the consequences of terrorist attacks;
- adverse changes in national and local economic and real estate conditions;
- adverse changes in economic and market conditions related to pandemics and health crises, such as COVID-19;
- an oversupply of (or a reduction in demand for) space in the areas where particular properties securing our loans are located and the attractiveness of particular properties to prospective tenants;
- changes in interest rates and availability of permanent mortgage funds that my render the sale of property difficult or unattractive;

- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance therewith and the potential for liability under applicable laws;
- costs of remediation and liabilities associated with environmental conditions affecting properties;
- the potential for uninsured or underinsured property losses; and
- periods of high interest rates and tight money supply.

The value of each property securing our loans is affected significantly by its ability to generate cash flow and net income, which in turn depends on the amount of rental or other income that can be generated net of expenses required to be incurred with respect to the property. Many expenses associated with properties (such as operating expenses and capital expenses) cannot be reduced when there is a reduction in income from the properties.

These factors may have a material adverse effect on the ability of our borrowers to pay their loans and the ability of the borrowers on the underlying loans securing our securities to pay their loans, as well as on the value and the return that we can realize from assets we acquire and originate.

Delays in liquidating defaulted commercial real estate debt investments could reduce our investment returns.

If we originate or acquire commercial real estate debt investments and there are defaults under those debt investments, we may not be able to repossess and sell the properties securing the commercial real estate debt investment quickly. Foreclosure of a loan can be an expensive and lengthy process that could have a negative effect on our return on the foreclosed loan. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses, including but not limited to, lender liability claims, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take several years or more to resolve. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. The resulting time delay could reduce the value of our assets in the defaulted loans. Furthermore, an action to foreclose on a property securing a loan is regulated by state statutes and regulations and is subject to the delays and expenses associated with lawsuits if the borrower raises defenses or counterclaims. In the event of default by a borrower, these restrictions, among other things, may impede our ability to foreclose on or sell the property securing the loan or to obtain proceeds sufficient to repay all amounts due to us on the loan. In addition, we may be forced to operate any foreclosed properties for a substantial period of time, which could be a distraction for our management team and may require us to pay significant costs associated with such property.

Subordinate commercial real estate debt that we originate or acquire could constitute a significant portion of our portfolio and may expose us to greater losses.

We acquire and originate subordinate commercial real estate debt, including subordinate mortgage and mezzanine loans and participations in such loans. These types of investments could constitute a significant portion of our portfolio and may involve a higher degree of risk than the type of assets that will constitute the majority of our commercial real estate debt investments, namely first mortgage loans secured by real property. In the event a borrower declares bankruptcy, we may not have full recourse to the assets of the borrower or the assets of the borrower may not be sufficient to satisfy the first mortgage loan and our subordinate debt investment. If a borrower defaults on our subordinate debt or on debt senior to ours, or in the event of a borrower bankruptcy, our subordinate debt will be satisfied only after the senior debt is paid in full. Where debt senior to our debt investment exists, the presence of intercreditor arrangements may limit our ability to amend our debt agreements, assign our debt, accept prepayments, exercise our remedies (through “standstill periods”) and control decisions made in bankruptcy proceedings relating to our borrowers. As a result, we may not recover some or all of our investment. In addition, real properties with subordinate debt may have higher loan-to-value ratios than conventional debt, resulting in less equity in the real property and increasing the risk of loss of principal and interest.

We may be subject to risks associated with construction lending, such as declining real estate values, cost overruns and delays in completion.

Our commercial real estate debt portfolio may include loans made to developers to construct prospective projects. The primary risks to us of construction loans are the potential for cost overruns, the developer’s failing to meet a project delivery schedule and the inability of a developer to sell or refinance the project at completion in accordance with its business plan and repay our commercial real estate loan due to declining real estate values. These risks could cause us to have to fund more money than we originally anticipated in order to complete the project. We may also suffer losses on our commercial real estate debt if the developer is unable to sell the project or refinance our commercial real estate debt investment.

Jurisdictions with one action or security first rules or anti-deficiency legislation may limit the ability to foreclose on the property or to realize the obligation secured by the property by obtaining a deficiency judgment.

In the event of any default under our commercial real estate debt investments and in the loans underlying our commercial real estate securities, we bear the risk of loss of principal and nonpayment of interest and fees to the extent of any deficiency between the value of the collateral and the principal amount of the loan. Certain states in which the collateral securing our commercial real estate debt and securities is located may have laws that prohibit more than one judicial action to enforce a mortgage obligation, requiring the lender to exhaust the real property security for such obligation first or limiting the ability of the lender to recover a deficiency judgment from the obligor following the lender's realization upon the collateral, in particular if a non-judicial foreclosure is pursued. These statutes may limit the right to foreclose on the property or to realize the obligation secured by the property.

Investments in non-conforming or non-investment grade rated loans or securities involve greater risk of loss.

Some of our investments may not conform to conventional loan standards applied by traditional lenders and either will not be rated or will be rated as non-investment grade by the rating agencies. The non-investment grade ratings for these assets typically result from the overall leverage of the loans, the lack of a strong operating history for the properties underlying the loans, the borrowers' credit history, the properties' underlying cash flow or other factors. As a result, these investments may have a higher risk of default and loss than investment grade rated assets. Any loss we incur may be significant and may reduce distributions and adversely affect the value of our common stock.

Insurance may not cover all potential losses on the properties underlying our investments which may harm the value of our assets.

We generally require that each of the borrowers under our commercial real estate debt investments obtain comprehensive insurance covering the mortgaged property, including liability, fire and extended coverage. However, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods and hurricanes that may be uninsurable or not economically insurable. We may not require borrowers to obtain certain types of insurance if it is deemed commercially unreasonable. Inflation, changes in building codes and ordinances, environmental considerations and other factors also might make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds, if any, might not be adequate to restore the economic value of the property, which might impair our security and decrease the value of the property.

We invest in CMBS, which may include subordinate securities, which entails certain risks.

We invest in a variety of CMBS, which may include subordinate securities that are subject to the first risk of loss if any losses are realized on the underlying mortgage loans. CMBS entitle the holders thereof to receive payments that depend primarily on the cash flow from a specified pool of commercial or multifamily mortgage loans. Consequently, CMBS will be adversely affected by payment defaults, delinquencies and losses on the underlying commercial real estate loans. Furthermore, if the rental and leasing markets deteriorate, it could reduce cash flow from the loan pools underlying our CMBS investments. The CMBS market is dependent upon liquidity for refinancing and will be negatively impacted by a slowdown in the new issue CMBS market.

Additionally, CMBS is subject to particular risks, including lack of standardized terms and payment of all or substantially all of the principal only at maturity rather than regular amortization of principal. Additional risks may be presented by the type and use of a particular commercial property. For example, special risks are presented by hospitals, nursing homes, hospitality properties and certain other property types. Commercial property values and net operating income are subject to volatility, which may result in net operating income becoming insufficient to cover debt service on the related commercial real estate loan, particularly if the current economic environment deteriorates. The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project rather than upon the liquidation value of the underlying real estate. Furthermore, the net operating income from and value of any commercial property are subject to various risks. The exercise of remedies and successful realization of liquidation proceeds relating to CMBS may be highly dependent upon the performance of the servicer or special servicer. Expenses of enforcing the underlying commercial real estate loans (including litigation expenses) and expenses of protecting the properties securing the commercial real estate loans may be substantial. Consequently, in the event of a default or loss on one or more commercial real estate loans contained in a securitization, we may not recover a portion or all of our investment.

The CMBS in which we may invest are subject to the risks of the mortgage securities market as a whole and risks of the securitization process.

The value of CMBS may change due to shifts in the market's perception of issuers and regulatory or tax changes adversely affecting the mortgage securities market as a whole. Due to our investment in subordinate CMBS, we are also subject to several risks created through the securitization process. Our subordinate CMBS are paid interest only to the extent that there are funds available to make payments. To the extent the collateral pool includes delinquent loans, there is a risk that the interest payment on subordinate CMBS will not be fully paid. Subordinate CMBS are also subject to greater credit risk than those CMBS that are senior and generally more highly rated.

We may not control the special servicing of the mortgage loans underlying the CMBS in which we invest and, in such cases, the special servicer may take actions that could adversely affect our interests.

Overall control over the special servicing of the underlying mortgage loans of the CMBS may be held by a directing certificate holder, which is appointed by the holders of the most subordinate class of such CMBS. We ordinarily do not have the right to appoint the directing certificate holder. In connection with the servicing of the specially serviced mortgage loans, the related special servicer may, at the direction of the directing certificate holder, take actions that could adversely affect our interests.

We may invest in collateralized debt obligations ("CDOs") and such investments involve significant risks.

We may invest in CDOs, which are multiple class securities secured by pools of assets, such as CMBS, subordinate mortgage and mezzanine loans and REIT debt. Like typical securities structures, in a CDO, the assets are pledged to a trustee for the benefit of the holders of the bonds. Like CMBS, CDO notes are affected by payments, defaults, delinquencies and losses on the underlying commercial real estate loans. CDOs often have reinvestment periods that typically last for five years during which proceeds from the sale of a collateral asset may be invested in substitute collateral. Upon termination of the reinvestment period, the static pool functions very similarly to a CMBS where repayment of principal allows for redemption of bonds sequentially. To the extent we invest in the equity securities of a CDO, we will be entitled to all of the income generated by the CDO after the CDO pays all of the interest due on the senior securities and its expenses. However, there will be little or no income or principal available to the holders of CDO equity securities if defaults or losses on the underlying collateral exceed a certain amount. In that event, the value of our investment in any equity class of a CDO could decrease substantially. In addition, the equity securities of CDOs are generally illiquid and often must be held by a REIT and because they represent a leveraged investment in the CDO's assets, the value of the equity securities will generally have greater fluctuations than the values of the underlying collateral.

Adjustable-rate commercial real estate loans may entail greater risks of default to us than fixed-rate commercial real estate loans.

Adjustable-rate commercial real estate loans we originate or acquire or that collateralize our commercial real estate securities may have higher delinquency rates than fixed-rate loans. Borrowers with adjustable-rate mortgage loans may be exposed to increased monthly payments if the related interest rate adjusts upward from the initial fixed-rate or a low introductory rate, as applicable, in effect during the initial period of the loan to the rate computed in accordance with the applicable index and margin. This increase in borrowers' monthly payments, together with any increase in prevailing market interest rates, after the initial fixed-rate period, may result in significantly increased monthly payments for borrowers with adjustable-rate loans, which may make it more difficult for the borrowers to repay the loan or could increase the risk of default of their obligations under the loan.

Changes in interest rates could negatively affect the value of our investments, which could result in reduced income or losses and negatively affect the cash available for distribution.

We may invest in fixed-rate CMBS and other fixed-rate investments. Under a normal yield curve, an investment in these instruments will decline in value if long-term interest rates increase. We will also invest in floating-rate investments, for which decreases in interest rates will have a negative effect on interest income. Declines in fair value may ultimately reduce income or result in losses to us, which may negatively affect cash available for distribution.

Hedging against interest rate exposure may adversely affect our income, limit our gains or result in losses, which could adversely affect cash available for distribution to our stockholders.

We may enter into interest rate swap agreements or pursue other interest rate hedging strategies. Our hedging activity will vary in scope based on interest rate levels, the type of investments held, and other changing market conditions. Interest rate hedging may fail to protect or could adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability or asset;

- our hedging opportunities may be limited by the treatment of income from hedging transactions under the rules determining REIT qualification;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- the party owing money in the hedging transaction may default on its obligation to pay; and
- we may purchase a hedge that turns out not to be necessary.

Any hedging activity we engage in may adversely affect our income, which could adversely affect cash available for distribution. Therefore, while we may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged or liabilities being hedged may vary materially. Moreover, for a variety of reasons, we may not be able to establish a perfect correlation between hedging instruments and the investment being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss.

Many of our investments are illiquid and we may not be able to vary our portfolio in response to changes in economic and other conditions, which may result in losses to us.

Many of our investments are illiquid. As a result, our ability to sell commercial real estate debt, securities or properties in response to changes in economic and other conditions, could be limited, even at distressed prices. The Internal Revenue Code also places limits on our ability to sell properties held for fewer than four years. These considerations could make it difficult for us to dispose of any of our assets even if a disposition were in the best interests of our stockholders. As a result, our ability to vary our portfolio in response to further changes in economic and other conditions may be relatively limited, which may result in losses to us.

Some of our investments will be carried at estimated fair value as determined by us and, as a result, there may be uncertainty as to the value of these investments.

Some of our investments will be in the form of securities that are recorded at fair value but have limited liquidity or are not publicly-traded. The fair value of these securities and potentially other investments that have limited liquidity or are not publicly-traded may not be readily determinable. We estimate the fair value of these investments on a quarterly basis. Because such valuations are inherently uncertain, may fluctuate over short periods of time and may be based on numerous estimates and assumptions, our determinations of fair value may differ materially from the values that would have been used if a readily available market for these securities existed. The value of our common stock could be adversely affected if our determinations regarding the fair value of these investments are materially higher than the values that we ultimately realize upon their disposal.

Competition with third parties for originating and acquiring investments may reduce our profitability.

We have significant competition with respect to our origination and acquisition of assets with many other companies, including other REITs, insurance companies, commercial banks, private investment funds, hedge funds, specialty finance companies and other investors, many of which have greater resources than us. We may not be able to compete successfully for investments. In addition, the number of entities and the amount of funds competing for suitable investments may increase. If we pay higher prices for investments or originate loans on more generous terms than our competitors, our returns will be lower and the value of our assets may not increase or may decrease significantly below the amount we paid for such assets. If such events occur, our investors may experience a lower return on their investment.

Our due diligence may not reveal all material issues relating to our origination or acquisition of a particular investment.

Before making an investment, we assess the strength and skills of the management of the borrower or the operator of the property and other factors that we believe are material to the performance of the investment. In making the assessment and otherwise conducting customary due diligence, we rely on the resources available to us and, in some cases, an investigation by third parties. This process is particularly important and subjective with respect to newly organized or private entities because there may be little or no information publicly available about the entity. Even if we conduct extensive due diligence on a particular investment, there can be no assurance that this diligence will uncover all material issues relating to such investment, or that factors outside of our control will not later arise. If our due diligence fails to identify issues specific to investment, we may be forced to write-down or write-off assets, restructure our operations or incur impairment or other charges that could result in our reporting losses. Charges of this nature could contribute to negative market perceptions about us or our shares of common stock.

We may be unable to restructure loans in a manner that we believe maximizes value, particularly if we are one of multiple creditors in large capital structures.

In the current environment, in order to maximize value we may be more likely to extend and work out a loan, rather than pursue foreclosure. However, in situations where there are multiple creditors in large capital structures, it can be particularly difficult to assess the most likely course of action that a lender group or the borrower may take and it may also be difficult to achieve consensus among the lender group as to major decisions. Consequently, there could be a wide range of potential principal recovery outcomes, the timing of which can be unpredictable, based on the strategy pursued by a lender group and/or by a borrower. These multiple creditor situations tend to be associated with larger loans. If we are one of a group of lenders, we may be a lender on a subordinated basis, and may not independently control the decision making. Consequently, we may be unable to restructure a loan in a manner that we believe would maximize value.

We may be subject to risks associated with future advance obligations, such as declining real estate values and operating performance.

Our commercial real estate debt portfolio may include loans that require us to advance future funds. Future funding obligations subject us to significant risks that the property may have declined in value, projects to be completed with the additional funds may have cost overruns and the borrower may be unable to generate enough cash flow, or sell or refinance the property, in order to repay our commercial real estate loan due. We could determine that we need to fund more money than we originally anticipated in order to maximize the value of our investment even though there is no assurance additional funding would be the best course of action.

While we attempt to align the maturities of our liabilities with the maturities on our assets, we may not be successful in that regard which could harm our operating results and financial condition.

Our general financing strategy will include the use of "match-funded" structures. This means that we will seek to align the maturities of our liabilities with the maturities on our assets in order to manage the risks of being forced to refinance our liabilities prior to the maturities of our assets. We may fail to appropriately employ match-funded structures on favorable terms, or at all. We may also determine not to pursue a match-funded structure with respect to a portion of our financings for a variety of reasons. If we fail to appropriately employ match-funded structures, our exposure to interest rate volatility and exposure to matching liabilities prior to the maturity of the corresponding asset may increase substantially which could harm our operating results, liquidity and financial condition.

Provision for credit losses is difficult to estimate.

Our provision for credit losses is evaluated on a quarterly basis. Our determination of provision for credit losses requires us to make certain estimates and judgments. Our estimates and judgments are based on a number of factors, including projected cash flows from the collateral securing our commercial real estate debt, debt structure, including the availability of reserves and recourse guarantees, likelihood of repayment in full at the maturity of a loan, loan-to-value ("LTV"), potential for refinancing and expected market discount rates for varying property types. Our estimates and judgments may not be correct and, therefore, our results of operations and financial condition could be severely impacted.

Since the start of 2020 we have been subject to the FASB's Accounting Standards Update ("ASU") 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The new standard, known as the Current Expected Credit Loss ("CECL") model, significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. CECL amended the existing credit loss model to reflect a reporting entity's current estimate of all expected credit losses, not only based on historical experience and current conditions, but also by including reasonable and supportable forecasts incorporating forward-looking information. This measurement takes place at the time the financial asset is first added to the balance sheet and updated quarterly thereafter. This differs significantly from the prior "incurred loss" model.

Risks Related to the Conduit Segment of the Business

We use warehouse facilities that may limit our ability to acquire assets, and we may incur losses if the collateral is liquidated.

We utilize warehouse facilities pursuant to which we accumulate mortgage loans in anticipation of a securitization financing, which assets are pledged as collateral for such facilities until the securitization transaction is consummated. In order to borrow funds to acquire assets under any additional warehouse facilities, we expect that our lenders thereunder would have the right to review the potential assets for which we are seeking financing. We may be unable to obtain the consent of a lender to acquire assets that we believe would be beneficial to us and we may be unable to obtain alternate financing for such assets. In addition, no assurance can be given that a securitization transaction would be consummated with respect to the assets being warehoused. If the securitization is not consummated, the lender could liquidate the warehoused collateral and we would then have to pay any amount by which the original purchase price of the collateral assets exceeds its sale price, subject to negotiated caps, if any, on our exposure. In addition, regardless of whether the securitization is consummated, if any of the warehoused collateral is sold before the consummation, we would have to bear any resulting loss on the sale. No assurance can be given that we will be able to obtain additional warehouse facilities on favorable terms, or at all.

We directly or indirectly utilize non-recourse securitizations, and such structures expose us to risks that could result in losses to us.

We utilize non-recourse securitizations of our investments in mortgage loans to the extent consistent with the maintenance of our REIT qualification and exemption from the Investment Company Act in order to generate cash for funding new investments and/or to leverage existing assets. In most instances, this involves us transferring our loans to a special purpose securitization entity in exchange for cash. In some sale transactions, we also retain a subordinated interest in the loans sold. The securitization of our portfolio investments might magnify our exposure to losses on those portfolio investments because the subordinated interest we retain in the loans sold would be subordinate to the senior interest in the loans sold, and we would, therefore, absorb all of the losses sustained with respect to a loan sold before the owners of the senior interest experience any losses. Moreover, we cannot be assured that we will be able to access the securitization market in the future, or be able to do so at favorable rates. The inability to consummate securitizations of our portfolio investments to finance our investments on a long-term basis could require us to seek other forms of potentially less attractive financing or to liquidate assets at an inopportune time or price, which could adversely affect our performance and our ability to continue to grow our business.

The securitization market is subject to a regulatory environment that may affect certain aspects of these activities.

As a result of the dislocation of the credit markets, the securitization industry has become subject to additional regulation. In particular, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, various federal agencies have promulgated a rule that generally requires issuers in securitizations to retain 5% of the risk associated with the securities. While the rule as adopted generally allows the purchase of the CMBS B-Piece by a party not affiliated with the issuer to satisfy the risk retention requirement, current CMBS B-Pieces are generally not large enough to fully satisfy the 5% requirement. Accordingly, buyers of B-Pieces such as us may be required to purchase larger B-Pieces, potentially reducing returns on such investments. Furthermore, any such B-Pieces purchased by a party (such as us) unaffiliated with the issuer generally cannot be transferred for a period of five years following the closing date of the securitization or hedged against credit risk. These restrictions would reduce our liquidity and could potentially reduce our returns on such investments.

We enter into hedging transactions that could expose us to contingent liabilities in the future.

Subject to maintaining our qualification as a REIT, part of our investment strategy involves entering into hedging transactions that require us to fund cash payments in certain circumstances (such as the early termination of the hedging instrument caused by an event of default or other early termination event, or the decision by a counterparty to request margin securities it is contractually owed under the terms of the hedging instrument). The amount due would be equal to the unrealized loss of the open swap positions with the respective counterparty and could also include other fees and charges. These economic losses will be reflected in our results of operations, and our ability to fund these obligations will depend on the liquidity of our assets and access to capital at the time, and the need to fund these obligations could adversely impact our financial condition.

Risks Related to Taxation

Our failure to qualify as a REIT could have significant adverse consequences to us and the value of our common stock.

We believe that we have qualified as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2013. We intend to continue to meet the requirements for qualification and taxation as a REIT, but we cannot assure stockholders that we qualify as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial and administrative interpretations exist. Moreover, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to qualify as a REIT. Even an inadvertent or technical mistake could jeopardize our REIT status. Our qualification as a REIT depends on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis.

If we were to fail to qualify as a REIT in any taxable year and are unable to avail ourselves of certain savings provisions set forth in the Code, we would be subject to U.S federal and applicable state and local income tax on our taxable income at regular corporate rates (including any applicable alternative minimum tax (which alternative minimum tax has been repealed for tax years after 2017)). Losing our REIT status would reduce our net income available for investment or distribution to stockholders because of the additional tax liability. In addition, distributions to stockholders would no longer qualify for the dividends-paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow or liquidate some investments in order to pay the applicable tax. We would not be able to elect to be taxed as a REIT for four years following the year we first failed to qualify unless the IRS were to grant us relief under certain statutory provisions.

The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to qualify as a REIT.

The Internal Revenue Service ("IRS") has issued Revenue Procedure 2003-65, which provides a safe harbor pursuant to which a mezzanine loan, if it meets certain requirements, will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from such loan will be treated as qualifying mortgage interest for purposes of the REIT 75% gross income test. Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. We may originate or acquire mezzanine loans that do not satisfy all of the requirements for reliance on the safe harbor set forth in the Revenue Procedure, in which case, there can be no assurance that the IRS will not challenge the tax treatment of such loans. If such a challenge were sustained, we could fail to qualify as a REIT.

Even if we qualify as a REIT, we may be subject to tax liabilities that reduce our cash flow for distribution to our stockholders.

Even if we qualify as a REIT, we may be subject to some U.S. federal, state and local taxes on our income or property. For example:

- In order to qualify as a REIT, we must distribute annually at least 90% of our "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to our stockholders. To the extent that we satisfy the distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed income.
- We will be subject to a 4% nondeductible excise tax on the amount, if any, by which distributions we pay in any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years.
- If we have net income from the sale of foreclosure property that we hold primarily for sale to customers in the ordinary course of business or other non-qualifying income from foreclosure property, we must pay a tax on that income at the highest corporate income tax rate.
- If we sell an asset, other than a foreclosure property, that we hold primarily for sale to customers in the ordinary course of business, our gain would be subject to the 100% “prohibited transaction” tax. We might be subject to this tax if we were to dispose of or securitize loans in a manner that is treated as a sale of loans for U.S. federal income tax purposes that is subject to the prohibited transaction tax.
- Any TRS of ours will be subject to U.S. federal corporate income tax on its taxable income, and non-arm’s length transactions between us and any TRS, could be subject to a 100% tax.
- We could, in certain circumstances, be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more relief provisions under the Code to maintain our qualification as a REIT.

Any of these taxes would decrease cash available for distribution to our stockholders.

The failure of assets subject to repurchase agreements to qualify as real estate assets could adversely affect our ability to qualify as a REIT.

We are party to certain financing arrangements, and may in the future enter into additional financing arrangements, that are structured as sale and repurchase agreements pursuant to which we would nominally sell certain of our assets to a counterparty and simultaneously enter into an agreement to repurchase these assets at a later date in exchange for a purchase price. Economically, these agreements are financings which are secured by the assets sold pursuant thereto. We believe that we would be treated for REIT asset and income test purposes as the owner of the assets that are the subject of any such sale and repurchase agreement notwithstanding that such agreement may transfer record ownership of the assets to the counterparty during the term of the agreement. It is possible, however, that the IRS could assert that we did not own the assets during the term of the sale and repurchase agreement, in which case we could fail to qualify as a REIT.

The "taxable mortgage pool" rules may increase the taxes that we or our stockholders incur, and may limit the manner in which we effect future securitizations.

Certain of our securitizations have resulted in the creation of "taxable mortgage pools" for U.S. federal income tax purposes. As a REIT, so long as we own 100% of the equity interest in a taxable mortgage pool, we generally would not be adversely affected by the characterization as a taxable mortgage pool. Certain categories of stockholders, however, such as non-U.S. 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, will be subject to increased taxes on the portion of their dividend income from us that is attributable to any "excess inclusion income" that we have generated as a result of our securitization transactions, and may generate as a result of future securitization transactions. In addition, to the extent that our common stock is owned by tax-exempt "disqualified organizations," such as certain government-related entities and charitable remainder trusts that are not subject to tax on unrelated business income, we will incur a corporate-level tax on a portion of any excess inclusion income. In that case, we may reduce the amount of our distributions to any disqualified organization whose stock ownership gave rise to the tax. Moreover, we could face limitations in selling equity interests in these securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for tax purposes. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

The prohibited transactions tax may limit our ability to engage in transactions, including certain methods of securitizing mortgage loans that would be treated as sales for U.S. federal income tax purposes.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of assets, other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We might be subject to the prohibited transaction tax if we were to dispose of, modify or securitize loans in a manner that is treated as a sale of the loans for U.S. federal income tax purposes. Therefore, in order to avoid the prohibited transactions tax, we may choose not to engage in certain sales or modifications of loans at the REIT level and may limit the structures we utilize for our securitization transactions, even though the sales, modifications or structures might otherwise be beneficial to us. Additionally, we may be subject to the prohibited transaction tax upon a disposition of real property. Although a safe-harbor exception to prohibited transaction treatment is available, there can be no assurance that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business.

It may be possible to reduce the impact of the prohibited transaction tax by conducting certain activities through a TRS. However, to the extent that we engage in such activities through a TRS, the income associated with such activities may be subject to U.S. federal corporate income tax.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from hedging transactions will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if the instrument hedges: (i) interest rate risk on liabilities incurred to carry or acquire real estate assets; or (ii) risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the REIT 75% or 95% gross income tests, and such instrument is properly identified under applicable U.S. Department of Treasury regulations ("Treasury Regulations"). Income from hedging transactions that do not meet these requirements will generally constitute non-qualifying income for purposes of both the REIT 75% and 95% gross income tests. As a result, we may have to limit our use of hedging techniques that might otherwise be advantageous, which could result in greater risks associated with interest rate or other changes than we would otherwise incur.

Liquidation of assets may jeopardize our REIT qualification.

To qualify as a REIT, we must comply with requirements regarding our assets and our sources of income. If we are compelled to liquidate our investments to repay obligations to our lenders, we may be unable to comply with these requirements, ultimately jeopardizing our qualification as a REIT, or we may be subject to a 100% prohibited transaction tax on any resultant gain if we sell assets that are treated as dealer property or inventory.

Modification of the terms of our debt investments and mortgage loans underlying our CMBS in conjunction with reductions in the value of the real property securing such loans could cause us to fail to qualify as a REIT.

Our debt and securities investments may be materially affected by a weak real estate market and economy in general. As a result, many of the terms of our debt and the mortgage loans underlying our securities may be modified to avoid taking title to a property. Under the Code, if the terms of a loan are modified in a manner constituting a "significant modification," such modification triggers a deemed exchange of the original loan for the modified loan. In general, under applicable Treasury Regulations if a loan is secured by real property and other property and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan determined as of the date we agreed to acquire the loan or the date we significantly modified the loan, a portion of the interest income from such loan will not be qualifying income for purposes of the REIT 75% gross income test, but will be qualifying income for purposes of the REIT 95% gross income test. Although the law is not entirely clear, a portion of the loan will likely be a non-qualifying asset for purposes of the REIT 75% asset test. The non-qualifying portion of such a loan would be subject to, among other requirements, the requirement that a REIT not hold securities possessing more than 10% of the total value of the outstanding securities of any one issuer ("10% Value Test").

IRS Revenue Procedure 2014-51 provides a safe harbor pursuant to which we will not be required to redetermine the fair market value of real property securing a loan for purposes of the gross income and asset tests discussed above in connection with a loan modification that is: (i) occasioned by a borrower default; or (ii) made at a time when we reasonably believe that the modification to the loan will substantially reduce a significant risk of default on the original loan. No assurance can be provided that all of our loan modifications have or will qualify for the safe harbor in Revenue Procedure 2014-51. To the extent we significantly modify loans in a manner that does not qualify for that safe harbor, we will be required to redetermine the value of the real property securing the loan at the time it was significantly modified. In determining the value of the real property securing such a loan, we generally will not obtain third-party appraisals, but rather will rely on internal valuations. No assurance can be provided that the IRS will not successfully challenge our internal valuations. If the terms of our debt investments and the mortgage loans underlying our CMBS are "significantly modified" in a manner that does not qualify for the safe harbor in Revenue Procedure 2014-51 and the fair market value of the real property securing such loans has decreased significantly, we could fail the REIT 75% gross income test, the 75% asset test and/or the 10% Value Test. Unless we qualified for relief under certain Code cure provisions, such failures could cause us to fail to continue to qualify as a REIT.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our headquarters are located in a leased space at 9 West 57th Street, Suite 4920, New York, New York 10019.

Item 3. Legal Proceedings.

For a description of the Company’s legal proceedings, see “Note 10. Commitments and Contingencies” to our consolidated financial statements included in this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

No public trading market currently exists for the Company's shares of common stock and the Company currently has no immediate plans to list our shares of common stock on a national securities exchange. Until our shares are listed on a national securities exchange, if ever, the Company's stockholders may not sell their shares unless the buyer meets the applicable suitability and minimum purchase requirements. On November 2, 2020, the board of directors, upon the recommendation of the Audit Committee of the board, unanimously approved and established the estimated NAV per share of the Company's common stock proposed by the Advisor of $17.88. The estimated per share NAV is based upon the estimated value of the Company's assets less the Company's liabilities as of September 30, 2020. This valuation was performed in a manner consistent with the provisions of Practice Guideline 2013-01, Valuations of Publicly Registered Non-Listed REITs, issued by the Investment Program Association in April 2013, including the use of independent third-party valuation firms to estimate the fair value of our loan portfolio, securities portfolio and real estate owned portfolio. See our Quarterly Report on Form 10-Q filed with the SEC on November 6, 2020 for the Company's methodology for calculating our estimated per-share NAV.

There is no public trading market for the shares at this time, and there can be no assurance that stockholders would receive $17.88 per share if such a market did exist and they sold their shares or that they will be able to receive such amount for their shares in the future. Nor does this deemed value reflect the distributions that stockholders would be entitled to receive if the Company's investments were sold and the sale proceeds were distributed upon liquidation of the Company's assets. Such a distribution upon liquidation may be less than $17.88 per share for various reasons including changes in values between the September 30, 2020 valuation date and the date of any liquidation. The Company is currently offering our shares for $17.88 pursuant to the DRIP.

Holders

As of February 28, 2021, the Company had 44,135,876 shares of common stock outstanding held by a total of 16,061 stockholders of record.

Distributions

The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code commencing with the taxable year ended December 31, 2013. As a REIT, if the Company meets certain organizational and operational requirements and distributes at least 90% of its' "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to the stockholders in a year, the Company will not be subject to U.S. federal income tax to the extent of the income that we distribute. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local taxes on its' income and property and U.S. federal income and excise taxes on any undistributed income.

In April 2020, the Company's board of directors unanimously approved a transition in the timing of the dividend payments, to holders of the Company's common stock from a monthly payment with daily accruals to a quarterly accrual and payment basis, starting with the second quarter 2020 dividend that was paid in July 2020. Similarly, the Company began paying accrued and unpaid dividends on Preferred Stock on a quarterly basis.

The monthly distributions for the first quarter of 2020 were paid at a daily rate equivalent to $1.44 per annum, per share of common stock. Starting with the second quarter 2020 distribution, the 2020 quarterly distributions were paid at a quarterly rate of $0.275 per share of common stock (equivalent to $1.10 per annum). Distribution payments are dependent on the availability of funds. The board of directors may reduce the amount of distributions paid or suspend distribution payments at any time, and therefore, distribution payments are not assured. Subject to the terms of the Preferred Stock, dividends on the Company's Preferred Stock are generally paid on an as-converted basis with the common stock.

Distributions are generally payable by the fifth day following each quarter end to stockholders of record at the close of business each day during the prior quarter.

The below table reflects the value of distributions paid in cash and through the DRIP to common stockholders during the years ended December 31, 2020 and 2019 (dollars in thousands):

	Year Ended December 31,					
	2020			2019		
Distributions:						
Cash distributions paid	$	36,798		$	45,763	
Distributions reinvested		8,883			13,901	
Total Distributions	**$**	**45,681**		**$**	**59,664**	
Source of Distribution Coverage:						
Net Income	$	36,798	80.6 %	$	45,763	76.7 %
Common stock issued under DRIP		8,883	19.4 %		13,901	23.3 %
Total Sources of Distributions	**$**	**45,681**	**100.0 %**	**$**	**59,664**	**100.0 %**
Net Income applicable to common stock (GAAP)	**$**	**39,826**		**$**	**66,914**	

Share-Based Compensation

Restricted Share Plan

The Company has an employee and director incentive restricted share plan (the "RSP"), which provides the Company with the ability to grant awards of restricted shares to our directors, officers, and employees (if the Company ever has employees), employees of the Advisor and its affiliates, employees of entities that provide services to the Company, directors of the Advisor or of entities that provide services to the Company or certain consultants to the Company and the Advisor and its affiliates. The total number of common shares granted under the RSP may not exceed 5.0% of our authorized common shares, and in any event, will not exceed 4.0 million shares (as such number may be adjusted for stock splits, stock dividends, combinations, and similar events).

Restricted share awards entitle the recipient to receive common shares from the Company under terms that provide for vesting over a specified period of time or upon attainment of pre-established performance objectives. Such awards would typically be forfeited with respect to the unvested shares upon the termination of the recipient's employment or other relationship with the Company. Restricted shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested. Holders of restricted shares may receive cash distributions prior to the time that the restrictions on the restricted shares have lapsed. Any distributions payable in common shares shall be subject to the same restrictions as the underlying restricted shares. The fair value of the restricted shares will be expensed over the vesting period of the award.

As of December 31, 2020, the Company has granted 44,876 restricted shares to our independent directors of which 27,823 shares have vested and 5,333 shares were forfeited. The compensation expense associated with the restricted share grants was $0.2 million for the year ended December 31, 2020. Additionally, the Company recorded a distribution payable of $3,248 at December 31, 2020 in connection with these shares.

The following table provides information about our common stock that may be issued under our RSP as of December 31, 2020:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise of Price of Outstanding Options, Warrants, and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	—	—	—
Equity compensation plans not approved by security holders	—	—	3,977,510
Total	—	—	**3,977,510**

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company's board of directors unanimously approved an amended and restated share repurchase program (the "SRP"), which became effective on February 28, 2016. The SRP enables stockholders to sell their shares to the Company. Subject to certain conditions, stockholders that purchased shares of the Company's common stock or received their shares from the Company (directly or indirectly) through one or more non-cash transactions and have held their shares for a period of at least one year may request that the Company repurchase their shares of common stock so long as the repurchase otherwise complies with the provisions of Maryland Law. Repurchase requests made following the death or qualifying disability of a stockholder will not be subject to any minimum holding period.

On August 10, 2017, the Company's board of directors amended the SRP to provide that the repurchase price per share for requests will be equal to the lesser of (i) the Company's most recent estimated per-share NAV, as approved by the Company's board of directors from time to time, and (ii) the Company's book value per share, computed in accordance with GAAP, multiplied by a percentage equal to (i) 92.5%, if the person seeking repurchase has held his or her shares for a period greater than one year and less than two years; (ii) 95%, if the person seeking repurchase has held his or her shares for a period greater than two years and less than three years; (iii) 97.5%, if the person seeking repurchase has held his or her shares for a period greater than three years and less than four years; or (iv) 100%, if the person seeking repurchase has held his or her shares for a period greater than four years or in the case of requests for death or qualifying disability. Investors in our private placements are not eligible to participate in the SRP for three years.

The Company's most recent estimated per-share NAV is $17.88 and the Company's GAAP book value per share as of December 31, 2020 was $17.94.

Repurchases pursuant to the SRP, when requested, generally will be made semiannually (each six-month period ending June 30 or December 31, a "fiscal semester"). Repurchases for any fiscal semester will be limited to a maximum of 2.5% of the weighted average number of shares of common stock outstanding during the previous fiscal year, with a maximum for any fiscal year of 5.0% of the weighted average number of shares of common stock outstanding during the previous fiscal year. Funding for repurchases pursuant to the SRP for any given fiscal semester will be limited to proceeds received during that same fiscal semester through the issuance of common stock pursuant to any DRIP in effect from time to time, provided that the Company's board of directors has the power, in its sole discretion, to determine the amount of shares repurchased during any fiscal semester as well as the amount of funds to be used for that purpose. In addition, the board of directors may reject a request for redemption at any time. Due to these limitations, we cannot guarantee that we will be able to accommodate all repurchase requests made during any fiscal semester or fiscal year. Pending repurchase requests will be honored on a pro rata basis. The Company will generally pay repurchase proceeds, less any applicable tax or other withholding required by law, by the 31st day following the end of the fiscal semester during which the repurchase request was made.

When a stockholder requests repurchase and the repurchase is approved, the Company will reclassify such obligation from equity to a liability based on the settlement value of the obligation. Shares repurchased under the SRP will have the status of authorized but unissued shares.

Share repurchase activity under the SRP during the year ended December 31, 2020 was as follows:

	Number of Shares Repurchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2020	373,135	$ 18.56	373,135	—
February 1 - February 28, 2020	—	N/A	—	—
March 1 - March 31, 2020	—	N/A	—	—
April 1 - April 30, 2020	—	N/A	—	—
May 1 - May 31, 2020	—	N/A	—	—
June 1 - June 30, 2020	—	N/A	—	—
July 1 - July 31, 2020	206,332	$ 16.25	206,332	—
August 1 - August 31, 2020	—	N/A	—	—
September 1 - September 30, 2020	—	N/A	—	—
October 1 - October 31, 2020	—	N/A	—	—
November 1 - November 30, 2020	—	N/A	—	—
December 1 - December 31, 2020	—	N/A	—	—
Total	**579,467**		**579,467**	

For additional details about the SRP, see "Share Repurchase Program" in "Note 9 - Stock Transactions" to our consolidated financial statements included in this Annual Report on Form 10-K.

Item 6. Selected Financial Data.

Intentionally Omitted.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying financial statements of Benefit Street Partners Realty Trust, Inc. the notes thereto and other financial information included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements reflecting the Company's current expectations, estimates and assumptions concerning events and financial trends that may affect our future operating results or financial position. Actual results and timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the sections of this Annual Report entitled "Risk Factors" and "Forward-Looking Statements."

Overview

We were incorporated in Maryland on November 15, 2012 and have conducted our operations to qualify as a REIT for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2013. The Company, through a subsidiary which is treated as a TRS, is indirectly subject to U.S. federal, state and local income taxes. We commenced business in May 2013. We primarily originate, acquire and manage a diversified portfolio of commercial real estate debt investments secured by properties located within and outside of the United States. Commercial real estate debt investments may include first mortgage loans, subordinated mortgage loans, mezzanine loans and participations in such loans. Substantially all of our business is conducted through the OP, a Delaware limited partnership. We are the sole general partner and directly or indirectly hold all of the units of limited partner interests in the OP.

The Company has no direct employees. We are managed by our Advisor pursuant to an Amended and Restated Advisory Agreement, dated January 19, 2018 (the "Advisory Agreement"). Our Advisor manages our affairs on a day-to-day basis. The Advisor receives compensation and fees for services related to the investment and management of our assets and our operations.

The Advisor, an SEC-registered investment adviser, is a credit-focused alternative asset management firm. The Advisor manages funds for institutions and high-net-worth investors across various credit funds and complementary strategies including high yield, levered loans, private / opportunistic debt, liquid credit, structured credit and commercial real estate debt. These strategies complement each other as they all leverage the sourcing, analytical, compliance, and operational capabilities that encompass the Advisor's robust platform. On February 1, 2019, Franklin Resources, Inc. and Templeton International, Inc. (collectively, "Franklin Templeton") acquired the Advisor (the "Transaction"). The Transaction did not impact the terms of the Advisory Agreement and the Transaction did not result in any changes to the executive officers of the Company.

The Company invests in commercial real estate debt investments, which may include first mortgage loans, subordinated mortgage loans, mezzanine loans and participations in such loans. The Company also originates conduit loans which the Company intends to sell through its TRS into CMBS securitization transactions at a profit. The Company also owns real estate which it acquires through foreclosure and deed in lieu of foreclosure, and which it purchases for investment, typically subject to triple net leases.

The Company also invests in commercial real estate securities. Real estate securities may include CMBS, senior unsecured debt of publicly traded REITs, debt or equity securities of other publicly traded real estate companies and CDOs.

COVID-19 Pandemic

Since December 2019, COVID-19 has spread globally, including to every state in the United States. In March 2020, the World Health Organization declared COVID-19 a pandemic, and subsequently, the United States declared a national emergency. The COVID-19 pandemic has had significant repercussions across domestic and global economies and financial markets, including the industries in which our borrowers operate. The global impact of the COVID-19 outbreak evolved rapidly and many governmental authorities, including state and local governments in regions in which our borrowers own properties, have reacted by instituting government restrictions, border closings, quarantines, "shelter-in-place" orders and "social distancing" guidelines which have forced many of our borrowers to suspend or significantly restrict their business activities. The effects of the pandemic have resulted in a dramatic increase in national unemployment and numerous corporate bankruptcies.

The COVID-19 pandemic has had and is continuing to have a negative impact on our operations, however during the second half of 2020 the impact was less significant:

Impact on Operating Results. With respect to our operating results for the year ended December 31, 2020, the COVID-19 pandemic drove a significant increase in our allowance for credit loss provision on our loan portfolio and an increase in the realized loss on our securities portfolio. Specifically, for the year ended December 31, 2020, we experienced an increase in our provision for expected credit losses on our loan portfolio, primarily driven by the decline in the overall economic outlook as a result of the COVID-19 pandemic. Additionally, we had realized losses of $10.1 million on our real estate securities portfolio, the majority of which occurred during the first half of 2020. This was a result of dislocation in the broader capital markets and uncertainty due to COVID-19 and its expected impact on values of properties underlying our real-estate debt assets. Due primarily to changes in market conditions associated with the COVID-19 pandemic, the weighted average risk rating of our loan portfolio increased from 2.1 as of December 31, 2019 to 2.2 as of December 31, 2020, and the amortized cost basis of our loans past due increased by $37.8 million to $94.9 million over this period.

In the second and third quarters of 2020, we made limited modifications to certain loans to assist borrowers during the COVID-19 pandemic, but none of these modifications qualify as troubled debt restructurings ("TDRs").

Impact on Liquidity. During the year ended December 31, 2020, there were significant disruptions in the financial markets that impacted our real estate securities portfolio. This resulted in decreases in market value for these assets due to volatility and lack of liquidity. During the second quarter of 2020, we received margin calls from certain of our lenders due to the decline in pricing, which we satisfied through the contribution of additional cash, thereby reducing our liquidity position and substantially reducing our levered returns on this portfolio of assets. As of December 31, 2020 the Company has significantly reduced its real estate securities portfolio, further reducing mark to market exposure and the associated liquidity risk from counterparty margin calls on real estate securities repurchase agreements compared to prior quarters. In addition, the financial market dislocations created by the COVID-19 pandemic have currently made financing through CDO or CLO securitizations more difficult.

The extent to which the COVID-19 pandemic impacts our future operating results and liquidity will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, including any resurgences, or mutations of the virus, the direct and indirect economic effects of the pandemic and containment measures, and the effectiveness of vaccines and treatment therapies and the distribution thereof. The inability of our borrowers to meet their loan obligations and/or borrowers filing for bankruptcy protection would reduce our cash flows, which would impact our ability to pay dividends to our stockholders. As a result of the adverse effects of the COVID-19 pandemic, starting the second quarter of 2020 our board of directors reduced the amount of our regular common stock dividend. The board may reduce or eliminate the dividend in the future in the event of further economic deterioration or dislocations in the capital markets.

Estimated Per Share NAV

On November 2, 2020, the board of directors, upon the recommendation of the Audit Committee of the board, unanimously approved and established the estimated net asset value ("NAV") per share of the Company's common stock proposed by the Advisor of $17.88. The estimated per share NAV is based upon the estimated value of the Company's assets less the Company's liabilities as of September 30, 2020 (the "Valuation Date"). This valuation was performed in a manner consistent with the provisions of Practice Guideline 2013-01, Valuations of Publicly Registered Non-Listed REITs, issued by the Investment Program Association in April 2013, including the use of independent third-party valuation firms to estimate the fair value of our loan portfolio, securities portfolio and real estate owned portfolio.

These valuation firms estimated the value of our loan portfolio using customary valuation methods, including a discounted cash flow analysis with respect to our loan portfolio, available market pricing information with respect to our securities portfolio, and real estate appraisals with respect to our real estate owned portfolio. Based on these methodologies these firms determined a range of estimated valuations. To estimate the Company's NAV, the Advisor added the amounts of cash and other tangible assets reflected on our balance sheet (as computed in accordance with GAAP) and subtracted our liabilities as reflected on our balance sheet (computed in accordance with GAAP). Based on this the Advisor estimated that the Company's NAV as of September 30, 2020 is $17.88 which is the midpoint of the valuation range of $17.14 to $18.62.

The Advisor recommended our board of directors approve the estimated per share NAV of $17.88. As with any methodology used to estimate value, the methodologies employed to estimate the NAV were based upon a number of estimates and assumptions that may not be accurate or complete. If different judgments, assumptions or opinions were used, a different estimate would likely result.

We believe that the method used to determine the estimated per share NAV of the Company's common stock is the methodology most commonly used by public, non-listed REITs to estimate per share NAV. The estimated per share NAV does not represent the per share amount a third party would pay to acquire us, or the price at which our common stock would trade in the event we were listed on a national securities exchange. For example, the estimated per share NAV of the Company's common stock does not reflect a liquidity discount for the fact that the shares are not currently traded on a national securities exchange and other costs that may be incurred in connection with a liquidity event. Our estimated per share NAV does not reflect the conversion of any of our Series A convertible preferred stock ("Series A Preferred Stock") or Series C convertible preferred stock ("Series C Preferred Stock," and with the Series A Preferred Stock, the "Preferred Stock").

The estimated per share NAV was determined at a moment in time and as of the Valuation Date and the values of our assets and liabilities will change over time as a result of changes relating to the individual loans in our portfolio as well as changes and developments in the real estate and capital markets generally, including changes in interest rates. For example, material adverse developments in the real estate or credit markets related to the COVID-19 pandemic after September 30, 2020 would have a significant impact on our estimated per share NAV. Therefore, stockholders should not rely on the estimated per share NAV in making a decision to buy or sell shares of our common stock.

Significant Accounting Estimates and Critical Accounting Policies

Our financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Critical accounting policies are those that require the application of management's most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain and that may change in subsequent periods. In preparing the financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. In preparing the financial statements, management has utilized available information, including our past history, industry standards and the current economic environment, among other factors, in forming its estimates and judgments, giving due consideration to materiality. Actual results may differ from these estimates. In addition, other companies may utilize different estimates, which may impact the comparability of our results of operations to those of companies in similar businesses. As our expected operating plans occur, we will describe additional critical accounting policies in the notes to our future financial statements in addition to those discussed below.

Set forth below is a summary of the significant accounting estimates and critical accounting policies that management believes are important to the preparation of our financial statements. Certain of our accounting estimates are particularly important for an understanding of our financial position and results of operations and require the application of significant judgment by our management. As a result, these estimates are subject to a degree of uncertainty.

Commercial Mortgage Loans

Commercial mortgage loans that are held for investment purposes and are anticipated to be held until maturity, are carried at cost, net of unamortized acquisition expenses, discounts or premiums and unfunded commitments. Commercial mortgage loans, held for investment purposes, will be carried at amortized cost less a specific allowance for credit loss. Interest income is recorded on the accrual basis and related discounts, premiums and acquisition expenses on investments are amortized over the life of the investment using the effective interest method. Amortization is reflected as an adjustment to interest income in our consolidated statements of operations. Guaranteed loan exit fees payable by the borrower upon maturity are accreted over the life of the investment using the effective interest method. The accretion of guaranteed loan exit fees is recognized in interest income in our consolidated statements of operations and the associated receivable is included in the consolidated balance sheet.

Commercial mortgage loans that are intended to be sold in the foreseeable future are reported as held-for-sale and are transferred at fair value then recorded at the lower of cost or fair value with changes recorded through the statement of operations. Unamortized loan origination costs for commercial mortgage loans held-for-sale that are carried at the lower of cost or fair value are capitalized as part of the carrying value of the loans and recognized upon the sale of such loans. Amortization of origination costs ceases upon transfer of commercial mortgage loans to held-for-sale.

The Company has elected to measure commercial mortgage loans held-for-sale in the Company's TRS under the fair value option to better reflect those commercial mortgage loans that are part of securitization warehousing activity. These commercial mortgage loans are included in the Commercial mortgage loans, held-for-sale, measured at fair value in the consolidated balance sheet. Interest income received on commercial mortgage loans held-for-sale is recorded on the accrual basis of accounting and is included in interest income in the consolidated statements of operations. Acquisition expenses on originating these investments are expensed when incurred.

Real Estate Owned

Real estate owned assets are carried at their estimated fair value at acquisition and presented net of accumulated depreciation and impairment charges. The Company allocates the purchase price of acquired real estate assets based on the fair value of the acquired land, building, furniture, fixtures and equipment.

Real estate owned assets are depreciated using the straight-line method over estimated useful lives of up to 40 years for buildings and improvements and up to 15 years for furniture, fixtures and equipment. Renovations and/or replacements that improve or extend the life of the real estate owned assets are capitalized and depreciated over their estimated useful lives. Real estate owned revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to a customer. The Company is considered to have satisfied all performance obligation at a point in time.

Real estate owned assets that are probable to be sold within one year are reported as held-for-sale. Real estate owned assets classified as held-for-sale shall be measured at the lower of its carrying amount or fair value less cost to sell. Real estate owned assets shall not be depreciated or amortized while it is classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale shall continue to be accrued. Upon the disposition of a real estate owned asset, the Company calculates realized gains and losses as net proceeds received less the carrying value of the real estate owned asset. Net proceeds received are net of direct selling costs associated with the disposition of the real estate owned asset.

Credit Losses

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

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

In measuring the allowance for credit losses for financial instruments including our unfunded loan commitments that share similar risk characteristics, the Company primarily applies a probability of default ("PD")/loss given default ("LGD") model for instruments that are collectively assessed, whereby the allowance for credit losses is calculated as the product of PD, LGD and exposure at default ("EAD"). The Company's model principally utilizes historical loss rates derived from a commercial mortgage backed securities database with historical losses from 1998 to 2020 provided by a reputable third party, forecasting the loss parameters using a scenario-based statistical approach over a reasonable and supportable forecast period of twelve months, followed by an immediate reversion to average historical losses. For financial instruments assessed on an individual basis, including when it is probable that the Company will be unable to collect the full payment of principal and interest on the instrument, the Company applies a discounted cash flow ("DCF") methodology.

For financial instruments where the borrower is experiencing financial difficulty based on the Company's assessment at the reporting date and the repayment is expected to be provided substantially through the operation or sale of the collateral, the Company may elect to use as a practical expedient the fair value of the collateral at the reporting date when determining the allowance for credit losses.

In developing the allowance for credit losses for its loans held for investment, the Company performs a comprehensive analysis of its loan portfolio and assigns risk ratings to loans that incorporate management's current judgments about their credit quality based on all known and relevant internal and external factors that may affect collectability, using similar factors as those in developing the allowance for credit losses. This methodology results in loans being segmented by risk classification into risk rating categories that are associated with estimated probabilities of default and principal loss. Risk rating categories range from "1" to "5" with "1" representing the lowest risk of loss and "5" representing the highest risk of loss with the ratings updated quarterly.

Loans are placed on nonaccrual status and considered non-performing when full payment of principal and interest is unpaid for 90 days or more or where reasonable doubt exists as to timely collection, unless the loan is both well secured and in the process of collection. Interest received on nonaccrual status loans are accounted for under the cost-recovery method, until qualifying for return to accrual. Upon restructuring the nonaccrual loan, the Company may return a loan to accrual status when repayment of principal and interest is reasonably assured.

Real Estate Securities

On the acquisition date, all of our commercial real estate securities will be classified as available for sale and will be carried at fair value, with any unrealized gains or losses reported as a component of accumulated other comprehensive income or loss. However, we may elect to transfer these assets to trading securities, and as a result, any unrealized gains or losses on such real estate securities will be recorded as unrealized gains or losses on investments in our consolidated statements of operations. Related discounts, premiums, and acquisition expenses on investments are amortized over the life of the investment using the effective interest method. Amortization is reflected as an adjustment to interest income in the consolidated statements of operations.

Credit Impairment Analysis of Real Estate Securities

Commercial real estate securities for which the fair value option has not been elected will be periodically evaluated for credit impairment. AFS real estate securities which have experienced a decline in the fair value below their amortized cost basis (i.e., impairment) are evaluated each reporting period to determine whether the decline in fair value is due to credit-related factors. Any impairment that is not credit-related is recognized in other comprehensive income, while credit-related impairment is recognized as an allowance on the consolidated balance sheets with a corresponding adjustment on the consolidated statements of operations. If the Company intends to sell an impaired real estate security or more likely than not will be required to sell such a security before recovering its amortized cost basis, the entire impairment amount is recognized in the consolidated statements of operations with a corresponding adjustment to the security's amortized cost basis.

The Company analyzes the AFS security portfolio on a periodic basis for credit losses at the individual security level using the same criteria described above for those amortized cost financial assets subject to an allowance for credit losses including but not limited to; performance of the underlying assets in the security, borrower financial resources and investment in collateral, collateral type, credit ratings, project economics and geographic location as well as national and regional economic factors.
The non-credit loss component of the unrealized loss within the Company's AFS portfolio is recognized as an adjustment to the individual security's asset balance with an offsetting entry to other comprehensive income in the consolidated balance sheets.

Commercial real estate securities for which the fair value option has been elected will not be evaluated for other-than-temporary impairment as changes in fair value are recorded in our consolidated statement of operations.

Income Taxes

The Company has conducted its operations to qualify as a REIT for U.S. federal income tax purposes beginning with the taxable year ended December 31, 2013. As a REIT, if the Company meets certain organizational and operational requirements and distribute at least 90% of our "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to our stockholders in a year, it will not be subject to U.S. federal income tax to the extent of the income that it distributes. However, even if the Company qualifies for taxation as a REIT, it may be subject to certain state and local taxes on our income in addition to U.S. federal income and excise taxes on its undistributed income. The Conduit business segment is operated through the Company's TRS. The TRS is subject to U.S. federal and applicable state income taxes.

Derivatives and Hedging Activities

The Company recognizes all derivatives on the consolidated balance sheets at fair value. The Company does not designate derivatives as hedges to qualify for hedge accounting for financial reporting purposes and therefore any net payments under, or fluctuations in the fair value of these derivatives have been recognized currently in gain/(loss) on derivative instruments in the accompanying consolidated statements of operations. The Company records derivative asset and liability positions on a gross basis with any collateral posted with or received from counterparties recorded separately on the Company's consolidated balance sheets. Certain derivatives that the Company has entered into are subject to master netting agreements with its counterparties, allowing for netting of the same transaction, in the same currency, on the same date.

Per Share Data

The Company's Series of Preferred Stock are considered to be participating securities. As such, the Company is required to include the Preferred Stock in the calculation of basic earnings per share and calculate basic earnings per share using the two-class method. The Company's dilutive earnings per share calculation is computed using the more dilutive result of the treasury stock method, assuming the participating security is a potential common share, or the two-class method, assuming the participating security is not converted. Diluted earnings per share reflects the potential dilution that could occur from shares outstanding if potential shares of common stock with a dilutive effect have been issued in connection with the restricted stock plan or upon conversion of the outstanding shares of the Company's Preferred Stock, except when doing so would be anti-dilutive.

Results of Operations

Comparison of the Year Ended December 31, 2020 to the Year Ended December 31, 2019

The Company conducts its business through the following segments:

- The real estate debt business focuses on originating, acquiring and asset managing commercial real estate debt investments, including first mortgages, subordinate mortgages, mezzanine loans and participations in such loans.
- The real estate securities business focuses on investing in and asset managing commercial real estate securities primarily consisting of CMBS and may include unsecured REIT debt, CDO notes and other securities.
- The conduit business operated through the Company's TRS, which is focused on generating superior risk-adjusted returns by originating and subsequently selling fixed-rate commercial real estate loans into the CMBS securitization market at a profit.
- The real estate owned business represents real estate acquired by the Company through foreclosure, deed in lieu of foreclosure, or purchase.

Net Interest Income

Net interest income is generated on our interest-earning assets less related interest-bearing liabilities and is recorded as part of our real estate debt, real estate securities and TRS segments.

The following table presents the average balance of interest-earning assets less related interest-bearing liabilities, associated interest income and expense and corresponding yield earned and incurred for the years ended December 31, 2020 and 2019 (dollars in thousands):

	Year Ended December 31,					
	2020			2019		
	Average Carrying Value [1]	Interest Income / Expense [2]	WA Yield / Financing Cost [3]	Average Carrying Value [1]	Interest Income / Expense [2]	WA Yield / Financing Cost [3]
Interest-earning assets:						
Real estate debt	$ 2,606,081	$ 165,907	6.4 %	$ 2,482,946	$ 181,434	7.3 %
Real estate conduit	83,618	3,111	3.7 %	132,042	7,716	5.8 %
Real estate securities	351,859	10,854	3.1 %	153,484	6,149	4.0 %
Total	**$ 3,041,558**	**$ 179,872**	**5.9 %**	**$ 2,768,472**	**$ 195,299**	**7.1 %**
Interest-bearing Liabilities:						
Repurchase agreements - commercial mortgage loans	$ 249,289	$ 10,908	4.4 %	$ 259,945	$ 16,816	6.5 %
Other financing and loan participation- commercial mortgage loans	16,704	916	5.5 %	2,686	225	8.4 %
Repurchase agreements - real estate securities	313,227	13,637	4.4 %	161,460	5,117	3.2 %
Collateralized loan obligations	1,706,207	41,095	2.4 %	1,641,740	67,927	4.1 %
Derivative instruments	—	—	N/A	—	334	N/A
Total	**$ 2,285,427**	**$ 66,556**	**2.9 %**	**$ 2,065,831**	**$ 90,419**	**4.4 %**
Net interest income/spread		**$ 113,316**	**3.0 %**		**$ 104,880**	**2.7 %**
Average leverage % [4]	75.1 %			74.6 %		
Weighted average levered yield [5]			15.0 %			14.9 %

[1] Based on amortized cost for real estate debt and real estate securities and principal amount for repurchase agreements. Amounts are calculated based on daily averages for the years ended December 31, 2020 and 2019, respectively.

[2] Includes the effect of amortization of premium or accretion of discount and deferred fees.

[3] Calculated as interest income or expense divided by average carrying value.

[4] Calculated by dividing total average interest-bearing liabilities by total average interest-earning assets.

[5] Calculated by dividing net interest income/spread by the average interest-earning assets less average interest-bearing liabilities.

Interest income

Interest income for the years ended December 31, 2020 and 2019 totaled $179.9 million and $195.3 million, respectively. As of December 31, 2020, our portfolio consisted of 130 commercial mortgage loans, three commercial mortgage loans, held-for-sale, measured at fair value and nine investments in CMBS. The main driver in the decrease in interest income was due to a decrease in the one-month LIBOR, the benchmark index for our loans. The decrease in the one-month LIBOR was partially offset by the index floors we have on our loans and a higher average carrying value of interest-earning assets in the year ended December 31, 2020.

Interest expense

Interest expense for the year ended December 31, 2020 decreased to $66.6 million compared to interest expense for the year ended December 31, 2019 of $90.4 million. Similar to our interest income, the decrease in interest expense was due to a decrease in the one-month LIBOR, the benchmark index for our financing lines.

Realized Gain/Loss on Commercial Mortgage Loans Held-for-Sale

Realized gain on commercial mortgage loans held-for-sale, measured at fair value at the TRS for the year ended December 31, 2020 was $15.9 million compared to $37.8 million for the year ended December 31, 2019. The $21.9 million decrease in realized gain was due to lower sales volumes with total proceeds of $328.1 million from the sale of fixed-rate commercial real estate loans into the CMBS securitization market during the year ended December 31, 2020 versus transactions of total proceeds of $1,013.1 million for the year ended December 31, 2019.

Realized Gain/Loss on Real Estate Securities Available for Sale

For the year ended December 31, 2020 our real estate securities, available for sale, measured at fair value had a realized loss of $10.1 million included within the consolidated statements of operations. The loss is attributable to 20 CMBS securities sold during the year ended December 31, 2020 in response to the dislocations in the capital markets due to COVID-19. There had been no sales of CMBS securities during the year ended December 31, 2019.

Unrealized Gain/Loss on Real Estate Securities Available for Sale

For the year ended December 31, 2020 our real estate securities, available for sale, measured at fair value had an unrecognized unrealized loss of $7.3 million included within the consolidated statements of comprehensive income. The deterioration in fair value of real estate securities for the year ended December 31, 2020 can be attributed to the significant market volatility and credit uncertainties related to the outbreak of COVID-19 followed by some recovery in CMBS markets in the second half of 2020.

Expenses from operations

Expenses from operations for the years ended December 31, 2020 and 2019 were made up of the following (dollars in thousands):

	Year Ended December 31,	
	2020	**2019**
Asset management and subordinated performance fee	$ 15,178	$ 16,226
Acquisition expenses	696	900
Administrative services expenses	13,120	16,363
Professional fees	10,964	11,631
Real estate owned operating expenses	3,653	2,802
Depreciation and amortization	2,233	507
Other expenses	3,312	3,771
Total expenses from operations	**$ 49,156**	**$ 52,200**

The decrease in our expenses from operations was primarily related to lower administrative services expenses. The decrease in administrative services expenses was due to fewer conduit activities during the twelve months ended December 31, 2020, compared to the twelve months ended December 31, 2019. The decrease in asset management and subordinated performance fee was primarily driven by the lower stockholders' equity and preferred stock for the year ended December 31, 2020, compared to the year ended December 31, 2019. The increase in depreciation and amortization expense was due to $2.2 million of expenses incurred on a total of two real estate owned assets during the twelve months ended December 31, 2020, compared to $0.5 million incurred on two real estate owned assets during the twelve months ended December 31, 2019.

Comparison of the Year Ended December 31, 2019 to the Year Ended December 31, 2018

Net Interest Income

Net interest income is generated on our interest-earning assets less related interest-bearing liabilities and is recorded as part of our real estate debt and real estate securities segments.

The following table presents the average balance of interest-earning assets less related interest-bearing liabilities, associated interest income and expense and corresponding yield earned and incurred for the years ended December 31, 2019 and December 31, 2018 (dollars in thousands):

	Year Ended December 31,									
	2019				2018					
	Average Carrying Value [1]		Interest Income / Expense [2]		WA Yield / Financing Cost [3]		Average Carrying Value [1]		Interest Income / Expense [2]		WA Yield / Financing Cost [3]	
Interest-earning assets:												
Real estate debt	$	2,482,946	$	181,434	7.3	%	$	1,877,159	$	144,967	7.7	%
Real estate conduit		132,042		7,716	5.8	%		106,703		6,604	6.2	%
Real estate securities		153,484		6,149	4.0	%		15,166		717	4.7	%
Total	**$**	**2,768,472**	**$**	**195,299**	**7.1**	**%**	**$**	**1,999,028**	**$**	**152,288**	**7.6**	**%**
Interest-bearing Liabilities:												
Repurchase agreements - commercial mortgage loans	$	259,945	$	16,816	6.5	%	$	285,257	$	17,023	6.0	%
Other financing and loan participation- commercial mortgage loans		2,686		225	8.4	%		9,446		1,244	13.2	%
Repurchase agreements - real estate securities		161,460		5,117	3.2	%		21,986		770	3.5	%
Collateralized loan obligations		1,641,740		67,927	4.1	%		1,124,424		50,679	4.5	%
Derivative instruments		—		334		N/A		—		284		N/A
Total	**$**	**2,065,831**	**$**	**90,419**	**4.4**	**%**	**$**	**1,441,113**	**$**	**70,000**	**4.9**	**%**
Net interest income/spread			**$**	**104,880**	**2.7**	**%**			**$**	**82,288**	**2.7**	**%**
Average leverage % [4]	74.6	%					72.1	%				
Weighted average levered yield [5]					14.9	%					14.7	%

[1] Based on amortized cost for real estate debt and real estate securities and principal amount for repurchase agreements. All amounts are calculated based on quarterly averages for years ended December 31, 2019 and 2018.

[2] Includes the effect of amortization of premium or accretion of discount and deferred fees.

[3] Calculated as interest income or expense divided by average carrying value.

[4] Calculated by dividing total average interest-bearing liabilities by total average interest-earning assets.

[5] Calculated by dividing net interest income/spread by the net of interest-earning assets and interest-bearing liabilities.

Interest income

Interest income for the years ended December 31, 2019 and December 31, 2018 totaled $195.3 million and $152.3 million, respectively. As of December 31, 2019, our portfolio consisted of 122 commercial mortgage loans, 7 commercial mortgage loans, held-for-sale, measured at fair value and 21 investments in CMBS. The main driver in the increase in interest income was an increase of $769.4 million in the average carrying value of our interest-earning assets.

Interest expense

Interest expense for the year ended December 31, 2019 increased to $90.4 million compared to interest expense for the year ended December 31, 2018 of $70.0 million. The increase in interest expense was due to an increase of $624.7 million in the average carrying value of our interest-bearing liabilities.

Realized Gain/Loss on Commercial Mortgage Loans Held-for-Sale

Realized gain on commercial mortgage loans held-for-sale, measured at fair value at the TRS for the year ended December 31, 2019 was $37.8 million compared to $11.3 million for the year ended December 31, 2018. The $26.5 million increase in realized gain was due to total proceeds of $1,013.1 million from the sale of fixed-rate commercial real estate loans into the CMBS securitization market during the year ended December 31, 2019 versus transactions of total proceeds of $567.4 million for the year ended December 31, 2018.

Expenses from operations

Expenses from operations for the years ended December 31, 2019 and 2018 were made up of the following (dollars in thousands):

	Year Ended December 31,	
	2019	2018
Asset management and subordinated performance fee	$ 16,226	$ 10,299
Acquisition expenses	900	452
Administrative services expenses	16,363	13,446
Professional fees	11,631	8,318
Real estate owned operating expenses	2,802	—
Depreciation and amortization	507	—
Other expenses	3,771	4,887
Total expenses from operations	**$ 52,200**	**$ 37,402**

The increase in our expenses from operations was primarily related to asset management and subordinated performance fees, administrative services expenses and professional fees. The increase in asset management and subordinated performance fee was primarily driven by the larger stockholders' equity and preferred stock for the year ended December 31, 2019, compared to the year ended December 31, 2018. In addition to a higher equity base, we accrued approximately $2.0 million of subordinated performance fee during the year ended December 31, 2019 compared to $0.0 million during the year ended December 31, 2018. The increase in administrative services expenses and professional fees was primarily driven by the increase in outstanding equity during 2019 and a larger portfolio. In addition, the increase in real estate owned operating expense was driven by the two new real estate owned assets on our balance sheet for the year ended December 31, 2019, compared to none for the year ended December 31, 2018.

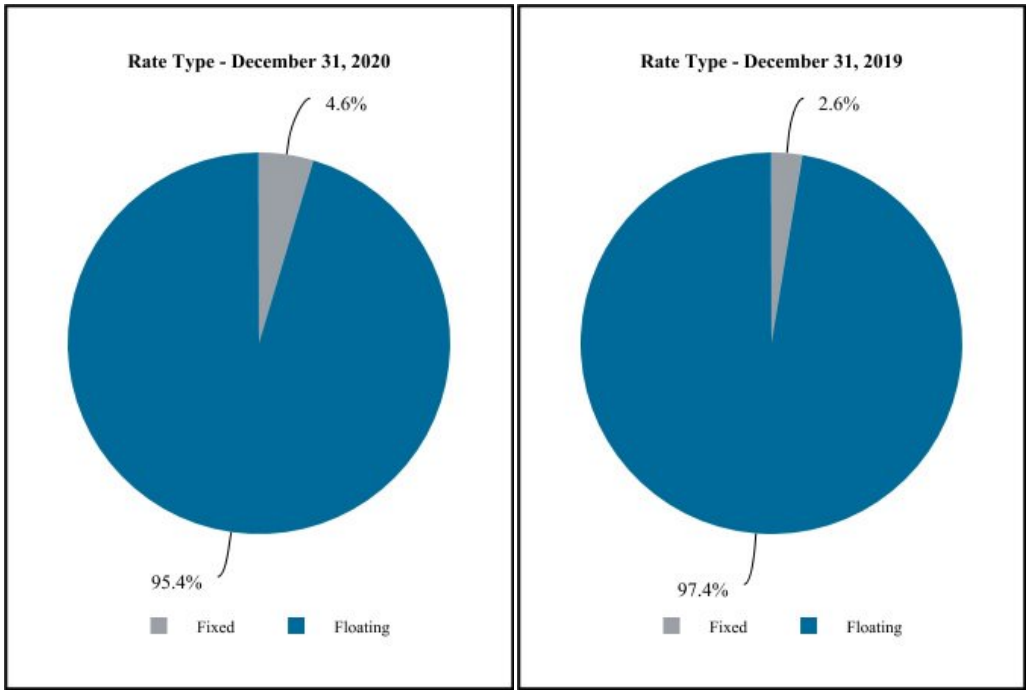
Portfolio

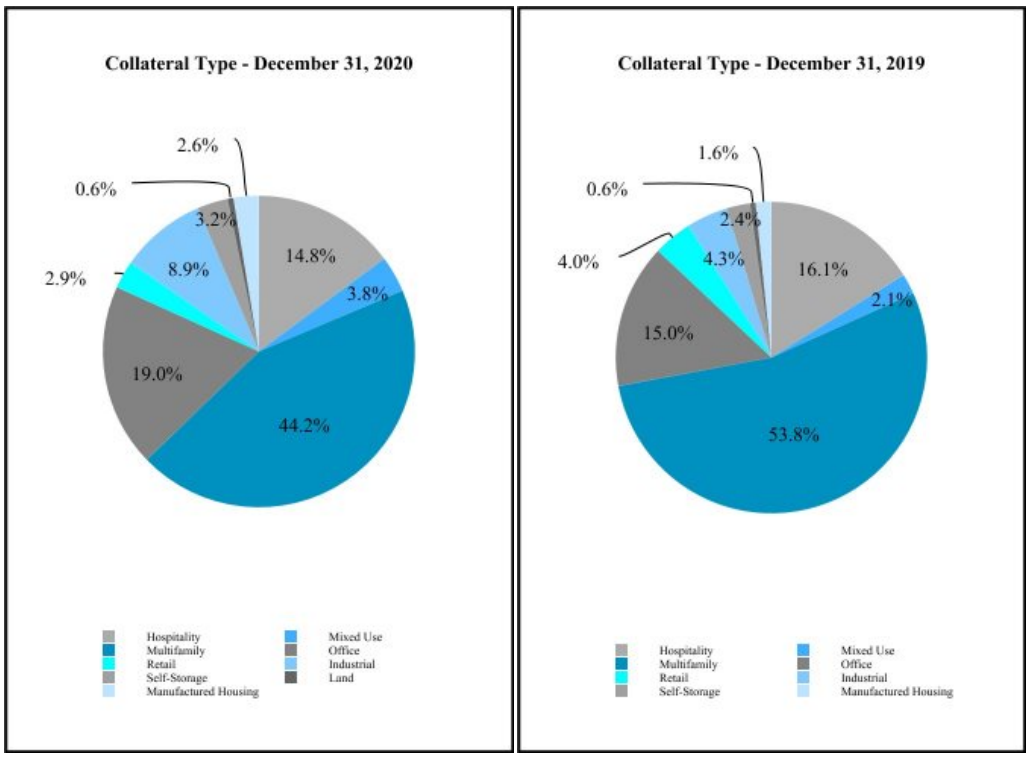
As of December 31, 2020 and 2019, our portfolio consisted of 130 and 122 commercial mortgage loans, respectively, excluding commercial mortgage loans accounted for under the fair value option. The commercial mortgage loans held for investment as of December 31, 2020 and December 31, 2019 had a total carrying value, net of allowance for credit losses, of $2,693.8 million and $2,762.0 million, respectively. As of December 31, 2020 and 2019 the Company's total commercial mortgage loans, held-for-sale, measured at fair value comprised of three loans with total fair value of $67.6 million and seven loans with total fair value of $112.6 million, respectively. As of December 31, 2020 and 2019, our real estate securities, available for sale, at fair value comprised of nine CMBS investments with total fair value of $171.1 million and 21 CMBS investments with total fair value of $386.3 million. As of December 31, 2020 and December 31, 2019, our other real estate investments, measured at fair value, comprised one investment with a total fair value of $2.5 million and $2.6 million, respectively. As of December 31, 2020 and December 31, 2019, our real estate owned portfolio comprised one investment with a carrying value of $26.5 million and two investments with a carrying value of $35.3 million, respectively.

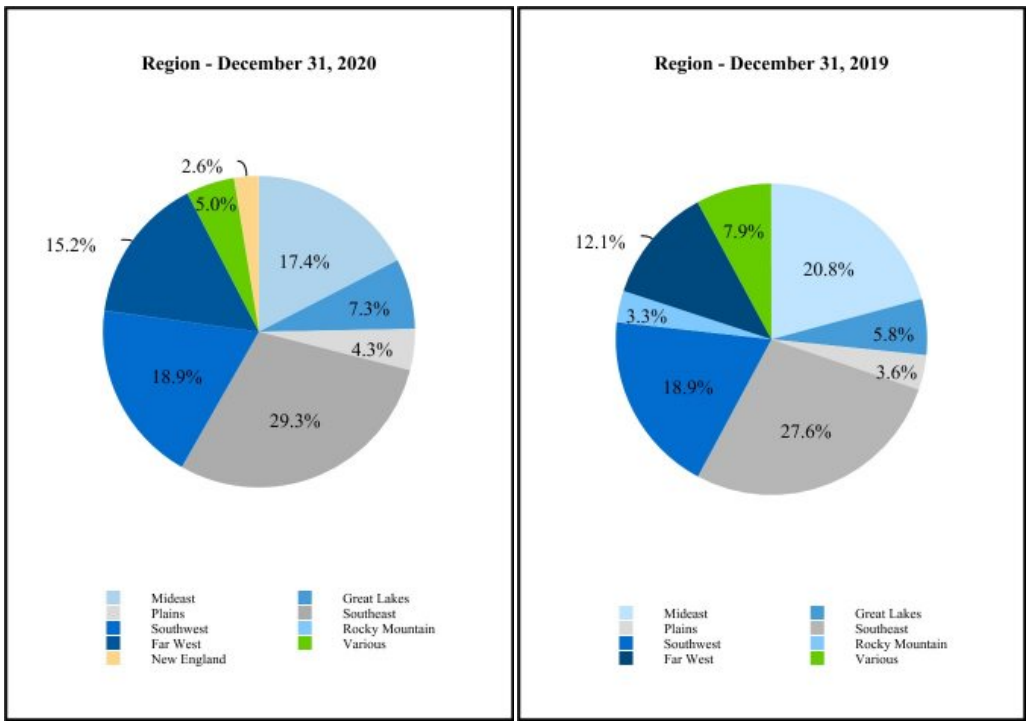
As of December 31, 2020, we had two loans with unpaid contractual principal balance for a total carrying value of $94.9 million, one with interest past due for greater than 90 days and the other with interest past due greater than 30 days. We did not take any asset specific reserves for these loans. As of December 31, 2019, we had one loan with unpaid contractual principal balance and carrying value of $57.1 million that had interest past due for greater than 90 days.

As of December 31, 2020 and 2019, our commercial mortgage loans, excluding commercial mortgage loans accounted for under the fair value option, had a weighted average coupon of 5.5% and 5.6%, and a weighted average remaining life of 1.7 years and 1.8 years, respectively. As of December 31, 2020 and 2019, our CMBS investments had a weighted average coupon of 2.2% and 3.7%, and a weighted average remaining life of 12.8 years and 15.8 years, respectively.

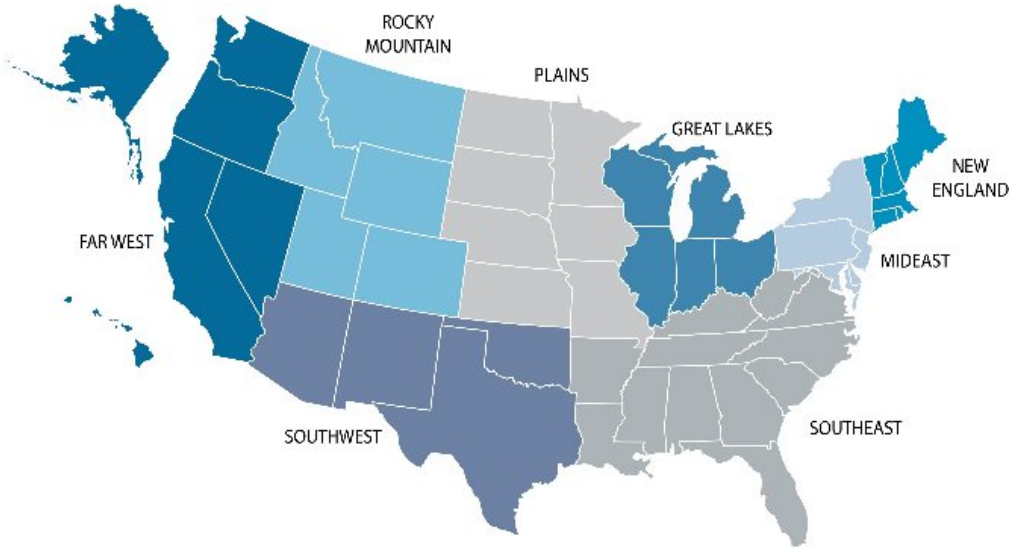
The following charts summarize our commercial mortgage loans, held for investment, by coupon rate type, collateral type and geographical region as of December 31, 2020 and 2019:



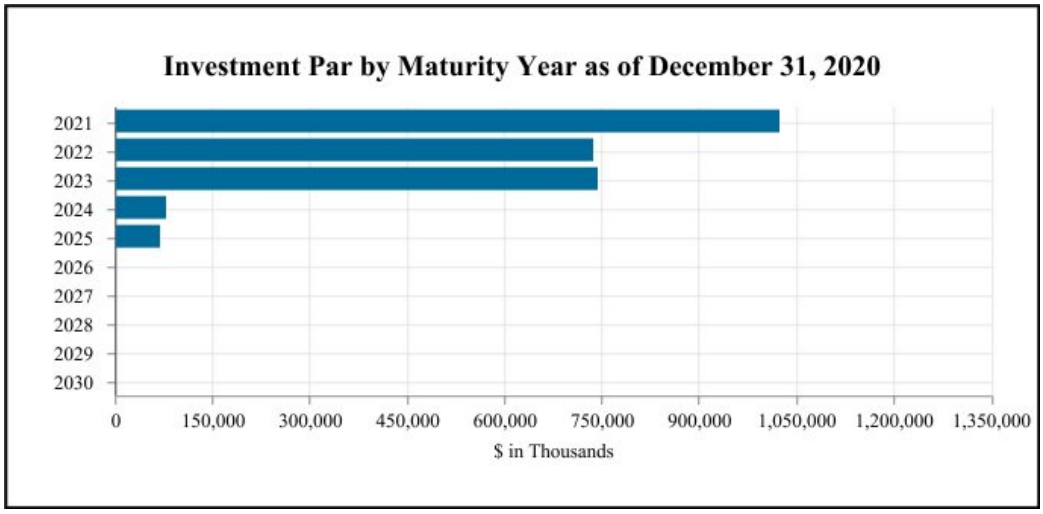

Collateral Type - December 31, 2020
2.6%
0.6%
3.2%
14.8%
2.9%
8.9%
3.8%
19.0%
44.2%
Hospitality
Multifamily
Retail
Self-Storage
Manufactured Housing
Mixed Use
Office
Industrial
Land
Collateral Type - December 31, 2019
1.6%
0.6%
2.4%
4.0%
4.3%
16.1%
2.1%
15.0%
53.8%
Hospitality
Multifamily
Retail
Self-Storage
Mixed Use
Office
Industrial
Manufactured Housing

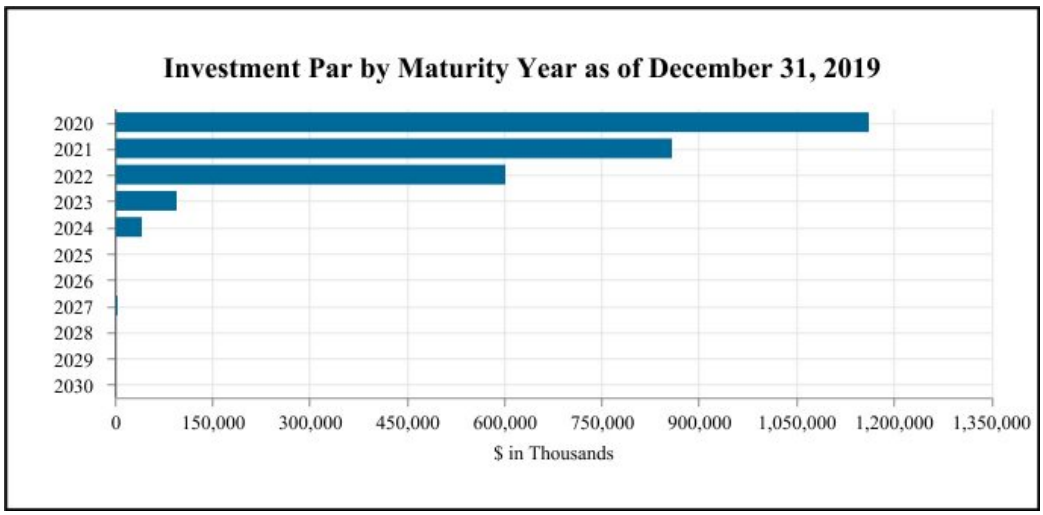


An investments region classification is defined according to the below map based on the location of investments secured property.



The following charts show the par value by contractual maturity year for the investments in our portfolio as of December 31, 2020 and 2019:





The following table shows selected data from our commercial mortgage loans, held for investment in our portfolio as of December 31, 2020 (dollars in thousands):

Loan Type	Property Type	Par Value	Interest Rate [1]	Effective Yield	Loan to Value [2]
Senior Debt 1	Industrial	$33,655	1 month LIBOR + 4.00%	4.20%	65.0%
Senior Debt 2	Mixed Use	12,839	1 month LIBOR + 5.00%	5.75%	73.3%
Senior Debt 3	Office	14,034	1 month LIBOR + 4.45%	5.45%	64.2%
Senior Debt 4	Office	8,391	1 month LIBOR + 6.00%	7.00%	74.0%
Senior Debt 5	Multifamily	37,812	1 month LIBOR + 3.35%	5.60%	76.0%
Senior Debt 6	Office	26,811	1 month LIBOR + 4.15%	5.40%	69.5%
Senior Debt 7	Hospitality	10,400	1 month LIBOR + 6.25%	6.50%	61.6%
Senior Debt 8	Hospitality	5,894	1 month LIBOR + 3.50%	4.50%	77.0%
Senior Debt 9	Hospitality	57,075	1 month LIBOR + 5.19%	6.19%	51.8%
Senior Debt 10	Multifamily	77,945	1 month LIBOR + 4.50%	5.50%	22.4%
Senior Debt 11	Hospitality	10,250	1 month LIBOR + 5.25%	6.25%	60.7%
Senior Debt 12	Hospitality	23,000	1 month LIBOR + 6.00%	6.50%	48.1%
Senior Debt 13	Office	23,726	1 month LIBOR + 5.15%	6.60%	56.4%
Senior Debt 14	Multifamily	41,826	1 month LIBOR + 3.70%	4.50%	63.7%
Senior Debt 15	Hospitality	28,272	1 month LIBOR + 4.00%	5.25%	68.0%
Senior Debt 16	Hospitality	22,700	1 month LIBOR + 4.40%	5.00%	72.7%
Senior Debt 17	Multifamily	35,886	1 month LIBOR + 3.00%	4.50%	83.6%
Senior Debt 18	Self Storage	3,851	1 month LIBOR + 4.05%	5.00%	45.5%
Senior Debt 19	Self Storage	6,496	1 month LIBOR + 4.05%	5.05%	55.8%
Senior Debt 20	Self Storage	7,606	1 month LIBOR + 4.05%	5.05%	57.6%
Senior Debt 21	Self Storage	2,400	1 month LIBOR + 4.05%	5.00%	37.6%
Senior Debt 22	Self Storage	6,310	1 month LIBOR + 5.05%	5.19%	59.1%
Senior Debt 23	Hospitality	22,355	1 month LIBOR + 3.50%	4.80%	68.8%
Senior Debt 24	Mixed Use	59,451	1 month LIBOR + 4.87%	5.27%	49.0%
Senior Debt 25	Office	21,100	1 month LIBOR + 3.75%	5.80%	70.0%
Senior Debt 26	Self Storage	6,299	1 month LIBOR + 6.00%	7.75%	58.9%
Senior Debt 27	Office	16,342	1 month LIBOR + 3.40%	5.30%	67.5%
Senior Debt 28	Retail	29,500	6.25%	6.25%	68.5%
Senior Debt 29	Self Storage	11,966	1 month LIBOR + 5.50%	7.25%	68.1%
Senior Debt 30	Multifamily	16,172	1 month LIBOR + 3.15%	4.95%	80.3%
Senior Debt 31	Multifamily	22,417	1 month LIBOR + 3.40%	4.95%	80.5%
Senior Debt 32	Multifamily	29,868	1 month LIBOR + 3.35%	5.25%	73.0%
Senior Debt 33	Land	16,400	1 month LIBOR + 6.00%	8.25%	45.7%
Senior Debt 34	Hospitality	8,523	1 month LIBOR + 4.80%	6.75%	62.5%
Senior Debt 35	Industrial	14,160	1 month LIBOR + 3.95%	5.95%	66.4%
Senior Debt 36	Multifamily	48,500	1 month LIBOR + 3.75%	6.15%	69.5%
Senior Debt 37	Multifamily	23,295	1 month LIBOR + 5.70%	7.50%	70.7%
Senior Debt 38	Office	7,200	1 month LIBOR + 3.90%	5.95%	67.6%
Senior Debt 39	Manufactured Housing	8,893	1 month LIBOR + 4.40%	6.50%	60.3%
Senior Debt 40	Hospitality	14,000	1 month LIBOR + 4.47%	6.72%	44.8%
Senior Debt 41	Retail	14,250	1 month LIBOR + 3.95%	6.45%	61.2%
Senior Debt 42	Hospitality	21,000	1 month LIBOR + 4.14%	6.64%	56.0%
Senior Debt 43	Multifamily	24,711	1 month LIBOR + 3.10%	5.40%	73.1%
Senior Debt 44	Multifamily	37,643	1 month LIBOR + 3.10%	5.40%	73.4%
Senior Debt 45	Office	42,631	1 month LIBOR + 3.50%	5.75%	71.0%
Senior Debt 46	Retail	8,500	1 month LIBOR + 7.50%	7.64%	51.6%

Loan Type	Property Type	Par Value	Interest Rate [1]	Effective Yield	Loan to Value [2]
Senior Debt 47	Hospitality	10,580	1 month LIBOR + 4.50%	6.75%	68.7%
Senior Debt 48	Multifamily	18,100	1 month LIBOR + 3.40%	5.35%	76.4%
Senior Debt 49	Hospitality	19,900	1 month LIBOR + 4.15%	6.50%	61.8%
Senior Debt 50	Multifamily	18,656	1 month LIBOR + 3.10%	5.50%	67.4%
Senior Debt 51	Office	34,400	1 month LIBOR + 3.90%	6.15%	68.2%
Senior Debt 52	Hospitality	20,930	1 month LIBOR + 3.75%	6.10%	62.6%
Senior Debt 53	Hospitality	15,500	1 month LIBOR + 4.00%	6.50%	56.4%
Senior Debt 54	Hospitality	5,250	1 month LIBOR + 4.25%	6.50%	47.7%
Senior Debt 55	Hospitality	12,750	1 month LIBOR + 4.45%	6.85%	62.9%
Senior Debt 56	Hospitality	9,545	1 month LIBOR + 4.50%	6.85%	64.0%
Senior Debt 57	Retail	9,400	1 month LIBOR + 4.20%	6.30%	77.1%
Senior Debt 58	Manufactured Housing	12,200	1 month LIBOR + 3.65%	5.90%	48.4%
Senior Debt 59	Manufactured Housing	24,100	1 month LIBOR + 3.65%	5.90%	53.8%
Senior Debt 60	Multifamily	23,149	1 month LIBOR + 2.65%	4.75%	75.8%
Senior Debt 61	Office	29,750	1 month LIBOR + 3.35%	5.42%	54.3%
Senior Debt 62	Hospitality	34,484	1 month LIBOR + 3.99%	5.74%	31.0%
Senior Debt 63	Multifamily	12,839	1 month LIBOR + 2.65%	4.50%	71.6%
Senior Debt 64	Multifamily	37,021	1 month LIBOR + 2.75%	4.50%	79.3%
Senior Debt 65	Industrial	53,500	1 month LIBOR + 3.75%	5.50%	59.7%
Senior Debt 66	Office	21,825	1 month LIBOR + 3.50%	5.40%	70.9%
Senior Debt 67	Hospitality	7,100	1 month LIBOR + 4.00%	5.75%	70.3%
Senior Debt 68	Industrial	22,230	1 month LIBOR + 3.55%	5.25%	69.7%
Senior Debt 69	Multifamily	21,083	1 month LIBOR + 2.75%	4.25%	71.7%
Senior Debt 70	Multifamily	27,087	1 month LIBOR + 3.15%	4.95%	71.6%
Senior Debt 71	Multifamily	26,130	1 month LIBOR + 2.70%	2.84%	76.0%
Senior Debt 72	Multifamily	7,150	1 month LIBOR + 4.75%	5.80%	75.3%
Senior Debt 73	Multifamily	25,000	1 month LIBOR + 3.00%	4.50%	75.5%
Senior Debt 74	Office	25,500	1 month LIBOR + 4.35%	6.05%	64.9%
Senior Debt 75	Multifamily	14,181	1 month LIBOR + 3.10%	4.50%	63.7%
Senior Debt 76	Office	48,276	1 month LIBOR + 3.70%	5.00%	65.7%
Senior Debt 77	Industrial	25,350	1 month LIBOR + 3.50%	5.20%	58.1%
Senior Debt 78	Multifamily	11,800	1 month LIBOR + 3.15%	4.75%	72.4%
Senior Debt 79	Office	27,598	1 month LIBOR + 2.70%	2.84%	71.4%
Senior Debt 80	Multifamily	75,100	1 month LIBOR + 4.35%	6.00%	64.7%
Senior Debt 81	Manufactured Housing	1,385	5.50%	5.50%	62.8%
Senior Debt 82	Industrial	14,650	1 month LIBOR + 6.00%	6.75%	59.9%
Senior Debt 83	Multifamily	7,149	1 month LIBOR + 4.75%	5.75%	62.6%
Senior Debt 84	Multifamily	6,764	1 month LIBOR + 4.90%	5.65%	53.2%
Senior Debt 85	Multifamily	46,000	1 month LIBOR + 4.75%	5.75%	69.4%
Senior Debt 86	Multifamily	5,550	1 month LIBOR + 6.87%	7.87%	75.0%
Senior Debt 87	Industrial	16,400	1 month LIBOR + 6.25%	7.00%	61.0%
Senior Debt 88	Multifamily	14,505	1 month LIBOR + 4.75%	5.50%	65.3%
Senior Debt 89	Multifamily	23,438	1 month LIBOR + 4.65%	5.40%	52.7%
Senior Debt 90	Multifamily	4,300	1 month LIBOR + 5.50%	6.50%	87.4%
Senior Debt 91	Manufactured Housing	7,680	1 month LIBOR + 4.50%	5.00%	66.7%
Senior Debt 92	Mixed Use	30,465	1 month LIBOR + 5.15%	6.15%	67.0%
Senior Debt 93	Multifamily	3,140	1 month LIBOR + 6.25%	6.75%	73.5%
Senior Debt 94	Industrial	24,657	1 month LIBOR + 4.60%	5.10%	20.7%

Loan Type	Property Type	Par Value	Interest Rate [1]	Effective Yield	Loan to Value [2]
Senior Debt 95 [3]	Multifamily	—	1 month LIBOR + 5.25%	5.39%	—%
Senior Debt 96	Hospitality	27,000	1 month LIBOR + 6.50%	6.85%	62.7%
Senior Debt 97	Multifamily	2,465	1 month LIBOR + 5.75%	6.50%	66.6%
Senior Debt 98	Multifamily	50,000	1 month LIBOR + 6.69%	7.44%	80.0%
Senior Debt 99	Self Storage	29,895	1 month LIBOR + 5.00%	5.25%	58.8%
Senior Debt 100	Multifamily	11,622	1 month LIBOR + 4.75%	5.25%	70.0%
Senior Debt 101	Manufactured Housing	3,400	1 month LIBOR + 5.00%	5.25%	58.6%
Senior Debt 102	Multifamily	27,550	1 month LIBOR + 5.75%	6.00%	69.8%
Senior Debt 103	Multifamily	76,000	1 month LIBOR + 4.10%	4.35%	67.9%
Senior Debt 104	Multifamily	58,000	1 month LIBOR + 5.25%	5.39%	74.7%
Senior Debt 105	Manufactured Housing	5,020	1 month LIBOR + 5.25%	5.39%	65.9%
Senior Debt 106	Office	19,003	1 month LIBOR + 4.50%	5.25%	47.9%
Senior Debt 107	Office	69,675	5.15%	5.15%	52.5%
Senior Debt 108	Office	30,900	1 month LIBOR + 5.20%	5.45%	66.0%
Senior Debt 109	Multifamily	10,945	1 month LIBOR + 7.04%	7.29%	63.3%
Senior Debt 110	Self Storage	11,600	1 month LIBOR + 4.76%	5.01%	66.6%
Senior Debt 111	Industrial	24,552	1 month LIBOR + 4.35%	4.60%	69.8%
Senior Debt 112	Manufactured Housing	5,000	1 month LIBOR + 5.90%	6.50%	58.8%
Senior Debt 113	Office	12,750	1 month LIBOR + 5.00%	5.25%	67.8%
Senior Debt 114	Multifamily	40,937	1 month LIBOR + 4.35%	4.60%	73.2%
Senior Debt 115	Multifamily	36,200	1 month LIBOR + 4.45%	4.70%	66.5%
Senior Debt 116	Multifamily	8,250	1 month LIBOR + 5.50%	5.75%	73.7%
Senior Debt 117	Retail	11,963	1 month LIBOR + 4.87%	5.12%	75.0%
Senior Debt 118	Manufactured Housing	3,585	1 month LIBOR + 5.40%	5.90%	76.3%
Senior Debt 119	Multifamily	5,730	1 month LIBOR + 5.00%	5.25%	73.5%
Senior Debt 120	Multifamily	18,800	1 month LIBOR + 4.00%	4.14%	79.7%
Senior Debt 121	Industrial	14,250	1 month LIBOR + 4.50%	4.75%	66.3%
Senior Debt 122	Office	11,550	1 month LIBOR + 5.50%	5.75%	68.8%
Senior Debt 123	Multifamily	21,000	1 month LIBOR + 4.60%	4.75%	66.7%
Senior Debt 124	Office	26,000	1 month LIBOR + 5.00%	5.25%	63.9%
Senior Debt 125	Hospitality	17,401	5.75%	5.75%	52.9%
Mezzanine Loan 1	Multifamily	3,480	9.50%	9.50%	84.3%
Mezzanine Loan 2	Retail	3,500	10.00%	10.00%	59.7%
Mezzanine Loan 3	Multifamily	6,500	1 month LIBOR + 10.25%	11.00%	90.4%
Mezzanine Loan 4	Retail	1,438	1 month LIBOR + 10.75%	11.00%	84.0%
Mezzanine Loan 5	Multifamily	1,000	11.00%	11.00%	68.9%
		$2,722,863		**5.50%**	**64.0%**

[1] Our floating rate loan agreements contain the contractual obligation for the borrower to maintain an interest rate cap to protect against rising interest rates. In a simple interest rate cap, the borrower pays a premium for a notional principal amount based on a capped interest rate (the "cap rate"). When the floating rate exceeds the cap rate, the borrower receives a payment from the cap counterparty equal to the difference between the floating rate and the cap rate on the same notional principal amount for a specified period of time. When interest rates rise, the value of an interest rate cap will increase, thereby reducing the borrower's exposure to rising interest rates.

[2] Loan to value percentage is from metrics at origination.

[3] The total commitment of this loan is $40.5 million, however none was funded as of December 31, 2020.

The following table shows selected data from our commercial mortgage loans, held-for-sale, measured at fair value as of December 31, 2020 (dollars in thousands):

Loan Type	Property Type	Par Value	Interest Rate	Effective Yield	Loan to Value [1]
TRS Senior Debt 1	Industrial	$58,500	3.33%	3.33%	58.0%
TRS Senior Debt 2	Industrial	9,050	4.30%	4.30%	58.4%
TRS Mezzanine Loan 3	Multifamily	100	1 month LIBOR + 14.00%	15.00%	76.4%
		$67,650		**3.48%**	**58.1%**

[1] Loan to value percentage is from metrics at origination.

The following table shows selected data from our real estate securities, available for sale, measured at fair value as of December 31, 2020 (dollars in thousands):

Type	Par Value	Interest Rate	Effective Yield
CMBS 1	$13,250	1 month LIBOR + 2.95%	3.1%
CMBS 2	10,800	1 month LIBOR + 2.10%	2.2%
CMBS 3	40,000	1 month LIBOR + 2.35%	2.5%
CMBS 4	8,000	1 month LIBOR + 1.85%	2.0%
CMBS 5	24,000	1 month LIBOR + 2.00%	2.1%
CMBS 6	12,000	1 month LIBOR + 2.15%	2.3%
CMBS 7	20,000	1 month LIBOR + 1.33%	1.5%
CMBS 8	25,000	1 month LIBOR + 1.63%	1.8%
CMBS 9	25,665	1 month LIBOR + 2.15%	2.3%
	$178,715		**2.2%**

The following table shows selected data from our other real estate investments, measured at fair value as of December 31, 2020 (dollars in thousands):

Type	Property Type	Par Value	Preferred Return
Preferred Equity 1	Retail	$2,500	12.5%
		$2,500	

The following table shows selected data from our real estate owned assets in our portfolio as of December 31, 2020 (dollars in thousands):

Type	Property Type	Carrying Value
Real Estate Owned 1	Office	$26,510
		$26,510

Liquidity and Capital Resources

Our principal demands for cash will be funding our loan investments, continuing debt service obligations, distributions to our stockholders and the payment of our operating and administrative expenses.

The Company expects to use additional debt and equity financing as a source of capital. The board of directors currently intends to operate at a leverage level of between one to three times book value of equity. However, our board of directors may change this target without shareholder approval. In addition, in 2020 the Company raised $10.9 million through sales of common and preferred equity to institutional and individual investors. The Company anticipates that our debt and equity financing sources and our anticipated cash generated from operations will be adequate to fund our anticipated uses of capital.

In addition to our current mix of financing sources, the Company may also access additional forms of financings, including credit facilities, securitizations, public and private, secured and unsecured debt issuances by us or our subsidiaries, or through capital recycling initiatives whereby we sell certain assets in our portfolio and reinvest the proceeds in assets with more attractive risk-adjusted returns.

Refer to “COVID-19 Pandemic” above for information on the impact of the COVID-19 pandemic on our liquidity.

Collateralized Loan Obligations

On January 15, 2020, the Company called all of the outstanding notes issued by BSPRT 2017-FL2 Issuer, Ltd., a wholly owned indirect subsidiary of the Company. The outstanding principal of the notes on the date of the call was $21.0 million. The Company recognized all the remaining unamortized deferred financing costs of $4.5 million recorded within the Interest expense line of the consolidated statements of operations, which was a non-cash charge.

As of December 31, 2020 and December 31, 2019 the notes issued by BSPRT 2018-FL3 Issuer, Ltd. and BSPRT 2018-FL3 Co-Issuer, LLC, wholly owned indirect subsidiaries of the Company, are collateralized by interests in a pool of 27 and 41 mortgage assets having a principal balance of $417.9 million and $523.2 million, respectively (the "2018-FL3 Mortgage Assets"). The sale of the 2018-FL3 Mortgage Assets to BSPRT 2018-FL3 Issuer, Ltd. is governed by a Mortgage Asset Purchase Agreement dated as of April 5, 2018, between the Company and BSPRT 2018-FL3 Issuer, Ltd.

As of December 31, 2020 and December 31, 2019 the notes issued by BSPRT 2018-FL4 Issuer, Ltd. and BSPRT 2018-FL4 Co-Issuer, LLC, wholly owned indirect subsidiaries of the Company, are collateralized by interests in a pool of 59 and 49 mortgage assets having a principal balance of $852.1 million and $867.9 million, respectively (the "2018-FL4 Mortgage Assets"). The sale of the 2018-FL4 Mortgage Assets to BSPRT 2018-FL4 Issuer, Ltd. is governed by a Mortgage Asset Purchase Agreement dated as of October 12, 2018, between the Company and BSPRT 2018-FL4 Issuer, Ltd.

As of December 31, 2020 and December 31, 2019, the notes issued by BSPRT 2019-FL5 Issuer, Ltd. and BSPRT 2019-FL5 Co-Issuer, LLC, each wholly owned indirect subsidiaries of the Company, are collateralized by interests in a pool of 54 and 48 mortgage assets having a principal balance of $799.8 million and $809.4 million respectively (the "2019-FL5 Mortgage Assets"). The sale of the 2019-FL5 Mortgage Assets to BSPRT 2019-FL5 Issuer, Ltd. is governed by a Mortgage Asset Purchase Agreement dated as of May 30, 2019, between the Company and BSPRT 2019-FL5 Issuer, Ltd.

Repurchase Agreements, Commercial Mortgage Loans

As of December 31, 2020, the Company has repurchase facilities with JPMorgan Chase Bank, National Association (the "JPM Repo Facility"), U.S Bank National Association (the "USB Repo Facility"), Barclays Bank PLC (the "Barclays Revolver Facility" and the "Barclays Repo Facility"), Wells Fargo Bank, National Association (the "WF Repo Facility"), and Credit Suisse AG (the "CS Repo Facility" and together with JPM Repo Facility, USB Repo Facility, WF Repo Facility, Barclays Revolver Facility, and Barclays Repo Facility, the "Repo Facilities").

The Repo Facilities are financing sources through which the Company may pledge one or more mortgage loans to the financing entity in exchange for funds typically at an advance rate of between 65% to 80% of the principal amount of the mortgage loan being pledged.

The Company expects to use the advances from these Repo Facilities to finance the acquisition or origination of eligible loans, including first mortgage loans, subordinated mortgage loans, mezzanine loans and participation interests therein.

The Repo Facilities generally provide that in the event of a decrease in the value of our collateral, the lenders can demand additional collateral. Should the value of our collateral decrease as a result of deteriorating credit quality, resulting margin calls may cause an adverse change in our liquidity position.

The details of our Repo Facilities at December 31, 2020 and December 31, 2019 are as follows (dollars in thousands):

As of December 31, 2020

Repurchase Facility	Committed Financing	Amount Outstanding	Interest Expense[1]	Ending Weighted Average Interest Rate	Initial Term Maturity
JPM Repo Facility [2]	$ 300,000	$ 113,884	$ 5,020	2.54 %	10/6/2022
USB Repo Facility [3]	100,000	5,775	599	2.40 %	6/15/2021
CS Repo Facility [4]	200,000	106,971	3,539	2.84 %	8/19/2021
WF Repo Facility [5]	175,000	27,150	1,041	2.50 %	11/21/2021
Barclays Revolver Facility [6]	100,000	—	387	N/A	9/20/2021
Barclays Repo Facility [7]	300,000	22,560	1,046	2.51 %	3/15/2022
Total	**$ 1,175,000**	**$ 276,340**	**$ 11,632**		

[1] For the year ended December 31, 2020. Includes amortization of deferred financing costs.

[2] On October 6, 2020 the maturity date was amended to October 6, 2022.

[3] On June 9, 2020, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to June 15, 2021.

[4] On August 28, 2020, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to August 19, 2021. Additionally, in 2020 the committed financing amount was downsized from $300 million to $200 million.

[5] On November 17, 2020, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to November 21, 2021. There are two more one-year extension options available at the Company's discretion.

[6] There is one one-year extension option available at the Company's discretion.

[7] Includes two one-year extensions at the Company's option.

of December 31, 2019

purchase Facility	Committed Financing	Amount Outstanding	Interest Expense[1]	Ending Weighted Average Interest Rate	Initial Term Maturity
M Repo Facility [2]	$ 300,000	$ 107,526	6,862	4.51 %	1/30/2021
B Repo Facility [3]	100,000	—	622	N/A	6/15/2020
Repo Facility [4]	300,000	87,375	5,563	4.84 %	3/27/2020
Repo Facility [5]	175,000	24,942	1,333	3.65 %	11/21/2020
rclays Revolver Facility [6]	100,000	—	976	N/A	9/20/2021
rclays Facility [7]	300,000	32,700	1,260	3.80 %	3/15/2022
Total	**$ 1,275,000**	**$ 252,543**	**16,616**		

[1] For the year ended December 31, 2019. Includes amortization of deferred financing costs.

[2] On September 3, 2019, the committed financing amount was downsized from $520 million to $300 million and the maturity date was amended to January 30, 2021.

[3] Includes two one-year extensions at the option of an indirect wholly-owned subsidiary of the Company, which may be exercised upon the satisfaction of certain conditions.

[4] On March 26, 2019, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to March 27, 2020.

[5] Includes three one-year extensions at the Company's option, which may be exercised upon the satisfaction of certain conditions.

[6] On September 13, 2019, the Company exercised the extension option, and extended the term maturity to September 20, 2021. There is one more one-year extension option available at the Company's discretion.

[7] Includes two one-year extensions at the Company's option.

Other financing and loan participation - Commercial Mortgage Loans

On March 23, 2020, the Company transferred $15.2 million of its interest in a term loan to Sterling National Bank ("SNB") via a participation agreement. During 2020, the Company's outstanding loan increased resultant of future fundings, leading to an increase in amount outstanding via the participation agreement. The Company incurred $0.5 million of interest expense on SNB for the year ended December 31, 2020. As of December 31, 2020 there was an outstanding balance of $31.4 million. The loan matures on February 9, 2023.

Mortgage Note Payable

On October 15, 2019, the Company obtained a commercial mortgage loan for $29.2 million related to the real estate owned portfolio. As of December 31, 2020 the loan accrued interest at an annual rate of 3.85% and matures on November 6, 2034. The Company incurred $1.1 million of interest expense for the twelve months ended December 31, 2020. Additionally, on January 6, 2020, the Company obtained a commercial mortgage loan for $11.0 million related to the real estate owned portfolio (see Note 5 - Real Estate Owned). As of December 31, 2020 the loan and related real estate owned assets were no longer held by the Company. The Company incurred $0.8 million of interest expense for the twelve months ended December 31, 2020.

Unsecured Debt

Pursuant to a lending and security agreement with Security Benefit Life Insurance Company ("SBL"), which was entered into in February 2020 and amended in March and August 2020, the Company may borrow up to $100.0 million at a rate of one-month LIBOR + 4.5%. The facility has a maturity of February 10, 2023 and is secured by a pledge of equity interests in certain of the Company's subsidiaries. The Company incurred $0.2 million of interest expense on the lending agreement with SBL for the twelve months ended December 31, 2020. As of December 31, 2020, there was no outstanding balance under the lending agreement.

Repurchase Agreements - Real Estate Securities

The Company has entered into various Master Repurchase Agreements (the "MRAs") that allow the Company to sell real estate securities while providing a fixed repurchase price for the same real estate securities in the future. The repurchase contracts on each security under an MRA generally mature in 30-90 days and terms are adjusted for current market rates as necessary.

Below is a summary of the Company's MRAs as of December 31, 2020 and 2019 (dollars in thousands):

Counterparty	Amount Outstanding	Accrued Interest	Collateral Pledged [1]	Weighted Average Interest Rate	Weighted Average Days to Maturity
As of December 31, 2020					
JP Morgan Securities LLC	$ 33,791	$ 1,668	$ 43,612	1.75 %	31
Wells Fargo Securities, LLC	—	1,057	—	N/A	N/A
Goldman Sachs International	22,440	455	30,794	1.68 %	16
Barclays Capital Inc.	76,809	2,102	97,244	1.71 %	33
Credit Suisse AG	—	905	—	N/A	N/A
Citigroup Global Markets, Inc.	53,788	2,532	71,723	1.70 %	29
Total/Weighted Average	**$ 186,828**	**$ 8,719**	**$ 243,373**	**1.71 %**	**33**
As of December 31, 2019					
JP Morgan Securities LLC	$ 83,353	$ 124	$ 93,500	2.53 %	20
Wells Fargo Securities, LLC	178,304	1,199	209,873	2.94 %	11
Barclays Capital Inc.	40,720	221	47,475	2.81 %	23
Citigroup Global Markets, Inc.	91,982	413	103,453	2.69 %	19
Total/Weighted Average	**$ 394,359**	**$ 1,957**	**$ 454,301**	**2.79 %**	**16**

[1] Includes $72.2 million and $68.5 million of CLO notes, held by the Company, which is eliminated within the Real estate securities, at fair value line of the consolidated balance sheets as of as of December 31, 2020 and December 31, 2019, respectively.

The following tables summarize our Repurchase Agreements, Commercial Mortgage Loans and our MRAs for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 respectively:

	As of December 31, 2020							
	Amount Outstanding				Average Outstanding Balance			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Repurchase Agreements, Commercial Mortgage Loans	$ 234,524	$ 226,224	$ 183,033	$ 276,340	$ 282,282	$ 238,280	$ 197,632	$ 279,187
Repurchase Agreements, Real Estate Securities	$ 496,880	$ 335,256	$ 177,541	$ 186,828	$ 412,809	$ 351,202	$ 316,229	$ 183,632

	As of December 31, 2019							
	Amount Outstanding				Average Outstanding Balance			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Repurchase Agreements, Commercial Mortgage Loans	$ 370,889	$ 132,870	$ 111,937	$ 252,543	$ 357,850	$ 337,970	$ 132,126	$ 214,812
Repurchase Agreements, Real Estate Securities	$ 22,078	$ 85,022	$ 244,308	$ 394,359	$ 52,711	$ 84,179	$ 181,198	$ 324,545

	As of December 31, 2018							
	Amount Outstanding				Average Outstanding Balance			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Repurchase Agreements, Commercial Mortgage Loans	$ 501,310	$ 304,975	$ 565,329	$ 149,440	$ 313,509	$ 222,339	$ 456,636	$ 183,689
Repurchase Agreements, Real Estate Securities	$ —	$ 10,600	$ 22,272	$ 44,539	$ 19,542	$ 3,029	$ 23,056	$ 42,079

The use of our warehouse lines is dependent upon a number of factors including but not limited to: origination volume, loan repayments and prepayments, our use of other financing sources such as collateralized loan obligations, our liquidity needs and types of loan assets and underlying collateral that we hold.

During the twelve months ended December 31, 2020 the maximum average outstanding balance was $721.0 million, of which $268.2 million was related to repurchase agreements on our commercial mortgage loans and $452.8 million for repurchase agreements on our real estate securities.

During the twelve months ended December 31, 2019, the maximum average outstanding balance was $612.0 million, at the end of November 30, 2019, of which $266.6 million was related to repurchase agreements on our commercial mortgage loans and $345.4 million for repurchase agreements on our real estate securities.

During the twelve months ended December 31, 2018, the maximum average outstanding balance was $560.6 million, at the end of September 30, 2018, of which $534.8 million was related to repurchase agreements on our commercial mortgage loans and $25.8 million for repurchase agreements on our real estate securities.

Private Placements

Since February 2018, we have been conducting offerings of our common stock, Series A Preferred Stock, and Series C Preferred Stock in offerings exempt from the registration requirements of the Securities Act. The following table summarizes the issuance of common stock in these offerings (dollars in thousands, except share amounts):

	Total	
	Shares Issued	Proceeds
Balance, December 31, 2019	12,136,262	$ 201,225
January 2020	284,983	4,762
February 2020	365,051	6,100
March 2020	—	—
April 2020	—	—
May 2020	—	—
June 2020	—	—
July 2020	—	—
August 2020	—	—
September 2020	—	—
October 2020	—	—
November 2020	—	—
December 2020	—	—
Balance, December 31, 2020	**12,786,296**	**$ 212,087**

As of December 31, 2020, we had no outstanding binding purchase commitments for common stock.

The following table summarizes the issuance of Series A Preferred Stock in these offerings (dollars in thousands, except share amounts):

	Total	
	Shares Issued	Proceeds
Balance, December 31, 2019	40,496	$ 202,549
January 2020	—	—
February 2020	14	70
March 2020	—	—
April 2020	—	—
May 2020	—	—
June 2020	—	—
July 2020	—	—
August 2020	—	—
September 2020	—	—
October 2020	—	—
November 2020	—	—
December 2020	—	—
Balance, December 31, 2020	**40,510**	**$ 202,619**

As of December 31, 2020, we had no outstanding binding purchase commitments for Series A Preferred Stock.

There were no issuances of Series C Preferred Stock during the year ended December 31, 2020.

As of December 31, 2020, we had no outstanding binding purchase commitments for Series C Preferred Stock.

The following tables present the activity in the Company's Series A Preferred Stock for the periods ended December 31, 2020 and December 31, 2019, respectively (dollars in thousands, except share amounts):

Series A Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2019	40,500	$ 202,144
Issuance of Preferred Stock	14	70
Dividends paid in Preferred Stock	1	7
Offering costs	—	(23)
Amortization of offering costs	—	94
Ending Balance, December 31, 2020	**40,515**	**$ 202,292**

Series A Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2018	29,249	$ 145,786
Issuance of Preferred Stock	11,247	56,233
Dividends paid in Preferred Stock	4	24
Offering costs	—	—
Amortization of offering costs	—	101
Ending Balance, December 31, 2019	**40,500**	**$ 202,144**

The following table presents the activity in the Company's Series C Preferred Stock for the period ended December 31, 2020 and December 31, 2019, (dollars in thousands, except share amounts):

Preferred C Stock	Shares	Amount
Beginning Balance, December 31, 2019	1,400	$ 6,966
Issuance of Preferred Stock	—	—
Dividends paid in Preferred Stock	—	—
Offering costs		(11)
Amortization of offering costs	—	7
Ending Balance, December 31, 2020	**1,400**	**$ 6,962**

Series C Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2018	—	$ —
Issuance of Preferred Stock	1,400	6,998
Dividends paid in Preferred Stock	—	—
Offering costs	—	(33)
Amortization of offering costs	—	1
Ending Balance, December 31, 2019	**1,400**	**$ 6,966**

Distributions

In order to maintain its election to qualify as a REIT, the Company must currently distribute, at a minimum, an amount equal to 90% of its taxable income, without regard to the deduction for distributions paid and excluding net capital gains. The Company must distribute 100% of its taxable income (including net capital gains) to avoid paying corporate U.S. federal income taxes.

Distributions on our common stock are payable when authorized and declared by our board of directors. Distribution payments are dependent on the availability of funds. Our board of directors may reduce the amount of distributions paid or suspend distribution payments at any time, and therefore, distributions payments are not assured.

Dividends payable on each share of Series A and Series C Preferred Stock are generally equal to the quarterly dividend that would have been paid had such share of Preferred Stock been converted to a share of common stock, except to the extent common stock dividends have been reduced below certain specified levels. To the extent dividends on Preferred Shares are not authorized and declared by our board of directors and paid by the Company monthly, the dividend amounts will accrue.

In April 2020, the Company's board of directors unanimously approved a transition in the timing of the dividend payments to holders of the Company's common stock from a monthly payment with daily accruals to a quarterly accrual and payment basis. Similarly, the Company began paying accrued and unpaid dividends on Preferred Stock on a quarterly basis.

In November 2020, the Company's board of directors declared the following fourth quarter 2020 dividends: (i) a quarterly cash dividend of $0.275 per common share (equivalent to $1.10 per annum) which was paid in January 2021 to holders of record on December 31, 2020, and (ii) a quarterly cash dividend per share of Preferred Stock equivalent to the amount of distributions that would have been paid upon a conversion of such share of Preferred Stock into common stock, which was paid in January 2021 to holders of record on December 31, 2020.

The below table shows the distributions paid on shares outstanding of common stock, as well as the amount of shares of common stock issued upon reinvestment of distributions by stockholders under our DRIP during the years ended December 31, 2020 and 2019 (dollars in thousands):

Year Ended December 31, 2020		
Payment Date	**Amount Paid in Cash**	**Amount Issued under DRIP**
January 2, 2020	$ 4,154	$ 1,211
February 5, 2020	4,177	1,210
March 2, 2020	3,919	1,130
April 1, 2020	5,413	—
May 1, 2020	—	—
June 1, 2020	—	—
July 1, 2020	9,463	2,679
August 1, 2020	—	—
September 1, 2020	—	—
October 1, 2020	9,540	2,653
November 1, 2020	—	—
December 23, 2020 [1]	132	—
Total	**$ 36,798**	**$ 8,883**

[1] Payment relates to second quarter dividend distributions which were recalculated as a result of the transition from a monthly payment with daily accruals to a quarterly payment and accrual basis.

Year Ended December 31, 2019		
Payment Date	**Amount Paid in Cash**	**Amount Issued under DRIP**
January 4, 2019	$ 3,576	$ 1,171
February 1, 2019	3,657	1,168
March 1, 2019	3,333	1,053
April 1, 2019	3,749	1,167
May 1, 2019	3,678	1,143
June 3, 2019	3,870	1,182
July 1, 2019	3,796	1,141
August 2, 2019	4,033	1,181
September 3, 2019	4,051	1,182
October 1, 2019	3,951	1,138
November 1, 2019	4,093	1,194
December 2, 2019	3,976	1,181
Total	**$ 45,763**	**$ 13,901**

The following table shows the sources for the payment of distributions to common stockholders for the periods presented (dollars in thousands):

	Year Ended December 31,					
	2020			2019		
Distributions:						
Cash distributions paid	$ 36,798			$ 45,763		
Distributions reinvested	8,883			13,901		
Total Distributions	**$ 45,681**			**$ 59,664**		
Source of Distribution Coverage:						
Net Income	$ 36,798	80.6	%	$ 45,763	76.7	%
Common stock issued under DRIP	8,883	19.4	%	13,901	23.3	%
Total Sources of Distributions	**$ 45,681**	**100.0**	**%**	**$ 59,664**	**100.0**	**%**
Net Income applicable to common stock (GAAP)	**$ 39,826**			**$ 66,914**		

Cash Flows

Cash Flows for the Year Ended December 31, 2020

Net cash provided by operating activities for the year ended December 31, 2020 was $115.3 million. Cash inflows were primarily driven by net income of $54.7 million and net proceeds of $44.7 million related to originations of and proceeds from sales of commercial mortgage loans, measured at fair value.

Net cash provided by investing activities for the year ended December 31, 2020 was $240.7 million. Cash inflows were primarily driven by proceeds from principal repayments of $1,228.2 million received on commercial mortgage loans, held for investment, proceeds received from the sale/repayment of real estate securities of $346.2 million, $77.2 million of proceeds received from the sale of commercial mortgage loans, held-for-sale and $22.5 million of proceeds received from sale of real estate owned assets. Inflows were partially offset by the origination and acquisition of $1,281.2 million of commercial mortgage loans and the purchase of real estate securities of $148.6 million.

Net cash used in financing activities for the year ended December 31, 2020 was $373.0 million. Cash outflows were primarily driven by repayments on CLOs of $182.7 million, net payment on CMBS repurchase agreements of $207.5 million, $49.8 million in cash distributions to stockholders and $10.3 million of stock repurchases. Outflows were offset by $31.4 million of proceeds received from borrowing on other financing and loan participation for commercial mortgage loans, $11.7 million from borrowing on mortgage note payable and net proceeds of $23.8 million received from repurchase agreements on commercial mortgage loans.

Cash Flows for the Year Ended December 31, 2019

Net cash provided by operating activities for the year ended December 31, 2019 was $45.4 million. Cash inflows were primarily driven by an increase in net income to $83.9 million, offset by net cash outflows of $45.5 million related to originations of and proceeds from sales of commercial mortgage loans, measured at fair value.

Net cash used in investing activities for the year ended December 31, 2019 was $969.2 million. Cash outflows were primarily driven by the origination and acquisition of $1,321.6 million of commercial mortgage loans and $369.9 million of CMBS. Outflows were offset by proceeds from principal repayments of $756.1 million received on commercial mortgage loans, held for investment and proceeds from sale of commercial mortgage loans, held-for-sale of $0.0 million.

Net cash provided by financing activities for the year ended December 31, 2019 was $828.6 million. Cash inflows were primarily driven by: proceeds of $639.9 million from issuance of one CLO, BSPRT 2019-FL5; proceeds from net borrowing on the Repo Facilities of $103.1 million; proceeds from net borrowing on our CMBS MRAs of $349.8 million. Inflows were partially offset by the payment of $60.6 million in cash distributions to stockholders, $13.8 million of stock repurchases and repayments on CLOs of $343.2 million.

Election as a REIT

We elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code commencing with the taxable year ended December 31, 2013. As a REIT, if we meet certain organizational and operational requirements and distribute at least 90% of our "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to our stockholders in a year, we will not be subject to U.S. federal income tax to the extent of the income that we distribute. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income and property, and U.S. federal income and excise taxes on our undistributed income.

Contractual Obligations and Commitments

Our contractual obligations, excluding interest obligations (as amounts are not fixed or determinable), as of December 31, 2020 are summarized as follows (dollars in thousands):

	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Unfunded loan commitments [1]	$ 59,692	$ 161,300	$ 7,700	$ —	$ 228,692
Repurchase agreements - commercial mortgage loans	139,896	136,444	—	—	276,340
Repurchase agreements - real estate securities	186,828	—	—	—	186,828
CLOs [2]	—	—	—	1,639,227	1,639,227
Mortgage Note Payable	—	—	—	29,167	29,167
Total	**$ 386,416**	**$ 297,744**	**$ 7,700**	**$ 1,668,394**	**$ 2,360,254**

[1] The allocation of our unfunded loan commitments is based on the earlier of the commitment expiration date or the loan maturity date.

[2] Excludes $267.1 million of CLO notes, held by the Company, which are eliminated within the collateralized loan obligation line of the consolidated balance sheets as of December 31, 2020.

Related Party Arrangements

Benefit Street Partners L.L.C.

Amended Advisory Agreement

On January 19, 2018, the Company entered into an amendment and restatement of the Advisory Agreement. The amended Advisory Agreement amends and restates the Advisory Agreement, dated as of September 29, 2016, by and among the Company, the Operating Partnership and the Advisor.

The Nominating and Corporate Governance Committee (the “Committee”) of the Company's board of directors, which consists solely of the Company’s independent directors, negotiated, approved and recommended that the board of directors approve, the amended Advisory Agreement. The Committee engaged independent legal counsel to assist the Committee in negotiating the amended Advisory Agreement.

Pursuant to the amended Advisory Agreement, the Advisor provides the daily management for the Company and the Operating Partnership, including an investment program consistent with the investment objectives and policies of the Company as determined and adopted from time to time by the board of directors. The initial term of the amended Advisory Agreement was three-years and was automatically renewed for an additional one-year period on January 19, 2021 and will continue to automatically renew for additional one-year periods unless either party elects not to renew.

The Company may terminate the amended Advisory Agreement for a Cause Event (as defined in the amended Advisory Agreement) without payment of a termination fee. Following the expiration of a term, and upon 180 days' prior written notice, the Company may, without cause, elect not to renew the amended Advisory Agreement upon the determination by two-thirds of the Company's independent directors that (i) there has been unsatisfactory performance by the Advisor or (ii) that the asset management fee and annual subordinated performance fee payable to the Advisor are not fair, subject to certain conditions. In such case, the Company shall be obligated to pay a termination fee.

During the term of the amended Advisory Agreement, the Advisor shall not, directly or indirectly, manage or advise another REIT that is engaged in the business of the Company in any geographical region in which the Company has a significant investment, or provide any services related to fixed-rate conduit lending to any other person, subject to certain conditions.

Advisory Agreement Fees and Reimbursements

Pursuant to the Advisory Agreement, the Company is or was required to make the following payments and reimbursements to the Advisor:

- The Company reimburses the Advisor's costs of providing services pursuant to the Advisory Agreement, except the salaries and benefits paid by the Advisor to the Company's executive officers.
- The Company pays the Advisor, or its affiliates, a monthly asset management fee equal to one-twelfth of 1.5% of stockholders' equity as calculated pursuant to the Advisory Agreement.
- The Company will pay the Advisor an annual subordinated performance fee calculated on the basis of total return to stockholders, payable monthly in arrears, such that for any year in which total return on stockholders' capital exceeds 6.0% per annum, the Advisor will be entitled to 15.0% of the excess total return; provided that in no event will the annual subordinated performance fee payable to the Advisor exceed 10.0% of the aggregate total return for such year.
- The Company reimburses the Advisor for insourced expenses incurred by the Advisor on the Company's behalf related to selecting, evaluating, originating and acquiring investments in an amount up to 0.5% of the principal amount funded by the Company to originate or acquire commercial mortgage loans and up to 0.5% of the anticipated net equity funded by the Company to acquire real estate securities investments.

Investment in Common and Preferred Stock

Refer to Note 9 - Stock Transactions for a description of the Company's private placements. Officers of the Company and other employees of the Advisor and its affiliates ("Manager Investors"), as well as members of the Company's board of directors, have acquired common stock and Series A and Series C Convertible Preferred Stock in these private placements on substantially the same terms applying to purchases by third party accredited investors unaffiliated with the Company or the Advisor.

The Manager Investors have agreed with the Advisor not to sell or otherwise transfer the securities purchased in the private placement without the consent of the Advisor, prior to 180 days after a listing of the Company's common stock on a national securities exchange. In addition, the Manager Investors will not be eligible to participate in the SRP for at least three years.

The board of directors and the Nominating and Corporate Governance Committee of the board of directors each reviewed and unanimously approved the Company's issuance of shares to the Manager Investors and the terms of the offering.

Loan Acquisitions

On February 22, 2018, the Company purchased commercial mortgage loans from an entity that is an affiliate of the Company's Advisor, for an aggregate purchase price of $27.8 million. The purchase of the commercial mortgage loans and the $27.8 million purchase price were approved by the independent directors of the Company's board of directors. On April 18, 2018, the Company sold $23.3 million of these commercial mortgage loans into a CMBS securitization. The remaining $4.5 million of these commercial mortgage loans, recorded as held for investment, were fully paid down during the year ended December 31, 2020.

Lending Agreement with Stockholder

Pursuant to a lending and security agreement with Security Benefit Life Insurance Company ("SBL"), which was entered into in February 2020 and amended in March and August 2020, the Company may borrow up to $100.0 million at a rate of one-month LIBOR + 4.5%. The facility has a maturity of February 10, 2023 and is secured by a pledge of equity interests in certain of the Company's subsidiaries. SBL also holds 14,950 of the Company's outstanding shares of Series A Preferred Stock. The Company incurred $0.2 million interest expense on the lending agreement with SBL for the year ended December 31, 2020. As of December 31, 2020 there was no outstanding balance under the lending agreement.

The table below shows the costs incurred due to arrangements with our Advisor and its affiliates during the years ended December 31, 2020, 2019 and 2018 and the associated amounts payable as of December 31, 2020 and 2019 (dollars in thousands). See Note 11 - Related Party Transactions and Arrangements for further detail.

	Year Ended December 31,			Payable as of December 31,	
	2020	2019	2018	2020	2019
Acquisition expenses [1]	696	900	452	—	225
Administrative services expenses	13,120	16,363	13,446	2,940	1,238
Asset management and subordinated performance fee	15,178	16,226	10,299	4,773	3,326
Other related party expenses [2][3]	703	1,610	1,259	1,812	—
Total related party fees and reimbursements	**$ 29,697**	**$ 35,099**	**$ 25,456**	**$ 9,525**	**$ 4,789**

[1] Total acquisition fees and expenses paid during the years ended December 31, 2020, 2019 and 2018 were $7.1 million, $8.4 million and $8.1 million respectively, of which $6.4 million, $7.5 million and $7.6 million were capitalized within the commercial mortgage loans, held for investment line of the consolidated balance sheets for the years ended December 31, 2020, 2019 and 2018.

[2] These are related to reimbursable costs incurred for the increase in loan origination activities and are included in Other expenses in the Company's consolidated statements of operations.

[3] The related party payable includes $1.8 million of payments made by the Advisor to third party vendors on behalf of the Company.

The amounts payable as of December 31, 2020 and 2019 in the table above are included in Due to affiliates on the Company's consolidated balance sheets.

Off Balance Sheet Arrangements

We currently have no off balance sheet arrangements as of December 31, 2020 and through the date of the filing of this Form 10-K.

Non-GAAP Financial Measures

Funds from Operations and Modified Funds from Operations

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts ("NAREIT") and the Investment Program Association ("IPA") industry trade groups, have each promulgated measures respectively known as funds from operations ("FFO") and modified funds from operations ("MFFO"), which we believe to be appropriate supplemental measures to reflect the operating performance of a REIT. The use of FFO and MFFO is recommended by the REIT industry as supplemental performance measures. However, FFO and MFFO are not substitutes to GAAP net income or loss. We believe our presentations of FFO and MFFO assist investors in analyzing and comparing our operating and financial performance between reporting periods. In addition, we believe MFFO is a useful financial metric for shareholders as historically, over time, MFFO has been a strong indicator of our distributions per share and is a metric we consider in declaring our distributions. As a REIT, we generally must distribute annually at least 90% of our net taxable income, and distributions are one of the principal reasons shareholders invest in our common stock.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004 (the "White Paper"). The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of certain real estate assets, gains or losses from change in control and impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity, depreciation and amortization related to real estate and after adjustments for unconsolidated partnerships and joint ventures on the same basis. Our business plan is to operate as a mortgage REIT with our portfolio consisting of commercial mortgage loan investments, investments in real estate securities and real estate owned assets.

We define MFFO, a non-GAAP measure, consistent with the IPA's Guideline 2010 - 01, Supplemental Performance Measure for Publicly Registered, Non-Listed REITs: Modified Funds from Operations (the "Practice Guideline") issued by the IPA in November 2010. We define MFFO as FFO further adjusted for the following items, as applicable: acquisition fees; accretion of discounts and amortization of premiums and other loan expenses on debt investments; fair value adjustments on real estate related investments such as commercial real estate securities or derivative investments included in net income; impairments of real estate related investments, gains or losses included in net income from the extinguishment or sale of debt, hedges, foreign exchange, derivatives or securities holdings where trading of such holdings is not a fundamental attribute of the business plan, unrealized gains or losses from fair value adjustments on real estate securities, including commercial mortgage backed securities and other securities, interest rate swaps and other derivatives not deemed to be hedges and foreign exchanges holdings; unrealized gains or losses resulting from consolidation from, or deconsolidation to, equity accounting, and after adjustments for consolidated and unconsolidated partnerships and joint ventures, with such adjustments calculated to reflect MFFO on the same basis. The accretion of discounts and amortization of premiums and other loan expenses on debt investments, gains and losses on hedges, foreign exchange, derivatives or securities holdings, unrealized gains and losses resulting from consolidations, as well as other listed cash flow adjustments are adjustments made to net income in calculating the cash flows provided by operating activities and, in some cases, reflect gains or losses which are unrealized and may not ultimately be realized. Inasmuch as interest rate hedges are not a fundamental part of our operations, we believe it is appropriate to exclude such gains and losses in calculating MFFO, as such gains and losses are not reflective of our core operations.

Our MFFO calculation excludes impairments of real estate related investments, including loans. We assess the credit quality of our investments and adequacy of credit loss reserves on a quarterly basis, or more frequently as necessary. For loans classified as held for investment, we establish and maintain a general allowance for credit losses inherent in our portfolio at the reporting date and, where appropriate, a specific allowance for credit losses for loans we have determined to be impaired at the reporting date. An individual loan is considered impaired when it is deemed probable that we will not be able to collect all amounts due according to the contractual terms of the loan. Real estate securities which have experienced a decline in fair value below their amortized cost basis (i.e., impairment) are evaluated each reporting period to determine whether the decline in fair value is due to credit-related factors. Credit-related impairment is recognized as an allowance on the consolidated balance sheets with a corresponding adjustment on the consolidated statements of operations. Significant judgment is required in this analysis. We consider the estimated net recoverable value of the loan or security as well as other factors, including but not limited to the fair value of any collateral, the amount and the status of any senior debt, the prospects for the borrower and the competitive situation of the region where the borrower does business. Fair value is typically estimated based upon discounting the expected future cash flows of the underlying collateral taking into consideration the discount rate, capitalization rate, occupancy, creditworthiness of major tenants and many other factors. This requires significant judgment and because it is based upon projections of future economic events, which are inherently subjective, the amounts ultimately realized may differ materially from the carrying value as of the balance sheet date. If upon completion of the assessment, the estimated fair value of the underlying collateral is less than the net carrying value of the loan, a specific allowance for credit losses is recorded. In the case of real estate securities, all or a portion of a deemed impairment may be recorded. Due to our limited life, any allowance for credit losses or impairment of real estate securities recorded may be difficult to recover.

The table below reflects the items deducted or added to net income or loss in our calculation of FFO and MFFO for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 (dollars in thousands):

	Year Ended December 31,		
	2020	**2019**	**2018**
Funds From Operations:			
Net income	$ 54,746	$ 83,924	$ 52,825
Impairment losses on real estate owned assets	398	—	—
Depreciation and amortization	2,233	—	—
Funds from operations	**$ 57,377**	**$ 83,924**	**$ 52,825**
Modified Funds From Operations:			
Funds from operations	$ 57,377	$ 83,924	$ 52,825
Amortization of premiums, discounts and fees on investments, net	(5,999)	(6,144)	(4,572)
Acquisition fees and acquisition expenses	696	900	452
Unrealized (gain)/loss on financial instruments	1,102	(2,081)	1,611
Provision/(benefit) for credit losses	13,296	3,007	3,370
Modified funds from operations [(1)]	**$ 66,472**	**$ 79,606**	**$ 53,686**

[(1)] Modified funds from operations for the year ended December 31, 2020 includes a non-cash charge of $4.5 million related to the call of BSPRT 2017 - FL2 CLO on January 15, 2020. Excluding the non-cash charge modified funds from operations would be $71.0 million for the year ended December 31, 2020. Modified funds from operations for year ended December 31, 2019 includes a non-cash charge of $4.5 million related to the call of BSPRT 2017 - FL1 CLO on April 15, 2019. Excluding this non-cash charge, modified funds from operations would have been $84.1 million. Modified funds from operations for year ended December 31, 2018 includes a non-cash charge of $6.4 million related to the call of RFT 2015-FL1 CLO on February 15, 2018. Excluding this non-cash charge, modified funds from operations would have been $60.1 million.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Credit Risk

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

Capital Market Risk

We are exposed to risks related to the debt capital markets, and our related ability to finance our business through borrowings under repurchase obligations 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 capital markets to inform our decisions on the amount, timing and terms of capital we raise.

The COVID-19 pandemic has resulted in extreme volatility in a variety of global markets, including the real estate-related debt markets. We have and may continue to receive margin calls from our lenders as a result of the decline in the market value of the assets pledged by us to our lenders under our repurchase agreements and warehouse credit facilities, and if we fail to resolve such margin calls when due by payment of cash or delivery of additional collateral, the lenders may exercise remedies including demanding payment by us of our aggregate outstanding financing obligations and/or taking ownership of the loans or other assets securing the applicable obligations and liquidating them at inopportune prices.

Interest Rate Risk

Our market risk arises primarily from interest rate risk relating to interest rate fluctuations. Many factors including governmental monetary and tax policies, domestic and international economic and political considerations and other factors that are beyond our control contribute to interest rate risk. To meet our short and long-term liquidity requirements, we may borrow funds at fixed and variable rates. Our interest rate risk management objectives are to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars and treasury lock agreements in order to mitigate our interest rate risk with respect to various debt instruments. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in benefits of lower interest rates with respect to our portfolio of investments with fixed interest rates. We do not have any foreign denominated investments, and thus, we are not exposed to foreign currency fluctuations.

As of December 31, 2020 and 2019, our portfolio included 133 and 135 variable rate investments, respectively, based on LIBOR for various terms. Borrowings under our repurchase agreements are also based on LIBOR. The following table quantifies the potential changes in interest income net of interest expense should interest rates increase by 50 or 100 basis points or decrease by 25 basis points, assuming that our current balance sheet was to remain constant and no actions were taken to alter our existing interest rate sensitivity.

For the LIBOR sensitivity range, a reduction in LIBOR results in an increase in our portfolio return. This is driven by the LIBOR floor in place for majority of our commercial mortgage loans, held for investment. In contrast, the majority of our financing instruments do not have LIBOR floors. The presence of a LIBOR floor on interest-bearing assets coupled with lack of LIBOR floor on interest bearing liabilities allows the portfolio to generate a higher return for a decrease in LIBOR rate compared to increase in LIBOR rate for the LIBOR range presented:

	Estimated Percentage Change in Interest Income Net of Interest Expense			
Change in Interest Rates	**December 31, 2020**		**December 31, 2019**	
(-) 25 Basis Points	2.16	%	3.22	%
Base Interest Rate	—	%	—	%
(+) 50 Basis Points	(5.87)	%	(2.20)	%
(+) 100 Basis Points	(9.86)	%	(0.26)	%

Item 8. Financial Statements and Supplementary Data.

The information required by this Item 8 is hereby incorporated by reference to our Consolidated Financial Statements beginning on page F-1 of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded, as of the end of such period, that our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in our reports that we file or submit under the Exchange Act.

Internal Control Over Financial Reporting

Management's Annual Reporting on Internal Controls over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Exchange Act.

In connection with the preparation of our Annual Report on Form 10-K, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2020. In making that assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013).

Based on its assessment, our management concluded that, as of December 31, 2020, our internal control over financial reporting was effective.

The rules of the SEC do not require, and this Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2020, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

On March 10, 2021, we filed a corrected version of our Articles of Amendment and Restatement ("Articles") to address a scrivener's error relating to an incorrect cross-reference. The Articles are filed as Exhibit 3.1 to this Annual Report on Form 10-K.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

We have adopted a Code of Ethics that applies to all of our executive officers and directors, including but not limited to, our principal executive officer and principal financial officer. A copy of our Code of Ethics may be obtained, free of charge, by sending a written request to our executive office – 9 West 57th Street - Suite 4920, New York, NY 10019, attention Chief Financial Officer of Benefit Street Partners Realty Trust, Inc. In addition, the Code of Ethics is available on the Company's website at www.bsprealtytrust.com by clicking on "Investor Relations - Code of Ethics." Any amendments and waivers to our Code of Ethics will be disclosed on our website.

The information required by this Item is incorporated by reference to our definitive proxy statement to be filed with the SEC with respect to our 2021 annual meeting of stockholders.

Item 11. Executive Compensation.

The information required by this Item is incorporated by reference to our definitive proxy statement to be filed with the SEC with respect to our 2021 annual meeting of stockholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is incorporated by reference to our definitive proxy statement to be filed with the SEC with respect to our 2021 annual meeting of stockholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item is incorporated by reference to our definitive proxy statement to be filed with the SEC with respect to our 2021 annual meeting of stockholders.

Item 14. Principal Accounting Fees and Services.

The information required by this Item is incorporated by reference to our definitive proxy statement to be filed with the SEC with respect to our 2021 annual meeting of stockholders.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Financial Statement Schedules

See the Index to Consolidated Financial Statements on page F-1 of this report.

(b) Exhibits

See the Index to Exhibit below.

Item 16. Form 10-K Summary.

None.

INDEX TO EXHIBITS

The following exhibits are included in this Annual Report on Form 10-K for the year ended December 31, 2020 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
3.1*	Articles of Amendment and Restatement, effective March 10, 2021.
3.2[1]	Articles Supplementary of Benefit Street Partners Realty Trust, Inc., dated June 22, 2018, relating to Series A Convertible Preferred Stock
3.3[2]	Articles Supplementary of Benefit Street Partners Realty Trust, Inc., dated December 11, 2018, relating to Additional Shares of Series A Convertible Preferred Stock
3.4[3]	Articles Supplementary of Benefit Street Partners Realty Trust, Inc., dated October 18, 2019, relating to Series C Convertible Preferred Stock
3.5[4]	Articles Supplementary of Benefit Street Partners Realty Trust, Inc., dated December 5, 2019, relating to Additional Shares of Series A Convertible Preferred Stock
3.6[5]	Amended and Restated Bylaws.
4.1[7]	Amended and Restated Agreement of Limited Partnership of Benefit Street Partners Realty Operating Partnership, L.P., dated as of December 31, 2014.
4.2[8]	Amendment No. 1 to the Amended and Restated Agreement of Limited Partnership of Benefit Street Partners Realty Operating Partnership, L.P., dated as of February 9, 2017.
4.3[6]	Description of Securities of the Registrant
10.1[8]†	Amended and Restated Employee and Director Incentive Restricted Share Plan.
10.2[8]†	Form of Director Restricted Share Award Agreement.
10.3[9]	Uncommitted Master Repurchase Agreement, dated as of June 18, 2014, between the Company JPM Loan, LLC and JPMorgan Chase Bank, National Association.
10.4[10]	Amendment No.1 to Master Repurchase Agreement, dated as of June 24, 2015, by and between the Company, JPM Loan, LLC and JP Morgan Chase Bank, National Association.
10.5[11]	Amendment No. 2 to Master Repurchase Agreement, dated as of September 28, 2015, between the Company, JPM Loan, LLC and JPMorgan Chase Bank, National Association.
10.6[12]	Amendment No. 3 to Master Repurchase Agreement, dated as of December 30, 2015, between the Company, JPM Loan, LLC and JPMorgan Chase Bank, National Association.
10.7[13]	Amendment No. 4 to Master Repurchase Agreement, dated as of October 5, 2016, between the Company, JPM Loan, LLC and JPMorgan Chase Bank, National Association.
10.8[14]	Guarantee Agreement, dated as of June 18, 2014, between the Company and JPMorgan Chase Bank, National Association.
10.9[15]	Form of Director and Officer Indemnification Agreement.
10.10[16]	Amended and Restated Uncommitted Master Repurchase Agreement, dated as of June 12, 2017, by and between BSPRT JPM Loan, LLC and JP Morgan Chase Bank, National Association.
10.11*	Amendment No. 5 to Amended and Restated Uncommitted Master Repurchase Agreement, dated as of October 6, 2020, by and between BSPRT JPM Loan, LLC and JP Morgan Chase Bank, National Association.
10.12[16]	Amended and Restated Guarantee Agreement, dated as of June 12, 2017, by and between the Company and JPMorgan Chase Bank, National Association.
10.13[16]	Master Repurchase and Securities Contract, dated as of June 15, 2017, between BSPRT USB Loan, LLC and U.S. Bank National Association.
10.14[16]	Payment Guaranty, dated as of June 15, 2017, by and between the Company and U.S. Bank National Association.
10.15[17]	Master Repurchase Agreement, dated as of August 31, 2017, by and among Column Financial, Inc., Credit Suisse AG, Alpine Securitization Ltd., the Company and BSPRT Finance Sub-Lender I, LLC.
10.16[17]	Guaranty, dated as of August 31, 2017, by and between the Company and Column Financial, Inc.

10.17[18]	Credit Agreement, dated as of September 19, 2017, by and among the Company, BSPRT BB Loan, LLC, BSPRT Finance Sub-Lender II, L.L.C., Barclays Bank PLC, as sole lead arranger and bookrunner, Barclays Bank PLC, as administrative agent, and the lenders from time to time partiers thereto.
10.18[18]	Guarantee and Collateral Agreement, dated as of September 19, 2017, by and among the Company, BSPRT BB Loan, LLC, BSPRT Finance Sub-Lender II, L.L.C. and Barclays Bank PLC, as administrative agent for the secured parties.
10.19[19]	Indenture, dated as of November 29, 2017, by and among BSPRT 2017-FL2 Issuer, Ltd., as issuer, BSPRT 2017-FL2 Co-Issuer, LLC, as co-issuer, Benefit Street Partners Realty Operating Partnership, L.P., as advancing agent, and U.S. Bank National Association, as trustee, note administrator and custodian.
10.20[20]	Amended and Restated Advisory Agreement, dated as of January 19, 2018, by and among Benefit Street Partners Realty Trust, Benefit Street Partners Realty Operating Partnership, L.P. and Benefit Street Partners, L.L.C.
10.21[21]	Indenture, dated as of April 5, 2018, by and among BSPRT 2018-FL3 Issuer, Ltd., BSPRT 2018-FL3 Co-Issuer, LLC, Benefit Street Partners Realty Operating Partnership, L.P., as advancing agent, and U.S. Bank National Association, as trustee, note administrator and custodian.
10.22[5]	Indenture, dated as of October 12, 2018, by and among BSPRT 2018-FL4 Issuer, Ltd., BSPRT 2018-FL4 Co-Issuer, LLC, Benefit Street Partners Realty Operating Partnership, L.P., as advancing agent, and U.S. Bank National Association, as trustee, note administrator and custodian.
10.23[22]	Master Repurchase and Securities Contract, dated November 21, 2018, among the Company, BSPRT WFB LOAN, LLC and Wells Fargo Bank, National Association.
10.24[22]	Guarantee Agreement, dated November 21, 2018, between the Company and Wells Fargo Bank, National Association.
10.25[22]	Master Repurchase and Securities Contract, dated March 15, 2019, among the Company, BSPRT BB FLOAT, LLC, BSPRT BB Fixed, LLC and BARCLAYS BANK PLC.
10.26[22]	Guarantee Agreement, dated March 15, 2019, between the Company and BARCLAYS BANK PLC.
10.27[23]	Indenture, dated as of May 30, 2019, by and among BSPRT 2010-FL5 Issuer, Ltd., BSPRT 2019-FL5 Co-Issuer, LLC, Benefit Street Partners Realty Operating Partnership, L.P., as advancing agent, and U.S. Bank National Association, as trustee, note administrator and custodian.
10.28[24]	Loan and Security Agreement, dated February 11, 2020 and as amended by Agreement of Amendment dated March 26, 2020, among BSPRT OP SUB I, LLC, Benefit Street Partners Realty Trust, Inc., Benefit Street Partners Realty Trust LP, LLC, Benefit Street Partners Realty Operating Partnership, L.P., and Security Benefit Life Insurance Company and the other lenders from time to time parties thereto, and Cortland Capital Market Services LLC, as administrative agent.
10.29*	Loan and Security Agreement, dated as of February 11, 2020, as amended by that certain Agreement of Amendment No. 1, dated March 26, 2020 and that certain Consent and Amendment No. 2 to Loan and Security Agreement, dated as of July 14, 2020, among BSPRT OP Sub I, LLC, Benefit Street Partners Realty Trust, Inc., Benefit Street Partners Realty Trust LP, LLC, and Benefit Street Partners Realty Operating Partnership, L.P. and Security Benefit Life Insurance Company and the other lenders from time to time parties thereto, and Cortland Capital Market Services LLC, as administrative agent.
21*	Subsidiaries of the Registrant
23.1*	Consent of Ernst & Young LLP
31.1*	Certification of the Principal Executive Officer of the Company pursuant to Securities Exchange Act Rule 13a - 14(a) or 15(d) - 14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer of the Company pursuant to Securities Exchange Act Rule 13a - 14(a) or 15(d) - 14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Written statements of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	XBRL (eXtensible Business Reporting Language). The following materials from Benefit Street Partners Realty Trust, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2020, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) the Consolidated Statement of Changes in Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to the Consolidated Financial Statements.

* Filed herewith.

† Indicates management contract or compensatory plan or arrangement.

[1] Filed as an exhibit to our current report on Form 8-K filed with the SEC on June 26, 2018.

[2] Filed as an exhibit to our current report on Form 8-K filed with the SEC on December 11, 2018.

[3] Filed as exhibit 3.1 to our current report on Form 8-K filed with the SEC on October 18, 2019.

[4] Filed as exhibit 3.1 to our current report on Form 8-K filed with the SEC on December 5, 2019.

[5] Filed as an exhibit to our quarterly report on Form 10-Q for the quarter ended September 30, 2018 filed with the SEC on November 9, 2018.

[6] Filed as an exhibit to our annual report on Form 10-K for the year ended December 31, 2019 filed with the SEC on March 17, 2020.

[7] Filed as an exhibit to our current report on Form 8-K filed with the SEC on January 6, 2015.

[8] Filed as an exhibit to our annual report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 29, 2017.

[9] Filed as an exhibit to Pre-Effective Amendment No. 1 to Post-Effective Amendment No. 7 to our Registration Statement on Form S-11 filed with the SEC on July 11, 2014.

(10) Filed as an exhibit to Pre-Effective Amendment No.1 to Post-Effective Amendment No.12 to our Registration Statement on Form S-11 filed with the SEC on July 8, 2015.
(11) Filed as an exhibit to Pre-Effective Amendment No. 1 to Post-Effective Amendment No. 13 filed with the SEC on October 8, 2015.
(12) Filed as an exhibit to our annual report on Form 10-K for the year ended December 31, 2015 filed with the SEC on March 11, 2016.
(13) Filed as an exhibit to our current report on Form 8-K filed with the SEC on October 12, 2016.
(14) Filed as an exhibit to Pre-Effective Amendment No. 1 to Post-Effective Amendment No. 8 to our Registration Statement on Form S-11 filed with the SEC on October 8, 2014.
(15) Filed as an exhibit to our quarterly report on Form 10-Q for the quarter ended September 30, 2016 filed with the SEC on November 14, 2016.
(16) Filed as an exhibit to Amendment No. 1 to our quarterly report on Form 10-Q for the quarter ended June 30, 2017 filed with the SEC on August 23, 2017.
(17) Filed as an exhibit to our current report on Form 8-K filed with the SEC on September 7, 2017.
(18) Filed as an exhibit to our current report on Form 8-K filed with the SEC on September 25, 2017.
(19) Filed as an exhibit to our current report on Form 8-K filed with the SEC on December 5, 2017.
(20) Filed as an exhibit to our current report on Form 8-K filed with the SEC on January 23, 2018.
(21) Filed as an exhibit to our current report on Form 8-K filed with the SEC on April 11, 2018.
(22) Filed as an exhibit to our annual report on Form 10-K filed with the SEC on March 29, 2019.
(23) Filed as an exhibit 10.1 to our current report on Form 8-K filed with the SEC on June 5, 2019.
(24) Filed as exhibit 10.1 to our quarterly report on Form 10-Q for the quarter ended March 31, 2020 filed with the SEC on May 15, 2020.

SIGNATURES

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

Benefit Street Partners Realty Trust, Inc.

Date: March 10, 2021

By /s/ Richard J. Byrne
Richard J. Byrne
Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Capacity	Date
/s/ Richard J. Byrne Richard J. Byrne	Chief Executive Officer and President (Principal Executive Officer)	March 10, 2021
/s/ Jerome S. Baglien Jerome S. Baglien	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	March 10, 2021
/s/ Elizabeth K. Tuppeny Elizabeth K. Tuppeny	Lead Independent Director	March 10, 2021
/s/ Buford Ortale Buford Ortale	Director	March 10, 2021
/s/ Jamie Handwerker Jamie Handwerker	Director	March 10, 2021
/s/ Peter McDonough Peter McDonough	Director	March 10, 2021

BENEFIT STREET PARTNERS REALTY TRUST, INC.
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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Benefit Street Partners Realty Trust, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Benefit Street Partners Realty Trust, Inc. (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule IV (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Adoption of new accounting standard

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for credit losses in 2020. As explained below, auditing Benefit Street Partners Realty Trust Inc.'s allowance for credit losses – Commercial mortgage loans held-for-investment, including the adoption of the new accounting guidance, was a critical audit matter.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Allowance for credit losses – Commercial mortgage loans held-for-investment

Description of the Matter	Allowance for credit losses – Commercial mortgage loans held-for-investment totaled $20.9 million as of December 31, 2020. As disclosed in Note 2 to the consolidated financial statements, the allowance for credit losses for the Commercial mortgage loans held-for-investment carried at amortized cost, represents a lifetime estimate of expected credit losses. As discussed above and in Note 2 to the financial statements, effective January 1, 2020 the Company adopted new accounting guidance related to the estimate of allowance for credit losses. The allowance for credit losses is established for current expected credit losses on the Company's loan portfolio by utilizing expected loss models. When determining expected losses, the Company uses an economic scenario over a reasonable and supportable forecast period and then fully reverts to historical loss experience to estimate losses over the remaining asset lives. The Company performs a comprehensive analysis of its loan portfolio and assigns risk ratings to loans that incorporate management's current judgments about their credit quality based on all known and relevant internal and external factors that may affect collectability. Auditing the Allowance for credit losses – Commercial mortgage loans held-for-investment was complex due to the use of intricate expected loss models and the highly judgmental nature of the economic scenario and the key inputs of the models.
How We Addressed the Matter in Our Audit	With the support of specialists, we assessed the economic scenario by, among other procedures, evaluating management's methodology and agreeing a sample of key economic variables used to external sources. We also performed and considered the results of various sensitivity analyses and analytical procedures, including comparison of a sample of the key economic variables to alternative external sources, historical statistics and peer real estate investment trust information. With respect to expected loss models, with the support of specialists, we evaluated model calculation design and re-performed the calculation for the models. We also tested the appropriateness of a sample of key inputs and assumptions used in these models by agreeing significant inputs and underlying data to internal and external sources, as well as recalculating when required. We evaluated the overall allowance amount, including model estimates and whether the recorded allowance for credit losses appropriately reflects expected credit losses on the loan portfolio. We reviewed historical loss statistics, peer real estate investment trust information, subsequent events and transactions and considered whether they corroborate or contradict the Company's measurement of the allowance for credit losses.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.

New York, New York
March 10, 2021

BENEFIT STREET PARTNERS REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Audited)

	December 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 82,071	$ 87,246
Restricted cash	10,070	21,876
Commercial mortgage loans, held for investment, net of allowance of $20,886 and $921 as of December 31, 2020 and December 31, 2019, respectively	2,693,848	2,762,042
Commercial mortgage loans, held-for-sale, measured at fair value	67,649	112,562
Real estate securities, available for sale, measured at fair value, amortized cost of $179,392 and $387,294 as of December 31, 2020 and December 31, 2019, respectively	171,136	386,316
Derivative instruments, measured at fair value	25	1,119
Other real estate investments, measured at fair value	2,522	2,557
Receivable for loan repayment [1]	98,551	89,317
Accrued interest receivable	15,295	16,308
Prepaid expenses and other assets	8,538	5,322
Intangible lease asset, net of amortization	13,546	14,377
Operating right of use asset, net of amortization	—	5,979
Real estate owned, net of depreciation	26,510	35,333
Receivable for unsettled trades	—	266
Total assets	**$ 3,189,761**	**$ 3,540,620**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Collateralized loan obligations	$ 1,625,498	$ 1,803,185
Repurchase agreements - commercial mortgage loans	276,340	252,543
Repurchase agreements - real estate securities	186,828	394,359
Mortgage note payable	29,167	29,167
Other financing and loan participation - commercial mortgage loans	31,379	—
Derivative instruments, measured at fair value	403	1,581
Interest payable	2,110	4,958
Distributions payable	15,688	6,912
Accounts payable and accrued expenses	5,125	10,925
Due to affiliates	9,525	4,789
Operating lease liability	—	6,136
Deferred rent revenue	—	150
Total liabilities	**$ 2,182,063**	**$ 2,514,705**
Redeemable convertible preferred stock Series A, $0.01 par value, 60,000 authorized and 40,515 and 40,500 issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	$ 202,292	$ 202,144
Redeemable convertible preferred stock Series C, $0.01 par value, 20,000 authorized and 1,400 issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	6,962	6,966
Equity:		
Preferred stock, $0.01 par value, 50,000,000 authorized, none issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	—	—
Common stock, $0.01 par value, 949,999,000 shares authorized, 44,510,051 and 43,916,815 issued and outstanding as of December 31, 2020 and December 31, 2019, respectively	446	441
Additional paid-in capital	912,725	903,310
Accumulated other comprehensive income (loss)	(8,256)	(978)
Accumulated deficit	(106,471)	(85,968)
Total stockholders' equity	**$ 798,444**	**$ 816,805**
Total liabilities, redeemable convertible preferred stock and stockholders' equity	**$ 3,189,761**	**$ 3,540,620**

[1] Includes $98.6 million and $89.3 million of cash held by the servicer related to CLO loan payoffs as of December 31, 2020 and December 31, 2019.

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

BENEFIT STREET PARTNERS REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)
(Audited)

	Year Ended December 31,		
	2020	**2019**	**2018**
Interest Income:			
Interest income	$ 179,872	$ 195,299	$ 152,288
Less: Interest expense	66,556	90,418	70,000
Net interest income	113,316	104,881	82,288
Revenue from real estate owned	4,299	3,169	—
Total Income	**$ 117,615**	**$ 108,050**	**$ 82,288**
Expenses:			
Asset management and subordinated performance fee	15,178	16,226	10,299
Acquisition expenses	696	900	452
Administrative services expenses	13,120	16,363	13,446
Professional fees	10,964	11,631	8,318
Real estate owned operating expenses	3,653	2,802	—
Depreciation and amortization	2,233	507	—
Other expenses	3,312	3,771	4,887
Total expenses	**$ 49,156**	**$ 52,200**	**$ 37,402**
Other (income)/loss:			
Provision/(benefit) for credit losses	13,296	3,007	3,370
Impairment losses on real estate owned assets	398	—	—
Realized (gain)/loss on extinguishment of debt	(3,678)	—	—
Realized (gain)/loss on sale of real estate securities	10,137	—	107
Realized (gain)/loss on sale of commercial mortgage loan, held-for-sale	(184)	25	9
Realized (gain)/loss on sale of real estate owned assets, held-for-sale	(1,851)	—	—
Realized (gain)/loss on sale of commercial mortgage loan, held-for-sale, measured at fair value	(15,931)	(37,832)	(11,288)
Unrealized (gain)/loss on commercial mortgage loans, held-for-sale, measured at fair value	75	(312)	237
Unrealized (gain)/loss on other real estate investments, measured at fair value	32	(47)	—
Unrealized (gain)/loss on derivatives	995	(1,722)	1,374
Realized (gain)/loss on derivatives	12,486	4,324	(1,827)
Total other (income)/loss	**$ 15,775**	**$ (32,557)**	**$ (8,018)**
Income before taxes	52,684	88,407	52,904
Provision/(benefit) for income tax	(2,062)	4,483	$ 79
Net income	**$ 54,746**	**$ 83,924**	**$ 52,825**
Net income applicable to common stock	**$ 39,826**	**$ 66,914**	**$ 49,181**
Basic net income per share	$ 0.90	$ 1.60	$ 1.44
Diluted net income per share	$ 0.90	$ 1.60	$ 1.44
Basic weighted average shares outstanding	44,384,813	41,859,142	34,268,707
Diluted weighted average shares outstanding	44,398,879	41,871,646	36,779,735

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

BENEFIT STREET PARTNERS REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars In thousands)
(Audited)

	Year Ended December 31,		
	2020	**2019**	**2018**
Net income	$ 54,746	$ 83,924	$ 52,825
Unrealized gain/(loss) on available for sale securities	(7,278)	(978)	(459)
Comprehensive income attributable to Benefit Street Partners Realty Trust, Inc.	**$ 47,468**	**$ 82,946**	**$ 52,366**

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

BENEFIT STREET PARTNERS REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock					
	Number of Shares	Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance, December 31, 2017	**31,834,072**	**$ 320**	**$ 704,101**	**$ —**	**$ (94,082)**	**$ 610,339**
Issuance of common stock	7,533,834	75	124,260	—	—	124,335
Common stock repurchases	(809,023)	(8)	(15,077)	—	—	(15,085)
Common stock issued through distribution reinvestment plan	739,052	8	14,015	—	—	14,023
Share-based compensation	5,775	—	157	—	—	157
Offering costs	—	—	102	—	—	102
Net income	—	—	—	—	52,825	52,825
Distributions declared	—	—	—	—	(53,009)	(53,009)
Other comprehensive income	—	—	—	(459)	—	(459)
Balance, December 31, 2018	**39,303,710**	**$ 395**	**$ 827,558**	**$ (459)**	**$ (94,266)**	**$ 733,228**
Issuance of common stock	4,601,904	46	76,846	—	—	76,892
Common stock repurchases	(741,853)	(7)	(13,806)	—	—	(13,813)
Common stock issued through distribution reinvestment plan	746,654	7	13,903	—	—	13,910
Share-based compensation	6,400	—	156	—	—	156
Offering costs	—	—	(1,347)	—	—	(1,347)
Net income	—	—	—	—	83,924	83,924
Distributions declared	—	—	—	—	(75,626)	(75,626)
Other comprehensive income	—	—	—	(519)	—	(519)
Balance, December 31, 2019	**43,916,815**	**$ 441**	**$ 903,310**	**$ (978)**	**$ (85,968)**	**$ 816,805**
Issuance of common stock	650,034	6	10,880	—	—	10,886
Common stock repurchases	(579,467)	(6)	(10,253)	—	—	(10,259)
Common stock issued through distribution reinvestment plan	511,899	5	8,809	—	—	8,814
Share-based compensation	10,770	—	193	—	—	193
Offering costs	—	—	(214)	—	—	(214)
Net income	—	—	—	—	54,746	54,746
Distributions declared	—	—	—	—	(67,488)	(67,488)
Cumulative-effect adjustment upon adoption of ASU 2016-13 (Note 2)	—	—	—	—	(7,761)	(7,761)
Other comprehensive income	—	—	—	(7,278)	—	(7,278)
Balance, December 31, 2020	**44,510,051**	**$ 446**	**$ 912,725**	**$ (8,256)**	**$ (106,471)**	**$ 798,444**

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

BENEFIT STREET PARTNERS REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31,		
	2020	**2019**	**2018**
Cash flows from operating activities:			
Net income	$ 54,746	$ 83,924	$ 52,825
Adjustments to reconcile net income to net cash provided by operating activities:			
Premium amortization and (discount accretion), net	(5,999)	(6,144)	(4,572)
Accretion of deferred commitment fees	(6,410)	(2,754)	(1,577)
Amortization of deferred financing costs	9,585	9,584	12,681
Share-based compensation	193	156	157
Realized (gain)/loss from sale of real estate securities	10,137	—	107
Realized (gain)/loss from sale of real estate owned, held-for-sale	(1,851)	—	—
Realized (gain)/loss from extinguishment of debt	(3,678)	—	—
Unrealized (gain)/loss on commercial mortgage loans held-for-sale	75	(359)	237
Unrealized (gain)/losses on derivative instruments	995	(1,722)	1,374
Unrealized loss on other real estate securities	32	—	—
Depreciation and amortization	2,233	—	—
Recognition of deferred rent revenue	(150)	—	—
Increase/(decrease) for credit losses	13,296	3,007	3,370
Impairment losses on real estate owned assets	398	—	—
Origination of commercial mortgage loans, held-for-sale	(267,553)	(1,020,702)	(621,597)
Proceeds from sale of commercial mortgage loans, held-for-sale	312,206	975,243	573,010
Changes in assets and liabilities:			
Accrued interest receivable	7,423	(765)	(3,060)
Prepaid expenses and other assets	(7,079)	(4,020)	(4,133)
Accounts payable and accrued expenses	(5,837)	6,428	(13)
Due to affiliates	4,736	1,560	(3,192)
Interest payable	(2,164)	1,933	1,481
Net cash (used in)/provided by operating activities	**$ 115,334**	**$ 45,369**	**$ 7,098**
Cash flows from investing activities:			
Origination and purchase of commercial mortgage loans, held for investment	$ (1,281,158)	$ (1,321,644)	$ (1,598,786)
Principal repayments received on commercial mortgage loans, held for investment	1,228,225	756,141	753,921
Purchase of other real estate investments	—	(2,511)	—
Purchase of real estate owned and capital expenditures	(2,824)	(42,018)	—
Proceeds from sale of real estate owned, held-for-sale	22,472	—	—
Proceeds from sale of commercial mortgage loans, held-for-sale	77,164	—	16,910
Purchase of real estate securities	(148,580)	(369,911)	(39,510)
Proceeds from sale/repayment of real estate securities	346,201	9,369	12,456
Purchase of derivative instruments	(813)	1,333	(804)
Net cash (used in)/provided by investing activities	**$ 240,687**	**$ (969,241)**	**$ (855,813)**
Cash flows from financing activities:			
Proceeds from issuances of common stock	$ 10,672	$ 75,545	$ 124,335
Proceeds from issuances of redeemable convertible preferred stock	47	63,197	146,245
Common stock repurchases	(10,259)	(13,813)	(15,085)
Reimbursements/(payments) of offering costs and fees related to stock issuances	—	—	(887)

BENEFIT STREET PARTNERS REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

Borrowings under collateralized loan obligation	—	639,899	1,161,002
Repayments of collateralized loan obligation	(182,680)	(343,191)	(478,177)
Borrowings on repurchase agreements - commercial mortgage loans	682,970	1,035,524	1,833,838
Repayments of repurchase agreements - commercial mortgage loans	(659,173)	(932,420)	(1,750,088)
Borrowings on repurchase agreements - real estate securities	2,675,218	1,570,331	280,837
Repayments of repurchase agreements - real estate securities	(2,882,749)	(1,220,511)	(275,332)
Proceeds from other financing and loan participation - commercial mortgage loans	31,379	—	10,000
Repayments on other financing and loan participation - commercial mortgage loans	—	(10,000)	(26,182)
Borrowing on mortgage note payable	11,712	29,167	—
Payments of deferred financing costs	(349)	(4,540)	(12,128)
Distributions paid	(49,790)	(60,613)	(36,952)
Net cash (used in)/provided by financing activities:	**$ (373,002)**	**$ 828,575**	**$ 961,426**
Net change in cash, cash equivalents and restricted cash	$ (16,981)	$ (95,297)	$ 112,711
Cash, cash equivalents and restricted cash, beginning of period	109,122	204,419	91,708
Cash, cash equivalents and restricted cash, end of period	**$ 92,141**	**$ 109,122**	**$ 204,419**
Supplemental disclosures of cash flow information:			
Taxes paid	$ 4,400	$ —	$ 355
Interest paid	59,819	78,901	53,029
Supplemental disclosures of non-cash flow information:			
Common stock issued through distribution reinvestment plan	$ 8,814	13,903	14,023
Commercial mortgage loans transferred from held for investment to held-for-sale	76,979	—	16,750
Distribution payable	15,688	6,912	5,834
Commercial mortgage loans transferred from held-for-sale to held for investment	—	10,072	—
Real estate owned received in foreclosure	35,411	8,110	—
Reconciliation of cash, cash equivalents and restricted cash at end of period:			
Cash and cash equivalents	$ 82,071	$ 87,246	$ 191,390
Restricted cash	10,070	21,876	13,029
Cash, cash equivalents and restricted cash, end of period	**$ 92,141**	**$ 109,122**	**$ 204,419**

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

BENEFIT STREET PARTNERS REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

Note 1 - Organization and Business Operations

Benefit Street Partners Realty Trust, Inc. (the "Company") is a real estate finance company that primarily originates, acquires and manages a diversified portfolio of commercial real estate debt investments secured by properties located within and outside the United States. The Company was incorporated in Maryland on November 15, 2012 and commenced operations on May 14, 2013.

The Company made a tax election to be treated as a real estate investment trust (a "REIT") for U.S. federal income tax purposes commencing with its taxable year ended December 31, 2013. The Company believes that it has qualified as a REIT and intends to continue to meet the requirements for qualification and taxation as a REIT. In addition, the Company, through a subsidiary which is treated as a taxable REIT subsidiary (a "TRS") is indirectly subject to U.S federal, state and local income taxes. The majority of the Company's business is conducted through Benefit Street Partners Realty Operating Partnership, L.P. (the "OP"), a Delaware limited partnership. The Company is the sole general partner and directly or indirectly holds all of the units of limited partner interests in the OP.

The Company has no direct employees. Benefit Street Partners L.L.C. serves as the Company's advisor (the "Advisor") pursuant to an Amended and Restated Advisory Agreement, dated January 19, 2018 (the "Advisory Agreement"). The Advisor is a wholly owned subsidiary of Franklin Resources, Inc. which, together with its various subsidiaries, operates as Franklin Templeton. The Advisor, an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"), is a credit-focused alternative asset management firm. Established in 2008, the Advisor's credit platform manages funds for institutions and high-net-worth investors across various credit funds and complementary strategies including high yield, levered loans, private / opportunistic debt, liquid credit, structured credit and commercial real estate debt. These strategies complement each other as they all leverage the sourcing, analytical, compliance, and operational capabilities that encompass the platform. The Advisor manages the Company's affairs on a day-to-day basis. The Advisor receives compensation and fees for services related to the investment and management of the Company's assets and the operations of the Company.

The Company invests in commercial real estate debt investments, which may include first mortgage loans, subordinated mortgage loans, mezzanine loans and participations in such loans. The Company also originates conduit loans which the Company intends to sell through its TRS into commercial mortgage-backed securities ("CMBS") at a profit. The Company also invests in commercial real estate securities. Real estate securities may include CMBS, senior unsecured debt of publicly traded REITs, debt or equity securities of other publicly traded real estate companies and collateralized debt obligations ("CDOs"). The Company also owns real estate acquired by the Company through foreclosure and deed in lieu of foreclosure, and purchased for investment, typically subject to triple net leases.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Company's consolidated financial statements and related footnotes have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the requirements for reporting on Form 10-K and Regulation S-X, as appropriate.

Certain prior period amounts have been reclassified to conform with current presentation. In the opinion of management, all normal recurring adjustments considered necessary for a fair statement of the results of the periods presented have been included. The current period's results of operations will not necessarily be indicative of results in any subsequent reporting period.

Use of Estimates

GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reported periods. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially. In the opinion of management, the interim data includes all adjustments, of a normal and recurring nature, necessary for a fair statement of the results for the periods presented. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the entire year or any subsequent periods.

In response to the global coronavirus (COVID-19) pandemic, numerous countries, including the U.S., have declared national emergencies with respect to COVID-19 and certain jurisdictions, including those where our corporate headquarters and/or properties that secure our investments, or properties that the Company owns, are located, have at times imposed "stay-at-home" guidelines or orders or other restrictions to help prevent its spread. The effects of COVID-19 may negatively and materially impact significant estimates and assumptions used by the Company including, but not limited to estimates of expected credit losses, valuation of our equity method investments and the fair value estimates of the Company's assets and liabilities. Actual results could materially differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, the OP and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. In determining whether the Company has a controlling financial interest in a joint venture and the requirement to consolidate the accounts of that entity, management considers factors such as ownership interest, authority to make decisions and contractual and substantive participating rights of the other partners or members, as well as whether the entity is a variable interest entity ("VIE") for which the Company is the primary beneficiary.

The Company has determined the OP is a VIE of which the Company is the primary beneficiary. Substantially all of the Company's assets and liabilities are held by the OP.

The Company consolidates all entities that it controls through either majority ownership or voting rights. In addition, the Company consolidates all VIEs of which the Company is considered the primary beneficiary. VIEs are entities in which equity investors (i) do not have 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 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.

The accompanying consolidated financial statements include the accounts of collateralized loan obligations ("CLOs") issued and securitized by wholly owned subsidiaries of the Company. The Company has determined the CLOs are VIEs of which the Company's subsidiary is the primary beneficiary. The assets and liabilities of the CLOs are consolidated in the accompanying consolidated balance sheets in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, *Consolidation.*

Acquisition Expenses

The Company capitalizes certain direct costs relating to loan origination activities. The cost is amortized over the life of the loan and recognized in interest income in the Company's consolidated statements of operations. Acquisition expenses paid on future funding amounts are expensed within the acquisition expenses line in the Company's consolidated statements of operations.

Cash and Cash Equivalents

Cash consists of amounts deposited with high quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Company up to an insurance limit. Cash equivalents include short-term, liquid investments in money market funds with original maturities of 90 days or less when purchased.

Restricted Cash

Restricted cash primarily consists of cash pledged as margin on repurchase agreements and derivative transactions. The duration of this restricted cash generally matches the duration of the related repurchase agreements or derivative transaction.

Commercial Mortgage Loans

Held for Investment - Commercial mortgage loans that are held for investment purposes and are anticipated to be held until maturity, are carried at cost, net of unamortized acquisition expenses, discounts or premiums and unfunded commitments. Commercial mortgage loans, held for investment purposes, are carried at amortized cost less a specific allowance for credit losses. Interest income is recorded on the accrual basis and related discounts, premiums and acquisition expenses on investments are amortized over the life of the investment using the effective interest method. Amortization is reflected as an adjustment to interest income in the Company's consolidated statements of operations. Guaranteed loan commitment fees payable by the borrower upon maturity are accreted over the life of the investment using the effective interest method. The accretion of guaranteed loan commitment fees is recognized in interest income in the Company's consolidated statements of operations.

Held-for-Sale - Commercial mortgage loans that are intended to be sold in the foreseeable future are reported as held-for sale and are transferred at fair value and recorded at the lower of cost or fair value with changes recorded through the statements of operations. Unamortized loan origination costs for commercial mortgage loans held-for-sale that are carried at the lower of cost or fair value are capitalized as part of the carrying value of the loans and recognized upon the sale of such loans. Amortization of origination costs ceases upon transfer of commercial mortgage loans to held-for-sale.

Held-for-Sale, Accounted for Under the Fair Value Option **-** The fair value option provides an option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, and written loan commitments. The Company has elected to measure commercial mortgage loans held-for-sale in the Company's TRS under the fair value option. These commercial mortgage loans are included in the Commercial mortgage loans, held-for-sale, measured at fair value in the consolidated balance sheets. Interest income received on commercial mortgage loans held-for-sale, measured at fair value is recorded on the accrual basis of accounting and is included in interest income in the consolidated statements of operations. Costs to originate these investments are expensed when incurred.

Real estate owned

Real estate owned ("REO") assets represent real estate acquired by the Company through foreclosure, deed in lieu of foreclosure, or purchase. REO assets are carried at their estimated fair value at acquisition and are presented net of accumulated depreciation and impairment charges. The Company allocates the purchase price of acquired real estate assets based on the fair value of the acquired assets such as land, building, furniture, fixtures and equipment. Asset acquisitions in which monetary consideration is given generally includes the transaction costs of the asset acquisition. Acquiring assets in groups requires not only ascertaining the cost of the asset (or net asset) group but also allocating that cost to the individual assets (or individual assets and liabilities) that make up the group. The cost of a group of assets acquired in an asset acquisition shall be allocated to the individual assets acquired or liabilities assumed based on their relative fair values and shall not give rise to goodwill.

Real estate owned assets are depreciated using the straight-line method over estimated useful lives of up to 40 years for buildings and improvements and up to 15 years for furniture, fixtures and equipment. Renovations and/or replacements that improve or extend the life of the real estate owned assets are capitalized and depreciated over their estimated useful lives. Real estate owned revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to a customer. The Company is considered to have satisfied all performance obligations at a point in time.

Real estate owned assets that are probable to be sold within one year are reported as held-for-sale. Real estate owned assets classified as held-for-sale shall be measured at the lower of its carrying amount or fair value less cost to sell. Real estate owned assets shall not be depreciated or amortized while it is classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale shall continue to be accrued. Upon the disposition of a real estate owned asset, the Company calculates realized gains and losses as net proceeds received less the carrying value of the real estate owned asset. Net proceeds received are net of direct selling costs associated with the disposition of the real estate owned asset.

Leases

Operating right of use assets "ROU" represent the Company's right to use an underlying asset during the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of fixed lease payments over the lease term. Leases will be classified as either a finance or operating lease, with such classification affecting the pattern and classification of expense recognition in the consolidated statements of operations. For leases greater than 12 months, the Company determines, at the inception of the contract, if the arrangement meets the classification criteria for an operating or finance lease. For leases that have extension options, which can be exercised at the Company's discretion, management uses judgment to determine if it is reasonably certain that such extension options will be elected. If the extension options are reasonably certain to occur, the Company includes the extended term's lease payments in the calculation of the respective lease liability. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The incremental borrowing rate used to discount the lease liability is determined at commencement of the lease, or upon modification of the lease, as the interest rate a lessee would have to pay to borrow on a fully collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. The Company's incremental borrowing rate considers information at both the corporate and property level and analysis of current market conditions for obtaining new financings. All leases as of December 31, 2020 and December 31, 2019 were operating leases.

Separately, on October 15, 2019, the Company acquired certain real estate assets which had an existing in-place lease asset. This in-place lease asset is recorded as an Intangible lease asset on the consolidated balance sheets and amortized using the straight-line method over the contractual life of the lease.

Credit Losses

In June 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments-Credit Losses, which amends the credit impairment model for financial instruments. The Company adopted ASU 2016-13 on January 1, 2020.

Following our adoption of ASU 2016-13, our previous incurred loss model was replaced with a lifetime current expected credit loss ("CECL") model for financial instruments carried at amortized cost and off-balance sheet credit exposures, such as loans, loan commitments, held-to-maturity ("HTM") debt securities, financial guarantees, net investments in leases, reinsurance and trade receivables, which will generally result in earlier recognition of allowance for losses. For available for sale ("AFS") debt securities, unrealized credit losses are recognized as allowances rather than reductions in amortized cost basis and elimination of the other than temporary impairment concept will result in more frequent estimation of credit losses. The accounting model for purchased credit impaired loans and debt securities has been simplified, including elimination of some of the asymmetrical treatment between credit losses and credit recoveries, to be consistent with the CECL model for originated and purchased non-credit impaired assets. The adopted model for ASC 326 as it applies to HTM and AFS securities, encompassing the beneficial interest model for securities that are not of high credit quality, has been clarified to include the effective interest method as a basis for the projection of cash collections method in connection with the newly adopted impairment models for HTM and AFS debt securities under ASC 326 when securities are not of high credit quality. Upon adoption of ASU 2016-13 on January 1, 2020, the Company recorded an additional allowance for credit losses for our outstanding loans and unfunded loan commitments of $7.8 million, or $0.18 per share, which was 0.27% of the aggregate commitment amount of the Company's loan portfolio at December 31, 2019.

	Pre-adoption	Transition Adjustment	Post-adjustment
Assets			
Commercial mortgage loans, held for investment, net of allowance	$ 2,762,042	$ (7,211)	$ 2,754,831
Liabilities			
Accounts payable and accrued expenses [(1)]	10,925	(550)	10,375
Equity			
Accumulated deficit	$ (85,968)	$ (7,761)	$ (93,729)

[(1)] Includes allowance associated with unfunded loan commitment.

The following discussion highlights changes to the Company's accounting policies as a result of this adoption.

Allowance for credit losses

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

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

In measuring the allowance for credit losses for financial instruments including our unfunded loan commitments that share similar risk characteristics, the Company primarily applies a probability of default ("PD")/loss given default ("LGD") model for instruments that are collectively assessed, whereby the allowance for credit losses is calculated as the product of PD, LGD and exposure at default ("EAD"). The Company's model principally utilizes historical loss rates derived from a commercial mortgage backed securities database with historical losses from 1998 to 2020 provided by a reputable third party, forecasting the loss parameters using a scenario-based statistical approach over a reasonable and supportable forecast period of twelve months, followed by an immediate reversion to average historical losses. For financial instruments assessed on an individual basis, including when it is probable that the Company will be unable to collect the full payment of principal and interest on the instrument, the Company applies a discounted cash flow ("DCF") methodology.

For financial instruments where the borrower is experiencing financial difficulty based on the Company's assessment at the reporting date and the repayment is expected to be provided substantially through the operation or sale of the collateral, the Company may elect to use as a practical expedient the fair value of the collateral at the reporting date when determining the allowance for credit losses.

In developing the allowance for credit losses for its loans held for investment, the Company performs a comprehensive analysis of its loan portfolio and assigns risk ratings to loans that incorporate management's current judgments about their credit quality based on all known and relevant internal and external factors that may affect collectability, using similar factors as those in developing the allowance for credit losses. This methodology results in loans being segmented by risk classification into risk rating categories that are associated with estimated probabilities of default and principal loss. Risk rating categories range from "1" to "5" with "1" representing the lowest risk of loss and "5" representing the highest risk of loss with the ratings updated quarterly. At the time of origination or purchase, loans held for investment are ranked as a "2" and will move accordingly going forward based on the ratings which are defined as follows:

1. *Very Low Risk*- Investment exceeding fundamental performance expectations and/or capital gain expected. Trends and risk factors since time of investment are favorable.
2. *Low Risk*- Performing consistent with expectations and a full return of principal and interest expected. Trends and risk factors are neutral to favorable.
3. *Average Risk*- Performing investments requiring closer monitoring. Trends and risk factors show some deterioration.
4. *High Risk/Delinquent/Potential for Loss*- Underperforming investment with the potential of some interest loss but still expecting a positive return on investment. Trends and risk factors are negative.
5. *Impaired/Defaulted/Loss Likely*- Underperforming investment with expected loss of interest and some principal.

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

Changes in the allowance for credit losses for the Company's financial instruments are recorded in Provision/(benefit) for credit losses on the consolidated statements of operations with a corresponding offset to the financial instrument's amortized cost recorded on the consolidated balance sheets, or as a component of Accounts payable and accrued expenses for unfunded loan commitments.

The Company has elected to not measure an allowance for credit losses for accrued interest receivable as it is timely, following three months time, reversed against interest income when a loan, real estate security or preferred equity investment is placed on nonaccrual status. The Company did not record reversals of accrued interest receivable during the year ended December 31, 2020. Loans are charged off against the Provision/(benefit) for credit losses when all or a portion of the principal amount is determined to be uncollectible.

Past due and nonaccrual status

Loans are placed on nonaccrual status and considered non-performing when full payment of principal and interest is unpaid for 90 days or more or where reasonable doubt exists as to timely collection, unless the loan is both well secured and in the process of collection. Interest received on nonaccrual status loans are accounted for under the cost-recovery method, until qualifying for return to accrual. Upon restructuring the nonaccrual loan, the Company may return a loan to accrual status when repayment of principal and interest is reasonably assured.

Troubled Debt Restructuring ("TDR")

The Company classifies an individual financial instrument as a TDR when it has a reasonable expectation that the financial instrument's contractual terms will be modified in a manner that grants concession to the borrower who is experiencing financial difficulty. Concessions could include term extensions, payment deferrals, interest rate reductions, principal forgiveness, forbearance, or other actions designed to maximize the Company's collection on the financial instrument. The Company determines the allowance for credit losses for financial instruments that are TDRs individually.

Real Estate Securities

On the acquisition date, all of the Company's commercial real estate securities were classified as available for sale and carried at fair value, and subsequently any unrealized gains or losses are recognized as a component of accumulated other comprehensive income or loss. The Company may elect the fair value option for its real estate securities, and as a result, any unrealized gains or losses on such real estate securities will be recorded in the Company's consolidated statements of operations. No such election has been made to date. Related discounts, premiums and acquisition expenses on investments are amortized over the life of the investment using the effective interest method. Amortization is reflected as an adjustment to interest income in the Company's consolidated statements of operations. The Company uses the specific identification method in determining the cost relief for real estate securities sold. Realized gains and losses from the sale of real estate securities are included in the Company's consolidated statements of operations.

AFS real estate securities which have experienced a decline in the fair value below their amortized cost basis (i.e., impairment) are evaluated each reporting period to determine whether the decline in fair value is due to credit-related factors. Any impairment that is not credit-related is recognized in accumulated other comprehensive income, while credit-related impairment is recognized as an allowance on the consolidated balance sheets with a corresponding adjustment on the consolidated statements of operations. If the Company intends to sell an impaired real estate security or more likely than not will be required to sell such a security before recovering its amortized cost basis, the entire impairment amount is recognized in the consolidated statements of operations with a corresponding adjustment to the security's amortized cost basis.

The Company analyzes the AFS security portfolio on a periodic basis for credit losses at the individual security level using the same criteria described above for those amortized cost financial assets subject to an allowance for credit losses including but not limited to; performance of the underlying assets in the security, borrower financial resources and investment in collateral, collateral type, credit ratings, project economics and geographic location as well as national and regional economic factors.

The non-credit loss component of the unrealized loss within the Company's AFS portfolio is recognized as an adjustment to the individual security's asset balance with an offsetting entry to accumulated other comprehensive income in the consolidated balance sheets.

Repurchase Agreements

Commercial mortgage loans and real estate securities sold under repurchase agreements have been treated as collateralized financing transactions because the Company maintains effective control over the transferred securities. Commercial mortgage loans and real estate securities financed through a repurchase agreement remain on the Company's consolidated balance sheets as an asset and cash received from the purchaser is recorded as a liability. Interest paid in accordance with repurchase agreements is recorded in interest expense on the Company's consolidated statements of operations.

Deferred Financing Costs

The deferred financing costs related to the Company's various Master Repurchase Agreements as well as certain prepaid subscription costs are included in Prepaid expenses and other assets on the consolidated balance sheets. Deferred financing cost on the Company's collateralized loan obligations ("CLO") are netted against the Company's CLO payable in the Collateralized loan obligations on the consolidated balance sheets. Deferred financing costs are amortized over the terms of the respective financing agreement using the effective interest method and included in interest expense on the Company's consolidated statements of operations. Unamortized deferred financing costs are generally expensed when the associated debt is refinanced or repaid before maturity.

Share Repurchase Program

The Company has a Share Repurchase Program (the "SRP") that enables stockholders to sell their shares to the Company, subject to certain conditions. Refer to Note 9 - Stock Transactions for a description of the SRP. When a stockholder requests a redemption and the redemption is approved by the board of directors, the Company will reclassify such obligation from equity to a liability based on the settlement value of the obligation. Shares repurchased under the SRP will have the status of authorized but unissued shares.

Offering and Related Costs

Since 2018, the Company has from time to time offered, and may in the future offer, shares of the Company's common stock or one or more series of its preferred stock ("Preferred Stock"), including its Series A convertible preferred stock ("Series A Preferred Stock") and Series C convertible preferred stock (the "Series C Preferred Stock,") in private placements exempt from the registration requirements of the Securities Act of 1933, as amended. In connection with these offerings, the Company incurs various offering costs. These offering costs include but are not limited to legal, accounting, printing, mailing and filing fees, and diligence expenses of broker-dealers. Offering costs for the common stock are recorded in the Company's stockholders' equity, while the offering costs for the Preferred Stock are included within Series A Preferred Stock and Series C Preferred Stock, respectively, on the Company's consolidated balance sheets.

Distribution Reinvestment Plan

Pursuant to the Company's distribution reinvestment plan ("DRIP"), stockholders may elect to reinvest distributions by purchasing shares of common stock in lieu of receiving cash. No dealer manager fees or selling commissions are paid with respect to shares purchased pursuant to the DRIP. The purchase price for shares purchased through the DRIP is the lesser of (i) the Company's most recent estimated per share NAV, and (ii) the Company's GAAP book value per share. There is no market for our common stock. The board of directors may designate that certain cash or other distributions be excluded from the DRIP. The Company has the right to amend any aspect of the DRIP or terminate the DRIP with ten days' notice to participants. Shares issued under the DRIP are recorded to equity in the consolidated balance sheets in the period distributions are declared.

Share-Based Compensation

The Company has a share-based incentive plan for certain of the Company's directors, officers and employees of the Advisor and its affiliates. Share-based awards are measured at the grant date fair value and is recognized as compensation expense on a on a straight line basis over the related vesting period of the award. See Note 12 - Share-Based Compensation.

Income Taxes

The Company has conducted its operations to qualify as a REIT for U.S. federal income tax purposes beginning with its taxable year ended December 31, 2013. As a REIT, if the Company meets certain organizational and operational requirements and distributes at least 90% of its "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to its stockholders in a year, it will not be subject to U.S. federal income tax to the extent of the income that it distributes. However, even if the Company qualifies for taxation as a REIT, it may be subject to certain state and local taxes on income in addition to U.S. federal income and excise taxes on its undistributed income. The Company, through its TRS, is indirectly subject to U.S. federal, state and local income taxes. The Company's TRS is not consolidated for U.S. federal income tax purposes, but is instead taxed as a C corporation. For financial reporting purposes, the TRS is consolidated and a provision for current and deferred taxes is established for the portion of earnings recognized by the Company with respect to its interest in its TRS. Total income tax provision/(benefit) for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 were $(2.1) million, $4.5 million and $0.1 million, respectively.

The Company uses a more-likely-than-not threshold for recognition and derecognition of tax positions taken or to be taken in a tax return. The Company has assessed its tax positions for all open tax years beginning with December 31, 2017 and concluded that there were no uncertainties to be recognized. The Company's accounting policy with respect to interest and penalties related to tax uncertainties is to classify these amounts as provision for income taxes.

The Company utilizes the TRS to reduce the impact of the prohibited transaction tax and to avoid penalty for the holding of assets not qualifying as real estate assets for purposes of the REIT asset tests. Any income associated with a TRS is fully taxable because the TRS is subject to federal and state income taxes as a domestic C corporation based upon its net income.

Derivatives and Hedging Activities

In the normal course of business, the Company is exposed to the effect of interest rate changes and may undertake a strategy to limit these risks through the use of derivatives. The Company uses derivatives primarily to economically hedge against interest rates, CMBS spreads and macro market risk in order to minimize volatility. The Company may use a variety of derivative instruments that are considered conventional, including but not limited to: Treasury note futures and credit derivatives on various indices including CMBX and CDX.

The Company recognizes all derivatives on the consolidated balance sheets at fair value. The Company does not designate derivatives as hedges to qualify for hedge accounting for financial reporting purposes and therefore any net payments under, or fluctuations in the fair value of these derivatives have been recognized currently in unrealized (gain)/loss on derivative instruments in the accompanying consolidated statements of operations. The Company records derivative asset and liability positions on a gross basis with any collateral posted with or received from counterparties recorded separately within Restricted cash on the Company's consolidated balance sheets. Certain derivatives that the Company has entered into are subject to master netting agreements with its counterparties, allowing for netting of the same transaction, in the same currency, on the same date.

Per Share Data

The Company's Preferred Stock is considered a participating security and the Company calculates basic earnings per share using the two-class method. The Company's dilutive earnings per share calculation is computed using the more dilutive result of the treasury stock method, assuming the participating security is a potential common share, or the two-class method, assuming the participating security is not converted. The Company calculates basic earnings per share by dividing net income applicable to common stock for the period by the weighted-average number of shares of common stock outstanding for that period. Diluted earnings per share reflects the potential dilution that could occur from shares outstanding if potential shares of common stock with a dilutive effect have been issued in connection with the restricted stock plan or upon conversion of the outstanding shares of the Company's Preferred Stock, except when doing so would be anti-dilutive.

Reportable Segments

The Company has determined that it has four reportable segments based on how the chief operating decision maker reviews and manages the business. The four reporting segments are as follows:

- The real estate debt business which is focused on originating, acquiring and asset managing commercial real estate debt investments, including first mortgage loans, subordinate mortgages, mezzanine loans and participations in such loans.
- The real estate securities business which is focused on investing in and asset managing commercial real estate securities primarily consisting of CMBS and may include unsecured REIT debt, CDO notes and other securities.
- The commercial conduit business in the Company's TRS, which is focused on originating and subsequently selling fixed-rate commercial real estate loans into the CMBS securitization market.
- The real estate owned business represents real estate acquired by the Company through foreclosure, deed in lieu of foreclosure, or purchase.

See Note 16 - Segment Reporting for further information regarding the Company's segments.

Redeemable Convertible Preferred Stock

The Company's outstanding Preferred Stock is classified outside of permanent equity in the consolidated balance sheets. Subject to certain conditions, the outstanding Preferred Stock is redeemable at the option of the holders of the Preferred Stock, outside of the control of the Company. As set forth in the Articles Supplementary relating to each of the Series A Preferred Stock and the Series C Preferred Stock (collectively, the "Articles Supplementary") to the Company's Articles of Amendment and Restatement, the Preferred Stock is redeemable for shares of the Company's common stock, $0.01 par value per share (the "Common Stock") at the option of the holder upon a change of control (as defined in the Articles Supplementary) or after the sixth anniversary of the date of issuance. A change in control of the Company occurs if any person acquires more than 50% of the total economic interests or voting power of all securities of the Company, other than in a liquidity event.

Shares of Preferred Stock rank senior to shares of Common Stock with respect to rights to receive dividends and to participate in distributions or payments upon any voluntary or involuntary liquidation, dissolution or winding up of the Company. Dividends payable on each share of outstanding Preferred Stock will be equal to the greater of (i) an amount equal to $16.67 per share and (ii) the monthly dividend that would have been paid had such share of Preferred Stock been converted to a share of Common Stock, subject to proration in the event that such share of Preferred Stock was not outstanding for the full month.

Immediately prior to a "Liquidity Event," each outstanding share of Series A Preferred Stock shall convert into 299.2 shares of Common Stock, subject to anti-dilution adjustments (the "Conversion Rate"). Each outstanding share of Series C Preferred Stock will convert into shares of Common Stock at the same Conversion Rate on the one-year anniversary of a Liquidity Event, subject to the Company's right to accelerate the conversion to a date no earlier than six months after the Liquidity Event, upon at least ten days prior notice to the holders of the Series C Preferred Stock. A "Liquidity Event" is defined as (i) the listing of the Common Stock on a national securities exchange or quotation on an electronic inter-dealer quotation system; (ii) a merger or business combination involving the Company pursuant to which outstanding shares Common Stock are exchanged for securities of another company which are listed on a national securities exchange or quoted on an electronic inter-dealer quotation system; or (iii) any other transaction or series of transaction that results in all shares of Common Stock being transferred or exchange for cash or securities which are listed on a national securities exchange or quoted on an electronic inter-dealer quotation system. If there has not been a Liquidity Event within six years from the initial issuance of the outstanding Preferred Stock, each holder of Preferred Stock shall have the right to convert all, but not less than all, of the Preferred Stock held by such holder into Common Stock at the Conversion Rate. Each holder also has the option to convert its shares of outstanding Preferred Stock into Common Stock upon a change in control (as defined in the respective Articles Supplementary for the Series A Preferred Stock and Series C Preferred Stock) of the Company. In addition, neither the Company nor a holder of shares of outstanding Preferred Stock may redeem shares of the Preferred Stock until six years from the initial issuance of the Preferred Stock, except in cases of a change in control (as defined in the respective Articles Supplementary).

Holders of the outstanding Preferred Stock are entitled to vote on each matter submitted to a vote of the stockholders of the Company upon which the holders of Common Stock are entitled to vote, upon which the holders of the Preferred Stock and holders of the Common Stock shall vote together as a single class. The number of votes applicable to a share of outstanding Preferred Stock will be equal to the number of shares of Common Stock a share of Preferred Stock could have been converted into as of the record date set for purposes of such stockholder vote (rounded down to the nearest whole number of shares of Common Stock). In addition, the affirmative vote of the holders of two-thirds of the outstanding shares of Preferred Stock is required to approve the issuance of any equity securities senior to the Preferred Stock and to take certain actions materially adverse to the holders of the Preferred Stock.

Accounting Pronouncements Not Yet Adopted

On March 12, 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides temporary optional expedients and exceptions to the US GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. The guidance is effective upon issuance and generally can be applied through December 31, 2022. The Company has not adopted any of the optional expedients or exceptions through December 31, 2020, but will continue to evaluate the possible adoption of any such expedients or exceptions during the effective period as circumstances evolve.

Note 3 - Commercial Mortgage Loans

The following table is a summary of the Company's commercial mortgage loans, held for investment, carrying values by class (dollars in thousands):

	December 31, 2020	December 31, 2019
Senior loans	$ 2,698,823	$ 2,721,325
Mezzanine loans	15,911	41,638
Total gross carrying value of loans	2,714,734	2,762,963
Less: Allowance for credit losses [1]	20,886	921
Total commercial mortgage loans, held for investment, net	**$ 2,693,848**	**$ 2,762,042**

[1] As of December 31, 2020 and 2019, there have been no specific reserves for loans in non-performing status.

As of December 31, 2020 and December 31, 2019, the Company's total commercial mortgage loan portfolio, excluding commercial mortgage loans accounted for under the fair value option, was comprised of 130 and 122 loans, respectively.

Allowance for Credit Losses

The following table presents the activity in the Company's allowance for credit losses, excluding the unfunded loan commitments, as of December 31, 2020 (dollars in thousands):

BENEFIT STREET PARTNERS REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020

	Year Ended December 31, 2020								
	MultiFamily	Retail	Office	Industrial	Mixed Use	Hospitality	Self Storage	Manufactured Housing	Total
Beginning Balance	**$ 322**	**$ 202**	**$ 249**	**$ 23**	**$ 4**	**$ 103**	**$ —**	**$ 18**	**$ 921**
Cumulative-effect adjustment upon adoption of ASU 2016-13	3,220	386	1,966	434	9	739	399	58	7,211
Current Period:									
Provision/(benefit) for credit losses	(447)	(184)	(640)	3,338	119	11,231	(282)	46	13,181
Write offs	—	—	—	—	—	(427)	—	—	(427)
Ending Balance	**$ 3,095**	**$ 404**	**$ 1,575**	**$ 3,795**	**$ 132**	**$ 11,646**	**$ 117**	**$ 122**	**$ 20,886**

The Company recorded an increase in its allowance for credit losses during the year ended December 31, 2020 of $13.2 million. This is primarily driven by the significant adverse change in the overall economic outlook due to the COVID-19 pandemic.

The following table presents the activity in the Company's allowance for credit losses, for the unfunded loan commitments, as of December 31, 2020 (dollars in thousands):

	Year Ended December 31, 2020								
	MultiFamily	Retail	Office	Industrial	Mixed Use	Hospitality	Self Storage	Manufactured Housing	Total
Beginning Balance	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**
Cumulative-effect adjustment upon adoption of ASU 2016-13	239	40	150	30	1	57	28	5	550
Current Period:									
Provision/(benefit) for credit losses	(154)	(40)	(103)	388	13	44	(28)	(5)	115
Ending Balance	**$ 85**	**$ —**	**$ 47**	**$ 418**	**$ 14**	**$ 101**	**$ —**	**$ —**	**$ 665**

The following table represents the composition by loan type of the Company's commercial mortgage loans portfolio, excluding commercial mortgage loans, held for investment (dollars in thousands):

	December 31, 2020		December 31, 2019	
Loan Type	**Par Value**	**Percentage**	**Par Value**	**Percentage**
Multifamily	$ 1,202,694	44.2 %	$ 1,491,971	53.9 %
Office	517,464	19.0 %	414,772	15.0 %
Hospitality	403,908	14.8 %	446,562	16.1 %
Industrial	243,404	8.9 %	118,743	4.3 %
Mixed Use	102,756	3.8 %	58,808	2.1 %
Self Storage	86,424	3.2 %	67,767	2.4 %
Retail	78,550	2.9 %	111,620	4.0 %
Manufactured Housing	71,263	2.6 %	44,656	1.6 %
Land	16,400	0.6 %	16,400	0.6 %
Total	**$ 2,722,863**	**100.0 %**	**$ 2,771,299**	**100.0 %**

As of December 31, 2020 and 2019, the Company's total commercial mortgage loans, held-for-sale, measured at fair value was comprised of three and seven loans, respectively. As of December 31, 2020 and 2019, the contractual principal outstanding of commercial mortgage loans, held-for-sale, measured at fair value was $67.6 million and $112.5 million, respectively. As of December 31, 2020 and 2019, none of the Company's commercial mortgage loans, held-for-sale, measured at fair value were in default or greater than 90 days past due.

The following table represents the composition by loan type of the Company's commercial mortgage loans, held-for-sale, measured at fair value (dollars in thousands):

	December 31, 2020			December 31, 2019		
Loan Type	Par Value	Percentage		Par Value	Percentage	
Industrial	$ 67,550	99.9	%	$ 23,625	21.0	%
Multifamily	100	0.1	%	78,250	69.6	%
Retail	—	—	%	2,613	2.3	%
Hospitality	—	—	%	8,000	7.1	%
Total	**$ 67,650**	**100.0**	**%**	**$ 112,488**	**100.0**	**%**

Loan Credit Quality and Vintage

The following tables present the amortized cost of our commercial mortgage loans, held for investment as of December 31, 2020, by loan type, the Company's internal risk rating and year of origination. The risk ratings are updated as of December 31, 2020.

	2020	2019	2018	2017	2016	2015	Prior	Total
Multifamily:								
Risk Rating:								
1-2 internal grade	$ 583,550	$ 349,588	$ 188,975	$ —	$ —	$ —	$ 3,488	$ 1,125,601
3-4 internal grade	—	—	35,887	37,812	—	—	—	73,699
Total Multifamily Loans	**$ 583,550**	**$ 349,588**	**$ 224,862**	**$ 37,812**	**$ —**	**$ —**	**$ 3,488**	**$ 1,199,300**
Retail:								
Risk Rating:								
1-2 internal grade	$ 13,277	$ 22,760	$ 16,400	$ —	$ —	$ —	$ —	$ 52,437
3-4 internal grade	—	12,872	29,425	—	—	—	—	42,297
Total Retail Loans	**$ 13,277**	**$ 35,632**	**$ 45,825**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 94,734**
Office:								
Risk Rating:								
1-2 internal grade	$ 244,301	$ 160,709	$ 61,169	$ 40,846	$ —	$ —	$ —	$ 507,025
3-4 internal grade	—	—	—	8,392	—	—	—	8,392
Total Office Loans	**$ 244,301**	**$ 160,709**	**$ 61,169**	**$ 49,238**	**$ —**	**$ —**	**$ —**	**$ 515,417**
Industrial:								
Risk Rating:								
1-2 internal grade	$ 119,193	$ 89,590	$ —	$ —	$ —	$ 33,655	$ —	$ 242,438
3-4 internal grade	—	—	—	—	—	—	—	—
Total Industrial Loans	**$ 119,193**	**$ 89,590**	**$ —**	**$ —**	**$ —**	**$ 33,655**	**$ —**	**$ 242,438**
Mixed Use:								

Risk Rating:								
1-2 internal grade	$ 30,246	$ —	$ 59,451	$ 12,839	$ —	$ —	$ —	$ 102,536
3-4 internal grade	—	—	—	—	—	—	—	—
Total Mixed Use Loans	**$ 30,246**	**$ —**	**$ 59,451**	**$ 12,839**	**$ —**	**$ —**	**$ —**	**$ 102,536**
Hospitality:								
Risk Rating:								
1-2 internal grade	$ 26,878	$ 10,547	$ —	$ —	$ —	$ —	$ —	$ 37,425
3-4 internal grade	—	160,079	115,026	90,612	—	—	—	365,717
Total Hospitality Loans	**$ 26,878**	**$ 170,626**	**$ 115,026**	**$ 90,612**	**$ —**	**$ —**	**$ —**	**$ 403,142**
Self Storage:								
Risk Rating:								
1-2 internal grade	$ 41,305	$ —	$ 44,908	$ —	$ —	$ —	$ —	$ 86,213
3-4 internal grade	—	—	—	—	—	—	—	—
Total Self Storage Loans	**$ 41,305**	**$ —**	**$ 44,908**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 86,213**
Manufactured Housing:								
Risk Rating:								
1-2 internal grade	$ 25,905	$ 45,049	$ —	$ —	$ —	$ —	$ —	$ 70,954
3-4 internal grade	—	—	—	—	—	—	—	—
Total Manufactured Housing Loans	**$ 25,905**	**$ 45,049**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 70,954**
Total	**$ 1,084,655**	**$ 851,194**	**$ 551,241**	**$ 190,501**	**$ —**	**$ 33,655**	**$ 3,488**	**$ 2,714,734**

Past Due Status

The following table presents an aging summary of the loans amortized cost basis at December 31, 2020 (dollars in thousands):

	Multifamily	Retail	Office	Industrial	Mixed Use	Hospitality	Self Storage	Manufactured Housing	Total
Status:									
Current	$ 1,161,488	$ 94,734	$ 515,417	$ 242,438	$ 102,536	$ 346,067	$ 86,213	$ 70,954	$ 2,619,847
1-29 days past due	—	—	—	—	—	—	—	—	—
30-59 days past due [1]	37,812	—	—	—	—	—	—	—	37,812
60-89 days past due	—	—	—	—	—	—	—	—	—
90-119 days past due	—	—	—	—	—	—	—	—	—
120+ days past due [1]	—	—	—	—	—	57,075	—	—	57,075
Total	**$ 1,199,300**	**$ 94,734**	**$ 515,417**	**$ 242,438**	**$ 102,536**	**$ 403,142**	**$ 86,213**	**$ 70,954**	**$ 2,714,734**

[1] For the year ended December 31, 2020, interest income recognized on these two loans was $1.9 million.

As of December 31, 2020, the Company had two loans on non-accrual status with a total cost basis of $94.9 million for which there was no related allowance for credit losses. As of December 31, 2019, the Company had one loan on non-accrual status with a cost basis of $57.1 million.

Credit Characteristics

As part of the Company's process for monitoring the credit quality of its commercial mortgage loans, excluding those held-for-sale, measured at fair value, it performs a quarterly loan portfolio assessment and assigns risk ratings to each of its loans. The loans are scored on a scale of 1 to 5 as follows:

Investment Rating	Summary Description
1	Investment exceeding fundamental performance expectations and/or capital gain expected. Trends and risk factors since time of investment are favorable.
2	Performing consistent with expectations and a full return of principal and interest expected. Trends and risk factors are neutral to favorable.
3	Performing investments requiring closer monitoring. Trends and risk factors show some deterioration.
4	Underperforming investment with the potential of some interest loss but still expecting a positive return on investment. Trends and risk factors are negative.
5	Underperforming investment with expected loss of interest and some principal.

All commercial mortgage loans, excluding loans classified as commercial mortgage loans, held-for-sale, measured at fair value within the consolidated balance sheets, are assigned an initial risk rating of 2.0. As of December 31, 2020 and 2019, the weighted average risk ratings of loans were 2.2 and 2.1, respectively.

The following table represents the allocation by risk rating for the Company's commercial mortgage loans, held for investment, measured at fair value:

December 31, 2020			December 31, 2019		
Risk Rating	**Number of Loans**	**Par Value**	**Risk Rating**	**Number of Loans**	**Par Value**
1	—	$ —	1	—	—
2	104	2,232,045	2	113	2,452,330
3	22	384,040	3	8	298,994
4	4	106,778	4	1	19,975
5	—	—	5	—	—
	130	**$ 2,722,863**		**122**	**$ 2,771,299**

For the years ended December 31, 2020 and December 31, 2019, the activity in the Company's commercial mortgage loans, held for investment portfolio was as follows (dollars in thousands):

	Year Ended December 31,	
	2020	**2019**
Balance at Beginning of Year	$ 2,762,042	$ 2,206,830
Cumulative-effect adjustment upon adoption of ASU 2016-13	(7,211)	—
Acquisitions and originations	1,287,720	1,326,983
Principal repayments	(1,223,490)	(771,774)
Discount accretion/premium amortization	6,146	6,264
Loans transferred from/(to) commercial real estate loans, held-for-sale	(76,979)	10,100
Net fees capitalized into carrying value of loans	(6,562)	(5,339)
Provision/(benefit) for credit losses	(13,181)	(3,007)
Charge-off from allowance	427	6,922
Transfer to real estate owned	(35,064)	—
Transfer on deed in lieu of foreclosure to real estate owned	—	(14,937)
Balance at End of Year	**$ 2,693,848**	**$ 2,762,042**

During the year ended December 31, 2020, the Company wrote off a commercial mortgage loan, held for investment, with a carrying value of $14.4 million in exchange for the possession of a REO investment at a fair value of $14.0 million at the time of the transfer. This $14.0 million REO investment was comprised of $11.6 million of real property (land, building and improvements) and $2.4 million of personal property (furniture, fixture, and equipment). The transfer occurred when the Company took possession of the property by completing a foreclosure transaction in March 2020, resulting in a $0.4 million impairment loss at the time of transfer. Since the foreclosure was entered into due to the borrower experiencing financial difficulty and the recorded investment in the receivable was more than the fair value for the collateral collected, the transaction qualifies as a TDR. The Company sold this REO asset during the year ended December 31, 2020 for a $1.4 million gain, presented net of direct selling costs associated with the disposition of the asset, included within Realized gain/loss on sale of real estate owned assets, held-for-sale in the Company's consolidated statements of operations. The results of operations of the REO and the gain on sale have been included in the Company’s consolidated statements of operations for the year ended December 31, 2020.

During the year ended December 31, 2020, the Company reached an agreement with a borrower to take possession of certain real estate collateral. At the time of transfer, the carrying value of the commercial mortgage loan, held for investment was $21.1 million, which was exchanged for possession of the REO asset at a purchase price of $21.4 million. This $21.4 million REO investment was comprised of $18.9 million of real property (land, building and improvements) and $2.5 million of personal property (furniture, fixture, and equipment). The Company accounted for the REO acquired during the year ended December 31, 2020 as an asset acquisition. No gain or loss was recognized at the time of transfer. The Company sold this REO asset during the year ended December 31, 2020 for a $0.4 million gain, included within Realized gain/loss on sale of real estate owned assets, held-for-sale in the Company's consolidated statements of operations.

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Note 4 - Real Estate Securities

The following is a summary of the Company's real estate securities, CMBS (dollars in thousands):

December 31, 2020				
Type	**Interest Rate**	**Maturity**	**Par Value**	**Fair Value**
CMBS 1	3.0%	5/15/2022	$13,250	$12,657
CMBS 2	2.2%	6/26/2025	10,800	10,335
CMBS 3	2.5%	2/15/2036	40,000	38,292
CMBS 4	1.9%	6/15/2037	8,000	7,892
CMBS 5	2.1%	9/15/2037	24,000	23,297
CMBS 6	2.3%	6/15/2034	12,000	11,580
CMBS 7	1.5%	12/15/2036	20,000	18,975
CMBS 8	1.8%	12/15/2036	25,000	23,268
CMBS 9	2.3%	3/15/2035	25,665	24,840

December 31, 2019				
Type	**Interest Rate**	**Maturity**	**Par Value**	**Fair Value**
CMBS 1	4.7%	5/15/2022	$13,250	$13,274
CMBS 2	3.8%	6/26/2025	12,131	12,151
CMBS 3	4.1%	2/15/2036	40,000	40,186
CMBS 4	3.7%	5/15/2036	18,500	18,535
CMBS 5	3.1%	5/15/2036	15,000	15,019
CMBS 6	3.2%	5/15/2037	13,500	13,525
CMBS 7	3.4%	5/15/2037	15,000	15,028
CMBS 8	3.2%	6/15/2037	7,000	7,013
CMBS 9	3.6%	2/15/2036	9,600	9,641
CMBS 10	3.5%	8/15/2036	10,000	10,027
CMBS 11	3.6%	6/15/2037	8,000	8,015
CMBS 12	3.3%	7/15/2038	13,000	13,022
CMBS 13	3.3%	9/15/2037	32,000	32,074
CMBS 14	3.7%	9/15/2037	24,000	24,084
CMBS 15	3.3%	10/19/2038	50,000	50,094
CMBS 16	3.7%	10/19/2038	26,000	26,029
CMBS 17	3.2%	6/15/2034	15,000	15,022
CMBS 18	3.5%	6/15/2034	6,500	6,509
CMBS 19	3.9%	6/15/2034	12,000	12,022
CMBS 20	3.1%	12/15/2036	20,000	20,021
CMBS 21	3.4%	12/15/2036	25,000	25,025

The Company classified its CMBS investments as available for sale as of December 31, 2020 and December 31, 2019. These investments are reported at fair value in the consolidated balance sheets with changes in fair value recorded in accumulated other comprehensive income/(loss). The weighted average contractual maturity for CLO investments included within the CMBS portfolio as of December 31, 2020 and December 31, 2019 was 14 and 17 years. The weighted average contractual maturity for single asset single borrower "SASB" investments as of December 31, 2020 and December 31, 2019 was 14 and 5 years.

The following table shows the amortized cost, allowance for expected credit losses, unrealized gain/(loss) and fair value of the Company's CMBS investments by investment type (dollars in thousands):

	Amortized Cost	Credit Loss Allowance	Unrealized Gain	Unrealized Loss	Fair Value
December 31, 2020					
CLO	$ 123,444	$ —	$ —	$ (4,888)	$ 118,556
SASB	55,948	—	—	(3,368)	52,580
Total	**$ 179,392**	**$ —**	**$ —**	**$ (8,256)**	**$ 171,136**
December 31, 2019					
CLO	$ 330,000	$ —	$ 1	(881)	$ 329,120
SASB	57,294	—	—	(98)	57,196
Total	**$ 387,294**	**$ —**	**$ 1**	**$ (979)**	**$ 386,316**

As of December 31, 2020 the Company held nine CMBS positions with an amortized cost basis of $179.4 million and an unrealized loss of $8.3 million, of which seven positions had an unrealized loss for a period greater than twelve months. As of December 31, 2019, the Company held 21 CMBS positions with an amortized cost basis of $387.3 million and an unrealized loss of $1.0 million of which 2 positions had an unrealized loss for a period greater than twelve months.

The following table provides information on the unrealized losses and fair value on the Company's real estate securities, CMBS, available for sale that were in an unrealized loss position, and for which an allowance for credit losses has not been recorded as of December 31, 2020 and December 31, 2019 (amounts in thousands):

	Fair Value		Unrealized Loss	
	Securities with an unrealized loss less than 12 months	Securities with an unrealized loss greater than 12 months	Securities with an unrealized loss less than 12 months	Securities with an unrealized loss greater than 12 months
December 31, 2020				
CLOs	$ 63,131	$ 55,425	$ (2,824)	$ (2,064)
SASB	—	52,580	—	(3,368)
Total	**$ 63,131**	**$ 108,005**	**$ (2,824)**	**$ (5,432)**
December 31, 2019				
CLOs	$ 315,845	$ 13,275	$ (863)	$ (17)
SASB	45,045	12,151	(67)	(31)
Total	**$ 360,890**	**$ 25,426**	**$ (930)**	**$ (48)**

As of December 31, 2020 and December 31, 2019, there were seven securities and two securities, respectively with unrealized losses for a period greater than twelve months reflected in the table above. After evaluating the securities, the Company concluded that the unrealized losses reflected above were noncredit-related and would be recovered from the securities' estimated future cash flows. The Company considered a number of factors in reaching this conclusion, including that the Company did not intend to sell the securities, it was not considered more likely than not that we would be forced to sell the securities prior to recovering our amortized cost, the portfolio is made up of investment grade securities of recent originations and higher tranches, and that there were no material credit events that would have caused us to otherwise conclude that the Company would not recover our cost. The allowance for credit losses is calculated using a discounted cash flow approach and is measured as the difference between the original cash flows expected to be collected to the revised cash flows expected to be collected discounted using the effective interest rate, limited by the amount that the fair value is less than the amortized cost basis. Significant judgment is used in projecting cash flows. As a result, actual income and/or credit losses could be materially different from what is currently projected and/or reported.

The following table provides information on the amounts of gain/(loss) on the Company's real estate securities, CMBS, available for sale (dollars in thousands):

	Year Ended December 31,		
	2020	2019	2018
Unrealized gain/(loss) available for sale securities	$ (8,026)	$ (978)	$ (459)
Reclassification of net (gain)/loss on available for sale securities included in net income (loss)	748	—	—
Unrealized gain/(loss) available for sale securities, net of reclassification adjustment	**$ (7,278)**	**$ (978)**	**$ (459)**

The amounts reclassified for net (gain)/loss on available for sale securities are included in the realized (gain)/loss on sale of real estate securities in the Company's consolidated statements of operations. The Company's unrealized gain/(loss) on available for sale securities is net of tax. Due to the Company's designation as a REIT, there was no tax impact on unrealized gain/(loss) on available for sale securities.

The deterioration in fair value of real estate securities for both collateralized loan obligations and other securities as of December 31, 2020 can be attributed mainly to the market down-turn and volatility as a result of high unemployment and credit uncertainties related to the outbreak of COVID-19. Management currently does not have the intention to sell any of the real estate securities as of December 31, 2020.

Note 5 - Real Estate Owned

The following table summarizes the Company's real estate owned assets as of December 31, 2020 (dollars in thousands):

As of December 31, 2020

Acquisition Date	Property Type	Primary Location(s)	Land	Building and Improvements	Furniture, Fixtures and Equipment	Accumulated Depreciation	Real Estate Owned, net
October 2019 [1]	Office	Jeffersonville, IN	$ 1,887	$ 21,989	$ 3,565	$ (931)	$ 26,510
			$ 1,887	**$ 21,989**	**$ 3,565**	**$ (931)**	**$ 26,510**

[1] Refer to Note 2 for the useful life of the above assets.

The following table summarizes the Company's real estate owned assets as of December 31, 2019 (dollars in thousands):

As of December 31, 2019

Acquisition Date	Property Type	Primary Location(s)	Land	Building and Improvements	Furniture, Fixtures and Equipment	Accumulated Depreciation	Real Estate Owned, net
August 2019 [1][2]	Hotel	Chicago, IL	$ —	$ 8,110	$ —	$ (86)	$ 8,024
October 2019 [1]	Office	Jeffersonville, IN	1,887	25,554	—	(133)	$ 27,309
			$ 1,887	**$ 33,664**	**$ —**	**$ (219)**	**$ 35,333**

[1] Refer to Note 2 for the useful life of the above assets.

[2] Represents assets acquired by the Company by completing a deed-in-lieu of foreclosure transaction.

Depreciation expense for the years ended December 31, 2020 and 2019 totaled $1.0 million and $0.2 million, respectively.

During the year ended December 31, 2020, the Company entered into a deed in lieu of foreclosure agreement which resulted in the transfer of the REO asset located in Chicago, Illinois to a third party and thereby extinguished $11.0 million of debt that was acquired by the Company in 2020. The cost basis of the REO asset at the time of transfer was $16.3 million and liabilities assumed by the third party, including the extinguishment of debt, were $19.5 million, resulting in a realized gain of $3.2 million recognized in the consolidated statements of operations for the year ended December 31, 2020. In addition, during the first quarter of 2020, the Company recorded $0.4 million of Impairment losses on real estate owned assets in the consolidated statement of operations as indicators of impairment were noted through the Company's test for recoverability and review of the valuation estimates and operating results.

Note 6 - Leases

Operating Right of Use Asset

The Company had no operating right of use assets as of December 31, 2020 (see Note 5 - Real Estate Owned).

The following table summarizes the Company's operating right of use asset recognized in the consolidated balance sheets as of December 31, 2019 (dollars in thousands):

Acquisition Date	Property Type	Primary Location(s)	Operating Right of Use Asset Gross	Accumulated Amortization	Operating Right of Use Asset, Net of Amortization
August 2019	Hotel	Chicago, IL	$ 6,109	$ (130)	$ 5,979
			$ 6,109	**$ (130)**	**$ 5,979**

Operating Lease Liabilities

The Company had no operating lease liabilities as of December 31, 2020 (see Note 5 - Real Estate Owned).

On August 19, 2019, in conjunction with a deed-in-lieu of foreclosure transaction, the Company assumed a non-cancelable ground lease for the land on which the property is located and classified the lease as an operating lease. The ground lease required monthly rental payments with annual increases of 3%. The initial term of the lease expired in 2067, which included a sixty-year period renewal. Rent expense for this operating lease for the years ended December 31, 2020 and 2019 totaled $0.7 million and $0.3 million, respectively.

The discount rate used to calculate the lease liability was 9% and the remaining lease term was 47.95 years as of December 31, 2019.

Intangible Lease Asset

The following table summarizes the Company's intangible lease asset recognized in the consolidated balance sheets as of December 31, 2020 (dollars in thousands):

Acquisition Date	Property Type	Primary Location(s)	Intangible Lease Asset, Gross	Accumulated Amortization	Intangible Lease Asset, Net of Amortization
October 2019	Office	Jeffersonville, IN	$ 14,509	$ (963)	$ 13,546
			$ 14,509	**$ (963)**	**$ 13,546**

The following table summarizes the Company's intangible lease asset recognized in the consolidated balance sheets as of December 31, 2019 (dollars in thousands):

Acquisition Date	Property Type	Primary Location(s)	Intangible Lease Asset, Gross	Accumulated Amortization	Intangible Lease Asset, Net of Amortization
October 2019	Office	Jeffersonville, IN	$ 14,509	$ (131)	$ 14,377
			$ 14,509	**$ (131)**	**$ 14,377**

Rental Income

On October 15, 2019, the Company purchased an office building that was subject to an existing triple net lease. The minimum rental amount due under the lease is subject to annual increases of 1.5%. The initial term of the lease expires in 2037 and contains renewal options for four consecutive five-year terms. The remaining lease term is 16.3 years. Rental income for this operating lease for the years ended December 31, 2020 and 2019 totaled $2.9 million and $0.6 million, respectively and is included in Revenue from real estate owned in the consolidated statements of operations.

The following table summarizes the Company's schedule of future minimum rents to be received under the lease (dollars in thousands):

Minimum Rents		December 31, 2020
2021	$	2,568
2022		2,607
2023		2,646
2024		2,686
2025		2,726
2026 and beyond		34,168
Total minimum rent	**$**	**47,401**

Amortization Expense

Intangible lease assets are amortized using the straight-line method over the contractual life of the lease, of a period up to 20 years. The weighted average life of intangible assets as of December 31, 2020 is approximately 16.3 years. Amortization expense for the years ended December 31, 2020 and 2019 totaled $0.8 million and $0.2 million, respectively.

The following table summarizes the Company's expected amortization for intangible assets over the next five years, assuming no further acquisitions or dispositions (dollars in thousands):

Amortization Expense		December 31, 2020
2021	$	(825)
2022		(825)
2023		(825)
2024		(825)
2025		(825)

Note 7 - Debt

Repurchase Agreements - Commercial Mortgage Loans

The Company has entered into repurchase facilities with JPMorgan Chase Bank, National Association (the "JPM Repo Facility"), U.S Bank National Association (the "USB Repo Facility"), Barclays Bank PLC (the "Barclays Revolver Facility" and the "Barclays Repo Facility"), Wells Fargo Bank, National Association (the "WF Repo Facility"), and Credit Suisse AG (the "CS Repo Facility" and together with JPM Repo Facility, USB Repo Facility, WF Repo Facility, Barclays Revolver Facility, and Barclays Repo Facility, the "Repo Facilities").

The Repo Facilities are financing sources through which the Company may pledge one or more mortgage loans to the financing entity in exchange for funds typically at an advance rate of between 65% to 80% of the principal amount of the mortgage loan being pledged.

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The details of the Company's Repo Facilities at December 31, 2020 and December 31, 2019 are as follows (dollars in thousands):

As of December 31, 2020

Repurchase Facility	Committed Financing	Amount Outstanding	Interest Expense[1]	Ending Weighted Average Interest Rate	Initial Term Maturity
JPM Repo Facility [2]	$ 300,000	$ 113,884	$ 5,020	2.54 %	10/6/2022
USB Repo Facility [3]	100,000	5,775	599	2.40 %	6/15/2021
CS Repo Facility [4]	200,000	106,971	3,539	2.84 %	8/19/2021
WF Repo Facility [5]	175,000	27,150	1,041	2.50 %	11/21/2021
Barclays Revolver Facility [6]	100,000	—	387	N/A	9/20/2021
Barclays Repo Facility [7]	300,000	22,560	1,046	2.51 %	3/15/2022
Total	**$ 1,175,000**	**$ 276,340**	**$ 11,632**		

[1] For the year ended December 31, 2020. Includes amortization of deferred financing costs.

[2] On October 6, 2020 the maturity date was amended to October 6, 2022.

[3] On June 9, 2020, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to June 15, 2021.

[4] On August 28, 2020, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to August 19, 2021. Additionally, in 2020 the committed financing amount was downsized from $300 million to $200 million.

[5] On November 17, 2020, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to November 21, 2021. There are two more one-year extension options available at the Company's discretion.

[6] There is one one-year extension option available at the Company's discretion.

[7] Includes two one-year extensions at the Company's option.

As of December 31, 2019

Repurchase Facility	Committed Financing	Amount Outstanding	Interest Expense[1]	Ending Weighted Average Interest Rate	Initial Term Maturity
JPM Repo Facility [2]	$ 300,000	$ 107,526	$ 6,862	4.51 %	1/30/2021
USB Repo Facility [3]	100,000	—	622	N/A	6/15/2020
CS Repo Facility [4]	300,000	87,375	5,563	4.84 %	3/27/2020
WF Repo Facility [5]	175,000	24,942	1,333	3.65 %	11/21/2020
Barclays Revolver Facility [6]	100,000	—	976	N/A	9/20/2021
Barclays Facility [7]	300,000	32,700	1,260	3.80 %	3/15/2022
Total	**$ 1,275,000**	**$ 252,543**	**$ 16,616**		

[1] For the year ended December 31, 2019. Includes amortization of deferred financing costs.

[2] On September 3, 2019, the committed financing amount was downsized from $520 million to $300 million and the maturity date was amended to January 30, 2021.

[3] Includes two one-year extensions at the option of an indirect wholly-owned subsidiary of the Company, which may be exercised upon the satisfaction of certain conditions.

[4] On March 26, 2019, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to March 27, 2020.

[5] Includes three one-year extensions at the Company’s option, which may be exercised upon the satisfaction of certain conditions.

[6] On September 13, 2019, the Company exercised the extension option, and extended the term maturity to September 20, 2021. There is one more one-year extension option available at the Company's discretion.

[7] Includes two one-year extensions at the Company's option.

The Company expects to use the advances from the Repo Facilities to finance the acquisition or origination of eligible loans, including first mortgage loans, subordinated mortgage loans, mezzanine loans and participation interests therein.

The Repo Facilities generally provide that in the event of a decrease in the value of the Company's collateral, the lenders can demand additional collateral. As of December 31, 2020 and December 31, 2019, the Company is in compliance with all debt covenants.

Other financing and loan participation - Commercial Mortgage Loans

On March 23, 2020, the Company transferred $15.2 million of its interest in a term loan to Sterling National Bank ("SNB") via a participation agreement. During 2020, the Company's outstanding loan increased resultant of future fundings, leading to an increase in amount outstanding via the participation agreement. The Company incurred $0.5 million of interest expense on SNB for the year ended December 31, 2020. As of December 31, 2020 the outstanding participation balance was $31.4 million. The loan matures on February 9, 2023.

Mortgage Note Payable

On October 15, 2019, the Company obtained a commercial mortgage loan for $29.2 million related to the real estate owned portfolio. As of December 31, 2020 the loan accrued interest at an annual rate of 3.85% and matures on November 6, 2034. The Company incurred $1.1 million of interest expense for the twelve months ended December 31, 2020. Additionally, on January 6, 2020, the Company obtained a commercial mortgage loan for $11.0 million related to the real estate owned portfolio. As of December 31, 2020 the loan and related real estate owned asset was no longer held by the Company (see Note 5 - Real Estate Owned). The Company incurred $0.8 million of interest expense for the twelve months ended December 31, 2020.

Unsecured Debt

Pursuant to a lending and security agreement with Security Benefit Life Insurance Company ("SBL"), which was entered into in February 2020 and amended in March and August 2020, the Company may borrow up to $100.0 million at a rate of one-month LIBOR + 4.5%. The facility has a maturity of February 10, 2023 and is secured by a pledge of equity interests in certain of the Company’s subsidiaries. The Company incurred $0.2 million of interest expense on the lending agreement with SBL for the twelve months ended December 31, 2020. As of December 31, 2020, there was no outstanding balance under the lending agreement.

Repurchase Agreements - Real Estate Securities

The Company has entered into various Master Repurchase Agreements (the "MRAs") that allow the Company to sell real estate securities while providing a fixed repurchase price for the same real estate securities in the future. The repurchase contracts on each security under an MRA generally mature in 30-90 days and terms are adjusted for current market rates as necessary.

Below is a summary of the Company's MRAs as of December 31, 2020 and 2019 (dollars in thousands):

Counterparty	Amount Outstanding	Accrued Interest	Collateral Pledged [1]	Weighted Average Interest Rate	Weighted Average Days to Maturity
As of December 31, 2020					
JP Morgan Securities LLC	$ 33,791	$ 1,668	$ 43,612	1.75 %	31
Wells Fargo Securities, LLC	—	1,057	—	N/A	N/A
Goldman Sachs International	22,440	455	30,794	1.68 %	16
Barclays Capital Inc.	76,809	2,102	97,244	1.71 %	33
Credit Suisse AG	—	905	—	N/A	N/A
Citigroup Global Markets, Inc.	53,788	2,532	71,723	1.70 %	29
Total/Weighted Average	**$ 186,828**	**$ 8,719**	**$ 243,373**	**1.71 %**	**33**
As of December 31, 2019					
JP Morgan Securities LLC	$ 83,353	$ 124	$ 93,500	2.53 %	20
Wells Fargo Securities, LLC	178,304	1,199	209,873	2.94 %	11
Barclays Capital Inc.	40,720	221	47,475	2.81 %	23
Citigroup Global Markets, Inc.	91,982	413	103,453	2.69 %	19
Total/Weighted Average	**$ 394,359**	**$ 1,957**	**$ 454,301**	**2.79 %**	**16**

[1] Includes $72.2 million and $68.5 million of CLO notes, held by the Company, which is eliminated within the Real estate securities, at fair value line of the consolidated balance sheets as of as of December 31, 2020 and December 31, 2019, respectively.

Collateralized Loan Obligation

On January 15, 2020, the Company called all of the outstanding notes issued by BSPRT 2017-FL2 Issuer, Ltd., a wholly owned indirect subsidiary of the Company. The outstanding principal of the notes on the date of the call was $21.0 million. The Company recognized all the remaining unamortized deferred financing costs of $4.5 million recorded within the Interest expense line of the consolidated statements of operations, which was a non-cash charge.

As of December 31, 2020 and December 31, 2019 the notes issued by BSPRT 2018-FL3 Issuer, Ltd. and BSPRT 2018-FL3 Co-Issuer, LLC, wholly owned indirect subsidiaries of the Company, are collateralized by interests in a pool of 27 and 41 mortgage assets having a principal balance of $417.9 million and $523.2 million, respectively (the "2018-FL3 Mortgage Assets"). The sale of the 2018-FL3 Mortgage Assets to BSPRT 2018-FL3 Issuer, Ltd. is governed by a Mortgage Asset Purchase Agreement dated as of April 5, 2018, between the Company and BSPRT 2018-FL3 Issuer, Ltd.

As of December 31, 2020 and December 31, 2019 the notes issued by BSPRT 2018-FL4 Issuer, Ltd. and BSPRT 2018-FL4 Co-Issuer, LLC, each wholly owned indirect subsidiaries of the Company, are collateralized by interests in a pool of 59 and 49 mortgage assets having a principal balance of $852.1 million and $867.9 million, respectively (the "2018-FL4 Mortgage Assets"). The sale of the 2018-FL4 Mortgage Assets to BSPRT 2018-FL4 Issuer, Ltd. is governed by a Mortgage Asset Purchase Agreement dated as of October 12, 2018, between the Company and BSPRT 2018-FL4 Issuer, Ltd.

As of December 31, 2020 and December 31, 2019, the notes issued by BSPRT 2019-FL5 Issuer, Ltd. and BSPRT 2019-FL5 Co-Issuer, LLC, each wholly owned indirect subsidiaries of the Company, are collateralized by interests in a pool of 54 and 48 mortgage assets having a principal balance of $799.8 million and $809.4 million respectively (the "2019-FL5 Mortgage Assets"). The sale of the 2019-FL5 Mortgage Assets to BSPRT 2019-FL5 Issuer, Ltd. is governed by a Mortgage Asset Purchase Agreement dated as of May 30, 2019, between the Company and BSPRT 2019-FL5 Issuer, Ltd.

The Company, through its wholly-owned subsidiaries, holds the preferred equity tranches of the above CLOs of approximately $256.9 million and $305.4 million as of December 31, 2020 and December 31, 2019, respectively. The following table represents the terms of the notes issued by the 2018-FL3 Issuer, 2018-FL4 Issuer, and 2019-FL5 Issuer (the "CLOs), respectively, as of December 31, 2020 (dollars in thousands):

CLO Facility	Tranche	Par Value Issued	Par Value Outstanding[1]	Interest Rate	Maturity Date
2018-FL3 Issuer	Tranche A	$ 286,700	$ 161,745	1M LIBOR + 105	10/15/2034
2018-FL3 Issuer	Tranche A-S	77,775	77,775	1M LIBOR + 135	10/15/2034
2018-FL3 Issuer	Tranche B	41,175	41,175	1M LIBOR + 165	10/15/2034
2018-FL3 Issuer	Tranche C	39,650	39,650	1M LIBOR + 255	10/15/2034
2018-FL3 Issuer	Tranche D	42,700	42,700	1M LIBOR + 345	10/15/2034
2018-FL4 Issuer	Tranche A	416,827	416,659	1M LIBOR + 105	9/15/2035
2018-FL4 Issuer	Tranche A-S	73,813	73,813	1M LIBOR + 130	9/15/2035
2018-FL4 Issuer	Tranche B	56,446	56,446	1M LIBOR + 160	9/15/2035
2018-FL4 Issuer	Tranche C	68,385	68,385	1M LIBOR + 210	9/15/2035
2018-FL4 Issuer	Tranche D	57,531	57,531	1M LIBOR + 275	9/15/2035
2019-FL5 Issuer	Tranche A	407,025	407,025	1M LIBOR + 115	5/15/2029
2019-FL5 Issuer	Tranche A-S	76,950	76,950	1M LIBOR + 148	5/15/2029
2019-FL5 Issuer	Tranche B	50,000	50,000	1M LIBOR + 140	5/15/2029
2019-FL5 Issuer	Tranche C	61,374	61,373	1M LIBOR + 200	5/15/2029
2019-FL5 Issuer	Tranche D	48,600	5,000	1M LIBOR + 240	5/15/2029
2019-FL5 Issuer	Tranche E	20,250	3,000	1M LIBOR + 285	5/15/2029
		$ 1,825,201	**$ 1,639,227**		

[1] Excludes $267.1 million of CLO notes, held by the Company, which are eliminated within the collateralized loan obligation line of the consolidated balance sheets as of December 31, 2020.

BENEFIT STREET PARTNERS REALTY TRUST, INC.
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The following table represents the terms of the notes issued by the 2017-FL1 Issuer, 2017-FL2 Issuer, 2018-FL3 Issuer, 2018-FL4 Issuer, and 2019-FL5 Issuer (the "CLOs), respectively, as of December 31, 2019 (dollars in thousands):

CLO Facility	Tranche	Par Value Issued	Par Value Outstanding[1]	Interest Rate	Maturity Date
2017-FL2 Issuer	Tranche A	$ 237,970	$ —	1M LIBOR + 82	10/15/2034
2017-FL2 Issuer	Tranche A-S	36,357	—	1M LIBOR + 110	10/15/2034
2017-FL2 Issuer	Tranche B	26,441	—	1M LIBOR + 140	10/15/2034
2017-FL2 Issuer	Tranche C	25,339	—	1M LIBOR + 215	10/15/2034
2017-FL2 Issuer	Tranche D	35,255	21,444	1M LIBOR + 345	10/15/2034
2018-FL3 Issuer	Tranche A	286,700	286,700	1M LIBOR + 105	10/15/2034
2018-FL3 Issuer	Tranche A-S	77,775	77,775	1M LIBOR + 135	10/15/2034
2018-FL3 Issuer	Tranche B	41,175	41,175	1M LIBOR + 165	10/15/2034
2018-FL3 Issuer	Tranche C	39,650	39,650	1M LIBOR + 255	10/15/2034
2018-FL3 Issuer	Tranche D	42,700	42,700	1M LIBOR + 345	10/15/2034
2018-FL4 Issuer	Tranche A	416,827	416,827	1M LIBOR + 105	9/15/2035
2018-FL4 Issuer	Tranche A-S	73,813	73,813	1M LIBOR + 130	9/15/2035
2018-FL4 Issuer	Tranche B	56,446	56,446	1M LIBOR + 160	9/15/2035
2018-FL4 Issuer	Tranche C	68,385	68,385	1M LIBOR + 210	9/15/2035
2018-FL4 Issuer	Tranche D	57,531	57,531	1M LIBOR + 275	9/15/2035
2019-FL5 Issuer	Tranche A	407,025	407,025	1M LIBOR + 115	5/15/2029
2019-FL5 Issuer	Tranche A-S	76,950	76,950	1M LIBOR + 148	5/15/2029
2019-FL5 Issuer	Tranche B	50,000	50,000	1M LIBOR + 140	5/15/2029
2019-FL5 Issuer	Tranche C	61,374	61,374	1M LIBOR + 200	5/15/2029
2019-FL5 Issuer	Tranche D	48,600	24,300	1M LIBOR + 240	5/15/2029
2019-FL5 Issuer	Tranche E	20,250	20,250	1M LIBOR + 285	5/15/2029
		$ 2,186,563	**$ 1,822,345**		

[1] Excludes $261.4 million of CLO notes, held by the Company, which are eliminated within the collateralized loan obligation line of the consolidated balance sheets as of December 31, 2019.

BENEFIT STREET PARTNERS REALTY TRUST, INC.
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The below table reflects the total assets and liabilities of the Company's outstanding CLOs. The CLOs are considered VIEs and are consolidated into the Company's consolidated financial statements as of December 31, 2020 and December 31, 2019 as the Company is the primary beneficiary of the VIE. The Company is the primary beneficiary of the CLOs because (i) the Company has the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the right to receive benefits from the VIEs or the obligation to absorb losses of the VIEs that could be significant to the VIE.

Assets (dollars in thousands)	**December 31, 2020**	**December 31, 2019**
Cash and cash equivalents [1]	$ 99,025	$ 89,946
Commercial mortgage loans, held for investment, net [2]	2,044,956	2,294,663
Accrued interest receivable	5,626	6,254
Total Assets	**$ 2,149,607**	**$ 2,390,863**
Liabilities		
Notes payable [3][4]	$ 1,892,616	$ 2,064,601
Accrued interest payable	1,240	2,576
Total Liabilities	**$ 1,893,856**	**$ 2,067,177**

[1] Includes $98.6 million and $89.3 million of cash held by the servicer related to CLO loan payoffs as of December 31, 2020 and December 31, 2019.

[2] The balance is presented net of allowance for credit losses of $19.4 million and $0.8 million as of December 31, 2020 and December 31, 2019, respectively.

[3] Includes $267.1 million and $261.4 million of CLO notes, held by the Company, which are eliminated within the collateralized loan obligation line of the consolidated balance sheets as of December 31, 2020 and December 31, 2019.

[4] The balance is presented net of deferred financing cost and discount of $13.7 million and $19.2 million as of December 31, 2020 and December 31, 2019, respectively.

Note 8 - Earnings Per Share

The Company uses the two-class method in calculating basic and diluted earnings per share. Net income is allocated between our common stock and other participating securities based on their participation rights. Diluted net income per share has been computed using the weighted average number of shares of common stock outstanding and other dilutive securities. The following table presents a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations and the calculation of basic and diluted earnings per share for the years ended December 31, 2020, 2019 and 2018, respectively (dollars in thousands, except share amounts):

	Year Ended December 31,		
Numerator	**2020**	**2019**	**2018**
Net income	$ 54,746	$ 83,924	$ 52,825
Less: Preferred stock dividends	14,920	15,337	3,644
Less: Undistributed earnings allocated to preferred stock	—	1,673	—
Net income attributable to common shareholders (for basic and diluted earnings per share)	**$ 39,826**	**$ 66,914**	**$ 49,181**
Denominator			
Weighted-average common shares outstanding for basic earnings per share	44,384,813	41,859,142	34,268,707
Effect of dilutive shares:			
Unvested restricted shares	14,066	12,504	14,229
Weighted-average common shares outstanding for diluted earnings per share	44,398,879	41,871,646	36,779,735
Basic earnings per share	$ 0.90	$ 1.60	$ 1.44
Diluted earnings per share	$ 0.90	$ 1.60	$ 1.44

BENEFIT STREET PARTNERS REALTY TRUST, INC.
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Note 9 - Stock Transactions

As of December 31, 2020 and December 31, 2019, the Company had 44,510,051 and 43,916,815 shares of common stock outstanding, respectively, including shares issued pursuant to the Company's distribution reinvestment plan (the "DRIP"), share repurchases and unvested restricted shares.

As of December 31, 2020 and December 31, 2019, the Company had 40,515 and 40,500 shares of Series A Preferred Stock outstanding, respectively and 1,400 and 1,400 shares of Series C Preferred Stock outstanding, respectively.

The following tables present the activity in the Company's Series A Preferred Stock for the periods ended December 31, 2020 and December 31, 2019, respectively (dollars in thousands, except share amounts):

Series A Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2019	40,500	$ 202,144
Issuance of Preferred Stock	14	70
Dividends paid in Preferred Stock	1	7
Offering costs	—	(23)
Amortization of offering costs	—	94
Ending Balance, December 31, 2020	**40,515**	**$ 202,292**

Series A Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2018	29,249	$ 145,786
Issuance of Preferred Stock	11,247	56,233
Dividends paid in Preferred Stock	4	24
Offering costs	—	—
Amortization of offering costs	—	101
Ending Balance, December 31, 2019	**40,500**	**$ 202,144**

The following tables present the activity in the Company's Series C Preferred Stock for the periods ended December 31, 2020 and December 31, 2019, (dollars in thousands, except share amounts):

Series C Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2019	1,400	$ 6,966
Issuance of Preferred Stock	—	—
Dividends paid in Preferred Stock	—	—
Offering costs	—	(11)
Amortization of offering costs	—	7
Ending Balance, December 31, 2020	**1,400**	**$ 6,962**

Series C Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2018	—	$ —
Issuance of Preferred Stock	1,400	6,998
Dividends paid in Preferred Stock	—	—
Offering costs	—	(33)
Amortization of offering costs	—	1
Ending Balance, December 31, 2019	**1,400**	**$ 6,966**

Distributions

In order to maintain its election to qualify as a REIT, the Company must currently distribute, at a minimum, an amount equal to 90% of its taxable income, without regard to the deduction for distributions paid and excluding net capital gains. The Company must distribute 100% of its taxable income (including net capital gains) to avoid paying corporate U.S. federal income taxes. Distribution payments are dependent on the availability of funds. The Company's board of directors may reduce the amount of distributions paid or suspend distribution payments at any time, and therefore, distributions payments are not assured.

In April 2020, the Company's board of directors unanimously approved a transition in the timing of the dividend payments to holders of the Company's common stock from a monthly payment with daily accruals to a quarterly payment and accrual basis. The first quarterly dividend was the second quarter 2020 dividend payable in July 2020. Similarly, the Company began paying accrued and unpaid dividends on Preferred Stock on a quarterly basis.

The monthly distributions for the first quarter of 2020 were paid at a daily rate equivalent to $1.44 per annum, per share of common stock. Starting with the second quarter 2020 distribution, the 2020 quarterly distributions were paid at a quarterly rate of $0.275 per share of common stock (equivalent to $1.10 per annum). Distribution payments are dependent on the availability of funds. The board of directors may reduce the amount of distributions paid or suspend distribution payments at any time, and therefore, distribution payments are not assured. Subject to the terms of the Preferred Stock, dividends on the Company's Preferred Stock are generally paid on an as-converted basis with the common stock.

The Company distributed $45.7 million of common stock dividends during the year ended December 31, 2020, comprised of $36.8 million in cash and $8.9 million in shares of common stock issued under the DRIP. The DRIP was temporarily suspended for the March 2020 dividend due to COVID-19 related valuation volatility, but was reactivated for the second quarter 2020 dividend. The Company distributed $59.7 million of common stock dividends during the year ended December 31, 2019, comprised of $45.8 million in cash and $13.9 million in shares of common stock issued under the DRIP.

As of December 31, 2020 and December 31, 2019, the Company had declared but unpaid common stock distributions of $12.2 million and $5.4 million, respectively. Additionally, as of December 31, 2020 and December 31, 2019, the Company had declared but unpaid distributions of $3.3 million and $1.5 million for Series A Preferred Stock, respectively and $0.1 million and $0.1 million for Series C Preferred Stock, respectively. These amounts are included in Distributions payable on the Company's consolidated balance sheets.

Share Repurchase Program

The Company's board of directors unanimously approved an amended and restated share repurchase program (the "SRP"), which became effective on February 28, 2016. The SRP enables stockholders to sell their shares to the Company. Subject to certain conditions, stockholders that purchased shares of the Company's common stock or received their shares from us (directly or indirectly) through one or more non-cash transactions and have held their shares for a period of at least one year may request that the Company repurchase their shares of common stock so long as the repurchase otherwise complies with the provisions of Maryland law. Repurchase requests made following the death or qualifying disability of a stockholder will not be subject to any minimum holding period.

The repurchase price per share for SRP repurchases is equal to the lesser of (i) the Company's most recent estimated per-share net asset value ("NAV"), as approved by the Company's board of directors from time to time, and (ii) the Company's book value per share, computed in accordance with GAAP, multiplied by a percentage equal to (i) 92.5%, if the person seeking repurchase has held his or her shares for a period greater than one year and less than two years; (ii) 95%, if the person seeking repurchase has held his or her shares for a period greater than two years and less than three years; (iii) 97.5%, if the person seeking repurchase has held his or her shares for a period greater than three years and less than four years; or (iv) 100%, if the person seeking repurchase has held his or her shares for a period greater than four years or in the case of requests for death or disability. The Company's estimated per-share NAV as of December 31, 2020, as determined by the board of directors, is $17.88. The Company's GAAP book value per share as of December 31, 2020 is $17.94.

Repurchase requests related to death or a qualifying disability must satisfy certain conditions, each of which are assessed by and at the sole discretion of the Company, including the following conditions. In the case of death, the shareholder must be a natural person (or a revocable grantor trust) and the Company must receive a written notice from the estate of the shareholder, the recipient of the shares through bequest or inheritance, or the trustee in the case of a revocable grantor trust. In the case of a "qualifying disability", the shareholder must be a natural person (or a revocable grantor trust) and the Company must receive a written notice from the shareholder, or the trustee in the case of a revocable grantor trust, that the condition was not pre-existing on the date the shares were acquired. In order for a disability to be considered a "qualifying disability", the shareholder must receive and provide evidence (the shareholder application and the notice of final determination) of disability based upon a physical or mental condition or impairment made by a government agency responsible for reviewing and determining disability retirement benefits (e.g. the Social Security Administration).

Repurchases pursuant to the SRP, when requested, generally will be made semiannually (each six-month period ending June 30 or December 31, a "fiscal semester"). Repurchases for any fiscal semester will be limited to a maximum of 2.5% of the weighted average number of shares of common stock outstanding during the previous fiscal year, with a maximum for any fiscal year of 5.0% of the weighted average number of shares of common stock outstanding during the previous fiscal year. Funding for repurchases pursuant to the SRP for any given fiscal semester will be limited to proceeds received during that same fiscal semester through the issuance of common stock pursuant to any DRIP in effect from time to time, provided that the Company's board of directors has the power, in its sole discretion, to determine the amount of shares repurchased during any fiscal semester as well as the amount of funds to be used for that purpose. Any repurchase requests received during such fiscal semester will be paid at the price, computed as described above on the last day of such fiscal semester. Due to these limitations, the Company cannot guarantee that the Company will be able to accommodate all repurchase requests made during any fiscal semester or fiscal year. However, a stockholder may withdraw its request at any time or ask that the Company honors the request when funds are available. Pending repurchase requests will be honored on a pro rata basis. The Company will generally pay repurchase proceeds, less any applicable tax or other withholding required by law, by the 31st day following the end of the fiscal semester during which the repurchase request was made.

The following table reflects the number of shares repurchased under the SRP cumulatively through December 31, 2020:

	Number of Requests	Number of Shares Repurchased	Average Price per Share
Cumulative as of December 31, 2019	**5,878**	**3,542,267**	**$ 20.23**
January 1 - January 31, 2020 [1]	1,170	373,135	18.56
February 1 - February 28, 2020	—	—	N/A
March 1 - March 31, 2020	—	—	N/A
April 1 - April 30, 2020 [1]	—	—	N/A
May 1 - May 31, 2020	—	—	N/A
June 1 - June 30, 2020	—	—	N/A
July 1 - July 31, 2020 [2]	1,046	206,332	16.25
August 1 - August 31, 2020	—	—	N/A
September 1 - September 30, 2020 [2]	—	—	N/A
October 1 - October 31, 2020	—	—	N/A
November 1 - November 30, 2020	—	—	N/A
December 1 - December 31, 2020	—	—	N/A
Cumulative as of December 31, 2020	**8,094**	**4,121,734**	**$ 19.88**

[1] Reflects shares repurchased pursuant to repurchase requests submitted for the second semester of 2019, including 11,306 shares which for administrative reasons were processed in April 2020. Pursuant to the terms of the SRP, the Company is only authorized to repurchase up to the amount of proceeds reinvested through our DRIP during the applicable semester. As a result, redemption requests in the amount of 1,986,803 shares were not fulfilled for the second semester of 2019.

[2] Reflects shares repurchased pursuant to repurchase requests submitted for the first semester of 2020, including 771 shares which for administrative reasons were processed in September 2020. Pursuant to the terms of the SRP, the Company is only authorized to repurchase up to the amount of proceeds reinvested through our DRIP during the applicable semester. As a result, redemption requests in the amount of 1,677,268 shares were not fulfilled for the first semester of 2020.

Note 10 - Commitments and Contingencies

Unfunded Commitments Under Commercial Mortgage Loans

As of December 31, 2020 and 2019, the Company had the below unfunded commitments to the Company's borrowers (dollars in thousands):

Funding Expiration	December 31, 2020	December 31, 2019
2020	$ —	$ 90,519
2021	59,692	100,861
2022	91,420	56,863
2023	69,880	8,637
2024 and beyond	7,700	5,450
	$ 228,692	**$ 262,330**

The borrowers are required to meet or maintain certain metrics in order to qualify for the unfunded commitment amounts.

Litigation and Regulatory Matters

The Company is not presently involved in any material litigation arising outside the ordinary course of business. However, the Company is involved in routine litigation arising in the ordinary course of business, none of which the Company believes, individually or in the aggregate, will have a material impact on the Company's financial condition, operating results or cash flows.

Note 11 - Related Party Transactions and Arrangements

Advisory Agreement Fees and Reimbursements

Pursuant to the Advisory Agreement, the Company is required to make the following payments and reimbursements to the Advisor:

- The Company reimburses the Advisor's costs of providing services pursuant to the Advisory Agreement, except the salaries and benefits paid by the Advisor to the Company's executive officers.
- The Company pays the Advisor, or its affiliates, a monthly asset management fee equal to one-twelfth of 1.5% of stockholders' equity as calculated pursuant to the Advisory Agreement.
- The Company will pay the Advisor an annual subordinated performance fee calculated on the basis of total return to stockholders, payable monthly in arrears, such that for any year in which total return on stockholders' capital exceeds 6.0% per annum, our Advisor will be entitled to 15.0% of the excess total return; provided that in no event will the annual subordinated performance fee payable to our Advisor exceed 10.0% of the aggregate total return for such year.
- The Company reimburses the Advisor for insourced expenses incurred by the Advisor on the Company's behalf related to selecting, evaluating, originating and acquiring investments in an amount up to 0.5% of the principal amount funded by the Company to originate or acquire commercial mortgage loans and up to 0.5% of the anticipated net equity funded by the Company to acquire real estate securities investments.

The table below shows the costs incurred due to arrangements with our Advisor and its affiliates during the years ended December 31, 2020, 2019 and 2018 and the associated payable as of December 31, 2020 and 2019 (dollars in thousands):

	Year Ended December 31,			Payable as of December 31,	
	2020	2019	2018	2020	2019
Acquisition expenses [1]	696	900	452	—	225
Administrative services expenses	13,120	16,363	13,446	2,940	1,238
Asset management and subordinated performance fee	15,178	16,226	10,299	4,773	3,326
Other related party expenses [2][3]	703	1,610	1,259	1,812	—
Total related party fees and reimbursements	$ 29,697	$ 35,099	$ 25,456	$ 9,525	$ 4,789

[1] Total acquisition fees and expenses paid during the years ended December 31, 2020, 2019 and 2018 were $7.1 million, $8.4 million and $8.1 million respectively, of which $6.4 million, $7.5 million and $7.6 million were capitalized within the commercial mortgage loans, held for investment line of the consolidated balance sheets for the years ended December 31, 2020, 2019 and 2018.

[2] These are related to reimbursable costs incurred related to the increase in loan origination activities and are included in Other expenses in the Company's consolidated statements of operations.

[3] The related party payable includes $1.8 million of payments made by the Advisor to third party vendors on behalf of the Company.

The payables as of December 31, 2020 and 2019 in the table above are included in Due to affiliates on the Company's consolidated balance sheets.

Other Transactions

On February 22, 2018, the Company purchased commercial mortgage loans, held-for-sale from an entity that is an affiliate of the Company's Advisor, for an aggregate purchase price of $27.8 million. The purchase of the commercial mortgage loans and the $27.8 million purchase price were approved by the Company's board of directors. On April 18, 2018, the Company sold $23.3 million of these commercial mortgage loans into a CMBS securitization. The remaining $4.5 million of these commercial mortgage loans, recorded as held for investment, were fully paid down during the year ended December 31, 2020.

Pursuant to a lending and security agreement with Security Benefit Life Insurance Company ("SBL"), which was entered into in February 2020 and amended in March and August 2020, the Company may borrow up to $100.0 million at a rate of one-month LIBOR + 4.5%. SBL is an entity that also holds 14,950 of the Company's outstanding shares of Series A Preferred Stock. The facility has a maturity of February 10, 2023 and is secured by a pledge of equity interests in certain of the Company's subsidiaries. The Company incurred $0.2 million of interest expense on the lending agreement with SBL for the year ended December 31, 2020. As of December 31, 2020 there was no outstanding balance under the lending agreement.

Note 12 - Share-Based Compensation

Restricted Share Plan

The Company has an employee and director incentive restricted share plan (the "RSP"), which provides the Company with the ability to grant awards of restricted shares to the Company's directors, officers and employees (if the Company ever has employees), employees of the Advisor and its affiliates, employees of entities that provide services to the Company, directors of the Advisor or of entities that provide services to the Company, the Advisor and its affiliates. The total number of common shares granted under the RSP shall not exceed 5.0% of the Company's authorized common shares pursuant to the Offering, and in any event, will not exceed 4.0 million shares (as such number may be adjusted for stock splits, stock distributions, combinations and similar events).

Restricted share awards entitle the recipient to receive common shares from the Company under terms that provide for vesting over a specified period of time or upon attainment of pre-established performance objectives. Such awards would typically be forfeited with respect to the unvested shares upon the termination of the recipient's employment or other relationship with the Company. Restricted shares may not, in general, be sold or otherwise transferred until restrictions are removed and the shares have vested. Holders of restricted shares may receive cash distributions prior to the time that the restrictions on the restricted shares have lapsed. Any distributions payable in common shares shall be subject to the same restrictions as the underlying restricted shares. The fair value of the restricted share awards are expensed over the vesting period.

As of December 31, 2020, the Company had granted 44,876 restricted shares to its independent directors, of which 5,333 were forfeited and 27,823 have vested, leaving a balance of 11,720 unvested restricted shares. As of December 31, 2019, the Company had granted 34,106 restricted shares to its independent directors, of which 5,333 were forfeited and 20,207 have vested, leaving a balance of 8,566 unvested restricted shares. The compensation expense associated with the restricted share grants was $0.2 million, $0.2 million and $0.2 million, for the years ended December 31, 2020, 2019 and 2018, respectively and are included within Other expenses line on the consolidated statements of operations.

Note 13 - Fair Value of Financial Instruments

GAAP establishes a hierarchy of valuation techniques based on the observability of inputs used in measuring financial instruments at fair values. GAAP establishes market-based or observable inputs as the preferred source of values, followed by valuation models using management assumptions in the absence of market inputs. The three levels of the hierarchy are described below:

- Level I - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level II - Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- Level III - Unobservable inputs that reflect the entity's own assumptions about the assumptions that market participants would use in the pricing of the asset or liability and are consequently not based on market activity, but rather through particular valuation techniques.

The determination of where an asset or liability falls in the above hierarchy requires significant judgment and factors specific to the asset or liability. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company evaluates its hierarchy disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from quarter to quarter.

The Company has implemented valuation control processes to validate the fair value of the Company's financial instruments measured at fair value including those derived from pricing models. These control processes are designed to assure that the values used for financial reporting are based on observable inputs wherever possible. In the event that observable inputs are not available, the control processes are designed to assure that the valuation approach utilized is appropriate and consistently applied and the assumptions are reasonable.

Financial Instruments Measured at Fair Value on a Recurring Basis

CMBS recorded in real estate securities, available for sale, measured at fair value on the consolidated balance sheets are valued utilizing both observable and unobservable market inputs. These factors include projected future cash flows, ratings, subordination levels, vintage, remaining lives, credit issues, and recent trades of similar real estate securities. Depending upon the significance of the fair value inputs used in determining these fair values, these real estate securities are classified in either Level II or Level III of the fair value hierarchy. As of December 31, 2020 and December 31, 2019, the Company obtained third party pricing for determining the fair value of each CMBS investment, resulting in a Level II classification.

Commercial mortgage loans held-for-sale, measured at fair value in the Company's TRS are initially recorded at transaction proceeds, which are considered to be the best initial estimate of fair value. The Company engaged the services of a third party independent valuation firm to determine fair value of certain investments held by the Company. Fair value is determined using a discounted cash flow model that primarily considers changes in interest rates and credit spreads, weighted average life and current performance of the underlying collateral. Commercial mortgage loans held-for-sale, measured at fair value that are originated in the last month of the reporting period are held and marked to the transaction proceeds. The Company classified the commercial mortgage loans held-for-sale, measured at fair value as Level III.

Other real estate investments, measured at fair value on the consolidated balance sheets are valued using unobservable inputs. The Company engaged the services of a third party independent valuation firm to determine fair value of certain investments, including preferred equity investments, held by the Company. Fair value is determined using a discounted cash flow model that primarily considers changes in interest rates and credit spreads, weighted average life and current performance of the underlying collateral. The Company classified the other real estate investments, measured at fair value as Level III.

The fair value for Treasury note futures is derived using market prices. Treasury note futures trade on the Chicago Mercantile Exchange ("CME"). The instruments are a variety of recently issued 10-year U.S. Treasury notes. The future contracts are liquid and are centrally cleared through the CME. Treasury note futures are generally categorized in Level I of the fair value hierarchy.

The fair value for credit default swaps and interest rate swaps contracts are derived using pricing models that are widely accepted by marketplace participants. Credit default swaps and interest rate swaps are traded in the OTC market. The pricing models take into account multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates, and/or current credit spreads obtained from swap counterparties and other market participants. Most inputs into the models are not subjective as they are observable in the marketplace or set per the contract. Valuation is primarily determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. If the underlying indices are liquid and the OTC market for the current spread is active, credit default swaps and interest rate swaps are categorized in Level II of the fair value hierarchy. If the underlying indices are illiquid and the OTC market for the current spread is not active, credit default swaps are categorized in Level III of the fair value hierarchy. The credit default swaps and
interest rate swaps are generally categorized in Level II of the fair value hierarchy.

A review of the fair value hierarchy classification is conducted on a quarterly basis. Changes in the type of inputs may result in a reclassification for certain assets or liabilities. The Company's policy with respect to transfers between levels of the fair value hierarchy is to recognize transfers into and out of each level as of the beginning of the reporting period. There were no material transfers between levels within the fair value hierarchy during the years ended December 31, 2020 and December 31, 2019.

BENEFIT STREET PARTNERS REALTY TRUST, INC.
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The following table presents the Company's financial instruments carried at fair value on a recurring basis in the consolidated balance sheets by its level in the fair value hierarchy as of December 31, 2020 and December 31, 2019 (dollars in thousands):

December 31, 2020	**Total**	**Level I**	**Level II**	**Level III**
Assets, at fair value				
Real estate securities, available for sale, measured at fair value	$ 171,136	$ —	$ 171,136	$ —
Commercial mortgage loans, held-for-sale, measured at fair value	67,649	—	—	67,649
Other real estate investments, measured at fair value	2,522	—	—	2,522
Interest rate swaps	25	—	25	—
Total assets, at fair value	**$ 241,332**	**$ —**	**$ 171,161**	**$ 70,171**
Liabilities, at fair value				
Credit default swaps	$ 297	$ —	$ 297	$ —
Treasury note futures	106	106	—	—
Total liabilities, at fair value	**$ 403**	**$ 106**	**$ 297**	**$ —**
December 31, 2019				
Assets, at fair value				
Real estate securities, available for sale, measured at fair value	$ 386,316	$ —	$ 386,316	$ —
Commercial mortgage loans, held-for-sale, measured at fair value	112,562	—	—	112,562
Other real estate investments, measured at fair value	2,557	—	—	2,557
Credit default swaps	59	—	59	—
Interest rate swaps	325	—	325	—
Treasury note futures	735	735	—	—
Total assets, at fair value	**$ 502,554**	**$ 735**	**$ 386,700**	**$ 115,119**
Liabilities, at fair value				
Credit default swaps	$ 1,581	$ —	$ 1,581	$ —
Total liabilities, at fair value	**$ 1,581**	**$ —**	**$ 1,581**	**$ —**

Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level III category. As a result, the unrealized gains and losses for assets and liabilities within the Level III category may include changes in fair value that were attributable to both observable and unobservable inputs. The following table summarizes the valuation method and significant unobservable inputs used for the Company's financial instruments that are categorized within Level III of the fair value hierarchy as of December 31, 2020 and December 31, 2019 (dollars in thousands).

Asset Category	Fair Value	Valuation Methodologies	Unobservable Inputs [1]	Weighted Average [2]	Range
December 31, 2020					
Commercial mortgage loans, held-for-sale, measured at fair value	$ 67,649	Discounted Cash Flow	Yield	16.6%	15.6% - 17.6%
Other real estate investments, measured at fair value	2,522	Discounted Cash Flow	Yield	13.2%	12.2% - 14.2%
December 31, 2019					
Commercial mortgage loans, held-for-sale, measured at fair value	$ 112,562	Discounted Cash Flow	Yield	4.9%	4.7% - 5.2%
Other real estate investments, measured at fair value	2,557	Broker Quotes	Yield	12.4%	11.4% - 13.4%

[1] In determining certain inputs, the Company evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies and company specific developments including exit strategies and realization opportunities. The Company has determined that market participants would take these inputs into account when valuing the investments.

[2] Inputs were weighted based on the fair value of the investments included in the range.

Increases or decreases in any of the above unobservable inputs in isolation would result in a lower or higher fair value measurement for such assets.

The following table presents additional information about the Company's financial instruments which are measured at fair value on a recurring basis as of December 31, 2020 and December 31, 2019 for which the Company has used Level III inputs to determine fair value (dollars in thousands):

	December 31, 2020	
	Commercial mortgage loans, held-for-sale, measured at fair value	Other real estate investments, measured at fair value
Beginning balance, January 1, 2020	**$ 112,562**	**$ 2,557**
Transfers into Level III [2]	23,625	—
Total realized and unrealized gain/(loss) included in earnings:		
Realized gain/(loss) on sale of commercial mortgage loan, held-for-sale	15,931	—
Unrealized gain/(loss) on commercial mortgage loans, held-for-sale and other real estate investments	(75)	(32)
Net accretion	—	(3)
Purchases [1]	267,552	—
Sales / paydowns [1]	(328,321)	—
Transfers out of Level III [2]	(23,625)	—
Ending Balance, December 31, 2020	**$ 67,649**	**$ 2,522**

	December 31, 2019	
	Commercial mortgage loans, held-for-sale, measured at fair value	Other real estate investments, measured at fair value
Beginning balance, January 1, 2019	**$ 76,863**	**$ —**
Transfers into Level III [2]	—	—
Total realized and unrealized gain (loss) included in earnings:		
Realized gain (loss) on sale of real estate securities	—	—
Realized gain (loss) on sale of commercial mortgage loan held-for-sale	37,832	—
Unrealized gain (loss) on commercial mortgage loans held-for-sale and other real estate investments	312	47
Net accretion	—	—
Unrealized gain (loss) included in OCI	—	—
Purchases	1,015,677	2,510
Sales / paydowns	(1,008,050)	—
Cash repayments / receipts	—	—
Transfers out of Level III [2]	(10,072)	—
Ending Balance, December 31, 2019	**$ 112,562**	**$ 2,557**

[1] Excluded from Purchases and Sales/paydowns are $679.1 million and $682.0 million, respectively, of loans that collateralize a CMBS investment required to be consolidated in connection with the Company's retention of the B tranche during the year ended December 31, 2020. Upon disposition of the B tranche during the year ended December 31, 2020, the Company recognized a gain of $2.8 million that is recorded in Realized gain/loss on sale of real estate securities on the consolidated statements of operations.

[2] Transfers in and transfers out include transfers between Commercial mortgage loans, held-for-sale and Commercial mortgage loans, held for investment.

The fair value of cash and cash equivalents and restricted cash are measured using observable quoted market prices, or Level I inputs and their carrying value approximates their fair value. The fair value of borrowings under repurchase agreements approximate their carrying value on the consolidated balance sheets due to their short-term nature, and are measured using Level II inputs.

Financial Instruments Not Measured at Fair Value

The fair values of the Company's commercial mortgage loans, held for investment and collateralized loan obligations, which are not reported at fair value on the consolidated balance sheets are reported below as of December 31, 2020 and 2019 (dollars in thousands):

		Level	Carrying Amount	Fair Value
December 31, 2020				
Commercial mortgage loans, held for investment [1]	**Asset**	**III**	$ 2,714,734	$ 2,724,039
Collateralized loan obligation	**Liability**	**III**	1,625,498	1,606,478
Mortgage note payable	**Liability**	**III**	29,167	29,167
Other financing and loan participation - commercial mortgage loans	**Liability**	**III**	31,379	31,379
December 31, 2019				
Commercial mortgage loans, held for investment [1]	**Asset**	**III**	$ 2,762,963	$ 2,784,650
Collateralized loan obligation	**Liability**	**III**	1,803,185	1,822,386
Mortgage note payable	**Liability**	**III**	29,167	29,167

[1] The carrying value is gross of $20.9 million and $0.9 million of allowance for credit losses as of December 31, 2020 and December 31, 2019, respectively.

The fair value of the commercial mortgage loans, held for investment is estimated using a discounted cash flow analysis, based on the Advisor's experience with similar types of investments. The Company estimates the fair value of the collateralized loan obligations using external broker quotes. The fair value of the other financing and loan participation-commercial mortgage loans is generally estimated using a discounted cash flow analysis. At December 31, 2020, the Mortgage note payable was initially recorded at transaction proceeds, which are considered to be the best initial estimate of fair value.

Note 14 - Derivative Instruments

The Company uses derivative instruments primarily to manage the fair value variability of fixed rate assets caused by interest rate fluctuations and overall portfolio market risk.

As of December 31, 2020, the net premiums received on derivative instrument assets were $1.3 million.

The following derivative instruments were outstanding as of December 31, 2020 and December 31, 2019 (dollars in thousands):

		Fair Value	
Contract type	**Notional**	**Assets**	**Liabilities**
As of December 31, 2020			
Credit default swaps	$ 46,000	$ —	$ 297
Interest rate swaps	32,517	25	—
Treasury note futures	43,500	—	106
Total	**$ 122,017**	**$ 25**	**$ 403**
As of December 31, 2019			
Credit default swaps	$ 94,300	$ 59	$ 1,581
Interest rate swaps	42,546	325	—
Treasury note futures	74,000	735	—
Total	**$ 210,846**	**$ 1,119**	**$ 1,581**

The following table indicates the net realized and unrealized gains and losses on derivatives, by primary underlying risk exposure, as included in loss on derivative instruments in the consolidated statements of operations for year ended December 31, 2020 and December 31, 2019:

	Year Ended December 31, 2020		Year Ended December 31, 2019	
Contract type	**Unrealized (Gain)/Loss**	**Realized (Gain)/Loss**	**Unrealized (Gain)/Loss**	**Realized (Gain)/Loss**
Credit default swaps	$ (143)	$ 323	$ 456	$ 2,230
Interest rate swaps	296	7,463	(380)	(269)
Treasury note futures	842	4,665	(1,798)	1,962
Options	—	35	—	401
Total	**$ 995**	**$ 12,486**	**$ (1,722)**	**$ 4,324**

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Note 15 - Offsetting Assets and Liabilities

The Company's consolidated balance sheets used a gross presentation of repurchase agreements and collateral pledged. The table below provides a gross presentation, the effects of offsetting and a net presentation of the Company's derivative instruments and repurchase agreements within the scope of ASC 210-20, *Balance Sheet—Offsetting*, as of December 31, 2020 and December 31, 2019 (dollars in thousands):

				Gross Amounts Not Offset on the Balance Sheet		
Assets	**Gross Amounts of Recognized Assets**	**Gross Amounts Offset on the Balance Sheet**	**Net Amount of Assets Presented on the Balance Sheet**	**Financial Instruments**	**Cash Collateral [1]**	**Net Amount**
December 31, 2020						
Derivative instruments, at fair value	$ 25	$ —	$ 25	$ —	$ —	$ 25
December 31, 2019						
Derivative instruments, at fair value	$ 1,119	$ —	$ 1,119	$ —	$ 10,895	$ —

				Gross Amounts Not Offset on the Balance Sheet		
Liabilities	**Gross Amounts of Recognized Liabilities**	**Gross Amounts Offset on the Balance Sheet**	**Net Amount of Assets Presented on the Balance Sheet**	**Financial Instruments**	**Cash Collateral [1]**	**Net Amount**
December 31, 2020						
Repurchase agreements, commercial mortgage loans	$ 276,340	$ —	$ 276,340	$ 496,030	$ 5,016	$ —
Repurchase agreements, real estate securities	186,828	—	186,828	245,956	1,146	—
Derivative instruments, at fair value	403	—	403	—	3,435	—
December 31, 2019						
Repurchase agreements, commercial mortgage loans	$ 252,543	$ —	$ 252,543	$ 394,229	$ 5,011	$ —
Repurchase agreements, real estate securities	394,359	—	394,359	454,301	1,657	—
Derivative instruments, at fair value	1,581	—	1,581	—	3,679	—

[1] These cash collateral amounts are recorded within the Restricted cash and Accounts payable and accrued expenses balances on the consolidated balance sheets.

Note 16 - Segment Reporting

The Company conducts its business through the following reporting segments:

- The real estate debt business focuses on originating, acquiring and asset managing commercial real estate debt investments, including first mortgage loans, subordinate mortgages, mezzanine loans and participations in such loans.
- The real estate securities business focuses on investing in and asset managing commercial real estate securities primarily consisting of CMBS and may include unsecured REIT debt, CDO notes and other securities.
- The commercial real estate conduit business operated through the Company's TRS, which is focused on generating risk-adjusted returns by originating and subsequently selling fixed-rate commercial real estate loans into the CMBS securitization market at a profit.
- The real estate owned business represents real estate acquired by the Company through foreclosure, deed in lieu of foreclosure, or purchase.

The following table represents the Company's operations by segment for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 (dollars in thousands):

December 31, 2020	Total	Real Estate Debt and Other Real Estate	Real Estate Securities	TRS	Real Estate Owned
Interest income	$ 179,872	$ 165,907	$ 10,854	$ 3,111	$ —
Revenue from real estate owned	4,299	—	—	—	4,299
Interest expense	66,556	54,480	7,914	2,185	1,977
Net income	54,746	66,383	(7,207)	(5,559)	1,129
Total assets as of December 31, 2020	3,189,761	2,866,790	175,088	105,364	42,519
December 31, 2019					
Interest income	$ 195,299	$ 181,434	$ 6,149	$ 7,716	$ —
Revenue from real estate owned	3,169	—	—	—	3,169
Interest expense	90,418	83,597	2,911	3,670	240
Net income	83,924	61,936	3,238	19,130	(380)
Total assets as of December 31, 2019	3,540,620	2,964,233	388,170	131,193	57,024
December 31, 2018					
Interest income	$ 152,288	$ 144,967	$ 717	$ 6,604	$ —
Interest expense	70,000	65,521	770	3,709	—
Net income	52,825	50,041	(160)	2,944	—
Total assets as of December 31, 2018	2,606,078	2,492,440	26,474	87,164	—

For the purposes of the table above, any expenses not associated with a specific segment have been allocated to the business segments using a percentage derived by using the sum of commercial mortgage loans originated during the year as the denominator and commercial mortgage loans, held for investment net of allowance and commercial mortgage loans, held-for-sale, measured at fair value as numerator.

Note 17 - Income Taxes

The Company has conducted its operations to qualify as a REIT for U.S. federal income tax purposes beginning with its taxable year ended December 31, 2013. As a REIT, if the Company meets certain organizational and operational requirements and distributes at least 90% of its "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to its stockholders in a year, it will not be subject to U.S. federal income tax to the extent of the income that it distributes. However, even if the Company qualifies for taxation as a REIT, it may be subject to certain state and local taxes on income in addition to U.S. federal income and excise taxes on its undistributed income. The Company, through its TRS, is indirectly subject to U.S. federal, state and local income taxes. The Company's TRS is not consolidated for U.S. federal income tax purposes, but is instead taxed as a C corporation. For financial reporting purposes, the TRS is consolidated and a provision for current and deferred taxes is established for the portion of earnings recognized by the Company with respect to its interest in its TRS. Total income tax expense (benefit) for the years ended December 31, 2020, December 31, 2019 and December 31, 2018 were $(2.1) million, $4.5 million and $0.1 million, respectively.

The Company uses a more-likely-than-not threshold for recognition and derecognition of tax positions taken or to be taken in a tax return. The Company has assessed its tax positions for all open tax years beginning with December 31, 2017 and concluded that there were no uncertainties to be recognized. The Company's accounting policy with respect to interest and penalties related to tax uncertainties is to classify these amounts as provision for income taxes.

Components of the provision for income taxes consist of the following (dollars in thousands):

	Year Ended December 31,		
	2020	**2019**	**2018**
Current expense/(benefit)			
U.S. Federal	$ (2,086)	$ 4,076	$ 68
State and local	370	397	12
Total current expense/(benefit)	$ (1,716)	$ 4,473	$ 80
Deferred expense/(benefit)			
U.S. Federal	$ —	$ 10	$ (1)
State and local	(346)	—	—
Total deferred expense/(benefit)	$ (346)	$ 10	$ (1)
Provision for income tax expense/(benefit)	**$ (2,062)**	**$ 4,483**	**$ 79**

The tax characteristics of the $1.30 distributions per common share declared during 2020 was $1.24 ordinary income and $0.06 capital gain. Of the $1.24 of ordinary income, $1.24 represents the amount of the ordinary dividend that may be eligible for the 20% deduction applicable to qualified REIT dividends under Internal Revenue Code Section 199A. The tax characteristics of the $390.48 distributions per share of Series A Preferred Stock and Series C Preferred Stock declared during 2020 was $370.93 ordinary income and $19.55 capital gain. Of the $370.93 of ordinary income, $370.93 represents the amount of the ordinary dividend that may be eligible for the 20% deduction applicable to qualified REIT dividends under Section 199A. The tax characteristics of the $1.44 distributions per common share declared during 2019 was $1.20 ordinary income and $0.24 return of capital. The tax characteristics of the $430.88 distributions per share of Series A Preferred Stock declared during 2019 was all ordinary income. The tax characteristics of the $35.41 distributions per share of Series C Preferred Stock declared during 2019 was all ordinary income.

The Company utilizes the TRS to reduce the impact of the prohibited transaction tax and to avoid penalty for the holding of assets not qualifying as real estate assets for purposes of the REIT asset tests. Any income associated with a TRS is fully taxable because the TRS is subject to federal and state income taxes as a domestic C corporation based upon its net income.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits NOL carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The Company is currently evaluating the impact of the CARES Act, and expects to fully utilize the current year NOL under the NOL carryback provision of the CARES Act.

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Note 18 - Summary of Quarterly Results of Operations (Unaudited)

The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 2020, 2019 and 2018 (dollars in thousands, except per share data):

	March 31	June 30	September 30	December 31
2020				
Net interest income	$ 23,362	$ 28,106	$ 29,301	$ 32,547
Net income	(7,400)	7,814	21,497	32,835
Net income applicable to common stock	(11,915)	4,359	16,739	25,624
Basic net income per share	$ (0.27)	$ 0.10	$ 0.38	$ 0.58
Diluted net income per share	$ (0.27)	$ 0.10	$ 0.38	$ 0.58
Basic weighted average shares outstanding	44,263,334	44,376,437	44,405,196	44,492,325
Diluted weighted average shares outstanding	44,274,852	44,389,380	44,421,084	44,508,213
2019				
Net interest income	$ 26,145	$ 22,356	$ 29,349	$ 27,031
Net income	19,890	14,526	25,913	23,595
Net income applicable to common stock	16,108	11,036	20,460	19,310
Basic net income per share	$ 0.40	$ 0.27	$ 0.48	$ 0.44
Diluted net income per share	$ 0.40	$ 0.27	$ 0.48	$ 0.44
Basic weighted average shares outstanding	39,798,215	41,226,805	42,795,038	43,549,406
Diluted weighted average shares outstanding	39,811,304	41,239,548	42,807,773	43,560,937
2018				
Net interest income	$ 10,734	$ 19,738	$ 25,823	$ 25,993
Net income	5,296	12,102	19,000	16,427
Net income applicable to common stock	5,296	12,086	17,745	14,054
Basic net income per share	$ 0.17	$ 0.38	$ 0.49	$ 0.37
Diluted net income per share	$ 0.17	$ 0.38	$ 0.49	$ 0.37
Basic weighted average shares outstanding	31,670,518	31,762,199	35,468,648	38,088,364
Diluted weighted average shares outstanding	31,684,832	31,820,527	38,942,428	44,504,418

Basic and diluted earnings per share are computed independently based on the weighted-average shares of common stock and restricted shares outstanding for each period. Accordingly, the sum of the quarterly earnings per share amounts may not agree to the total for the year.

Note 19 - Subsequent Events

The Company has evaluated subsequent events through the filing of this Annual Report on Form 10-K.

BENEFIT STREET PARTNERS REALTY TRUST, INC.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
December 31, 2020
(Dollars in thousands)

Description	Property Type	Face Amount	Carrying Amount	Interest Rate	Payment Terms	Maturity Date
Senior Debt 1	Industrial	$ 33,655	$ 33,655	1 month LIBOR + 4.00%	Interest Only	11/9/2021
Senior Debt 2	Mixed Use	12,839	12,839	1 month LIBOR + 5.00%	Interest Only	4/9/2021
Senior Debt 3	Office	14,034	14,034	1 month LIBOR + 4.45%	Interest Only	9/9/2021
Senior Debt 4	Office	8,391	8,391	1 month LIBOR +6.00%	Amortizing Balloon	10/9/2021
Senior Debt 5	Multifamily	37,812	37,812	1 month LIBOR + 3.35%	Amortizing Balloon	1/9/2022
Senior Debt 6	Office	26,811	26,811	1 month LIBOR + 4.15%	Amortizing Balloon	10/9/2021
Senior Debt 7	Hospitality	10,400	10,400	1 month LIBOR + 6.25%	Interest Only	5/9/2022
Senior Debt 8	Hospitality	5,894	5,894	1 month LIBOR + 3.50%	Amortizing Balloon	12/9/2021
Senior Debt 9	Hospitality	57,075	57,075	1 month LIBOR + 5.19%	Interest Only	6/9/2019
Senior Debt 10	Multifamily	77,945	77,701	1 month LIBOR + 4.50%	Interest Only	12/31/2021
Senior Debt 11	Hospitality	10,250	10,247	1 month LIBOR + 5.25%	Interest Only	2/9/2021
Senior Debt 12	Hospitality	23,000	22,998	1 month LIBOR + 6.00%	Interest Only	1/9/2021
Senior Debt 13	Office	23,726	23,726	1 month LIBOR + 5.15%	Interest Only	2/9/2021
Senior Debt 14	Multifamily	41,826	41,811	1 month LIBOR + 3.70%	Interest Only	3/9/2021
Senior Debt 15	Hospitality	28,272	28,255	1 month LIBOR + 4.00%	Interest Only	4/9/2021
Senior Debt 16	Hospitality	22,700	22,688	1 month LIBOR + 4.40%	Interest Only	4/9/2021
Senior Debt 17	Multifamily	35,886	35,886	1 month LIBOR + 3.00%	Interest Only	5/9/2021
Senior Debt 18	Self Storage	3,851	3,849	1 month LIBOR + 4.05%	Interest Only	5/9/2021
Senior Debt 19	Self Storage	6,496	6,492	1 month LIBOR + 4.05%	Interest Only	5/9/2021
Senior Debt 20	Self Storage	7,606	7,600	1 month LIBOR + 4.05%	Interest Only	5/9/2021
Senior Debt 21	Self Storage	2,400	2,398	1 month LIBOR + 4.05%	Interest Only	6/9/2021
Senior Debt 22	Self Storage	6,310	6,305	1 month LIBOR + 5.05%	Interest Only	6/9/2021
Senior Debt 23	Hospitality	22,355	22,332	1 month LIBOR + 3.50%	Interest Only	3/9/2023
Senior Debt 24	Mixed Use	59,451	59,451	1 month LIBOR + 4.87%	Interest Only	7/9/2021
Senior Debt 25	Office	21,100	21,100	1 month LIBOR + 3.75%	Interest Only	9/9/2021
Senior Debt 26	Self Storage	6,299	6,299	1 month LIBOR + 6.00%	Interest Only	9/9/2021
Senior Debt 27	Office	16,342	16,342	1 month LIBOR + 3.40%	Amortizing Balloon	9/9/2021
Senior Debt 28	Retail	29,500	29,426	6.25%	Interest Only	9/9/2023
Senior Debt 29	Self Storage	11,966	11,966	1 month LIBOR + 5.50%	Interest Only	10/9/2021
Senior Debt 30	Multifamily	16,172	16,172	1 month LIBOR + 3.15%	Interest Only	11/9/2021
Senior Debt 31	Multifamily	22,417	22,417	1 month LIBOR + 3.40%	Interest Only	11/9/2021
Senior Debt 32	Multifamily	29,868	29,868	1 month LIBOR + 3.35%	Interest Only	11/9/2021
Senior Debt 33	Land	16,400	16,400	1 month LIBOR + 6.00%	Interest Only	12/11/2021
Senior Debt 34	Hospitality	8,523	8,507	1 month LIBOR + 4.80%	Amortizing Balloon	1/9/2022
Senior Debt 35	Industrial	14,160	14,159	1 month LIBOR + 3.95%	Interest Only	1/9/2021
Senior Debt 36	Multifamily	48,500	48,498	1 month LIBOR + 3.75%	Interest Only	1/9/2021
Senior Debt 37	Multifamily	23,295	23,196	1 month LIBOR + 5.70%	Interest Only	8/9/2021
Senior Debt 38	Office	7,200	7,198	1 month LIBOR + 3.90%	Interest Only	2/9/2021
Senior Debt 39	Manufactured Housing	8,893	8,858	1 month LIBOR + 4.40%	Interest Only	3/9/2022
Senior Debt 40	Hospitality	14,000	13,985	1 month LIBOR + 4.47%	Interest Only	4/9/2021
Senior Debt 41	Retail	14,250	14,260	1 month LIBOR + 3.95%	Interest Only	4/9/2021
Senior Debt 42	Hospitality	21,000	20,981	1 month LIBOR + 4.14%	Interest Only	5/9/2021

Description	Property Type	Face Amount	Carrying Amount	Interest Rate	Payment Terms	Maturity Date
Senior Debt 43	Multifamily	24,711	24,669	1 month LIBOR + 3.10%	Interest Only	5/9/2022
Senior Debt 44	Multifamily	37,643	37,581	1 month LIBOR + 3.10%	Interest Only	5/9/2022
Senior Debt 45	Office	42,631	42,519	1 month LIBOR + 3.50%	Interest Only	5/9/2022
Senior Debt 46	Retail	8,500	8,500	1 month LIBOR + 7.50%	Interest Only	12/9/2021
Senior Debt 47	Hospitality	10,580	10,547	1 month LIBOR + 4.50%	Interest Only	6/9/2022
Senior Debt 48	Multifamily	18,100	18,097	1 month LIBOR + 3.40%	Interest Only	6/9/2021
Senior Debt 49	Hospitality	19,900	19,850	1 month LIBOR + 4.15%	Interest Only	6/9/2022
Senior Debt 50	Multifamily	18,656	18,604	1 month LIBOR + 3.10%	Interest Only	6/9/2022
Senior Debt 51	Office	34,400	34,232	1 month LIBOR + 3.90%	Interest Only	6/9/2022
Senior Debt 52	Hospitality	20,930	20,852	1 month LIBOR + 3.75%	Interest Only	8/9/2022
Senior Debt 53	Hospitality	15,500	15,452	1 month LIBOR + 4.00%	Interest Only	10/9/2022
Senior Debt 54	Hospitality	5,250	5,242	1 month LIBOR + 4.25%	Interest Only	7/9/2021
Senior Debt 55	Hospitality	12,750	12,708	1 month LIBOR + 4.45%	Interest Only	8/9/2022
Senior Debt 56	Hospitality	9,545	9,525	1 month LIBOR + 4.50%	Interest Only	8/9/2021
Senior Debt 57	Retail	9,400	9,371	1 month LIBOR + 4.20%	Interest Only	9/9/2022
Senior Debt 58	Manufactured Housing	12,200	12,162	1 month LIBOR + 3.65%	Interest Only	10/9/2022
Senior Debt 59	Manufactured Housing	24,100	24,029	1 month LIBOR + 3.65%	Interest Only	9/9/2022
Senior Debt 60	Multifamily	23,149	23,103	1 month LIBOR + 2.65%	Interest Only	9/9/2021
Senior Debt 61	Office	29,750	29,681	1 month LIBOR + 3.35%	Interest Only	9/9/2022
Senior Debt 62	Hospitality	34,484	34,407	1 month LIBOR + 3.99%	Amortizing Balloon	11/9/2021
Senior Debt 63	Multifamily	12,839	12,787	1 month LIBOR + 2.65%	Interest Only	11/9/2022
Senior Debt 64	Multifamily	37,021	36,924	1 month LIBOR + 2.75%	Interest Only	11/9/2023
Senior Debt 65	Industrial	53,500	53,297	1 month LIBOR + 3.75%	Interest Only	12/9/2021
Senior Debt 66	Office	21,825	21,728	1 month LIBOR + 3.50%	Interest Only	12/9/2022
Senior Debt 67	Hospitality	7,100	7,076	1 month LIBOR + 4.00%	Interest Only	12/9/2022
Senior Debt 68	Industrial	22,230	22,133	1 month LIBOR + 3.55%	Interest Only	12/9/2023
Senior Debt 69	Multifamily	21,083	21,017	1 month LIBOR + 2.75%	Interest Only	12/9/2022
Senior Debt 70	Multifamily	27,087	26,989	1 month LIBOR + 3.15%	Interest Only	12/9/2022
Senior Debt 71	Multifamily	26,130	26,069	1 month LIBOR + 2.70%	Interest Only	12/9/2022
Senior Debt 72	Multifamily	7,150	7,119	1 month LIBOR + 4.75%	Interest Only	12/9/2021
Senior Debt 73	Multifamily	25,000	24,935	1 month LIBOR + 3.00%	Interest Only	1/9/2022
Senior Debt 74	Office	25,500	25,351	1 month LIBOR + 4.35%	Interest Only	1/9/2024
Senior Debt 75	Multifamily	14,181	14,141	1 month LIBOR + 3.10%	Interest Only	2/9/2023
Senior Debt 76	Office	48,276	47,862	1 month LIBOR + 3.70%	Interest Only	2/9/2023
Senior Debt 77	Industrial	25,350	25,315	1 month LIBOR + 3.50%	Interest Only	5/9/2021
Senior Debt 78	Multifamily	11,800	11,757	1 month LIBOR + 3.15%	Interest Only	8/9/2022
Senior Debt 79	Office	27,598	27,491	1 month LIBOR + 2.70%	Interest Only	2/9/2023
Senior Debt 80	Multifamily	75,100	75,260	1 month LIBOR + 4.35%	Interest Only	8/9/2021
Senior Debt 81	Manufactured Housing	1,385	1,385	5.50%	Interest Only	5/9/2025
Senior Debt 82	Industrial	14,650	14,606	1 month LIBOR + 6.00%	Interest Only	11/9/2021
Senior Debt 83	Multifamily	7,149	7,123	1 month LIBOR + 4.75%	Interest Only	5/9/2022
Senior Debt 84	Multifamily	6,764	6,731	1 month LIBOR + 4.90%	Interest Only	7/9/2023
Senior Debt 85	Multifamily	46,000	45,797	1 month LIBOR + 4.75%	Interest Only	7/9/2023
Senior Debt 86	Multifamily	5,550	5,530	1 month LIBOR + 6.87%	Interest Only	1/9/2022
Senior Debt 87	Industrial	16,400	16,312	1 month LIBOR + 6.25%	Interest Only	7/9/2023

Description	Property Type	Face Amount	Carrying Amount	Interest Rate	Payment Terms	Maturity Date
Senior Debt 88	Multifamily	14,505	14,425	1 month LIBOR + 4.75%	Interest Only	7/9/2023
Senior Debt 89	Multifamily	23,438	23,337	1 month LIBOR + 4.65%	Interest Only	7/9/2023
Senior Debt 90	Multifamily	4,300	4,281	1 month LIBOR + 5.50%	Interest Only	2/9/2023
Senior Debt 91	Manufactured Housing	7,680	7,645	1 month LIBOR + 4.50%	Interest Only	8/9/2023
Senior Debt 92	Mixed Use	30,465	30,246	1 month LIBOR + 5.15%	Interest Only	8/9/2023
Senior Debt 93	Multifamily	3,140	3,126	1 month LIBOR + 6.25%	Interest Only	8/9/2022
Senior Debt 94	Industrial	24,657	24,376	1 month LIBOR + 4.60%	Interest Only	9/6/2022
Senior Debt 95	Multifamily	—	—	1 month LIBOR + 5.25%	Interest Only	7/1/2022
Senior Debt 96	Hospitality	27,000	26,878	1 month LIBOR + 6.50%	Interest Only	9/9/2023
Senior Debt 97	Multifamily	2,465	2,453	1 month LIBOR + 5.75%	Interest Only	9/9/2022
Senior Debt 98	Multifamily	50,000	49,789	1 month LIBOR + 6.69%	Interest Only	9/9/2022
Senior Debt 99	Self Storage	29,895	29,759	1 month LIBOR + 5.00%	Interest Only	9/9/2023
Senior Debt 100	Multifamily	11,622	11,545	1 month LIBOR + 4.75%	Interest Only	9/9/2022
Senior Debt 101	Manufactured Housing	3,400	3,384	1 month LIBOR + 5.00%	Interest Only	9/9/2022
Senior Debt 102	Multifamily	27,550	27,431	1 month LIBOR + 5.75%	Interest Only	9/9/2022
Senior Debt 103	Multifamily	76,000	75,649	1 month LIBOR + 4.10%	Interest Only	10/9/2023
Senior Debt 104	Multifamily	58,000	57,732	1 month LIBOR + 5.25%	Interest Only	10/9/2023
Senior Debt 105	Manufactured Housing	5,020	4,996	1 month LIBOR + 5.25%	Interest Only	10/9/2023
Senior Debt 106	Office	19,003	18,909	1 month LIBOR + 4.50%	Interest Only	10/9/2023
Senior Debt 107	Office	69,675	69,339	5.15%	Interest Only	10/9/2025
Senior Debt 108	Office	30,900	30,670	1 month LIBOR + 5.20%	Interest Only	10/9/2023
Senior Debt 109	Multifamily	10,945	10,895	1 month LIBOR + 7.04%	Interest Only	5/9/2022
Senior Debt 110	Self Storage	11,600	11,546	1 month LIBOR + 4.76%	Interest Only	11/9/2022
Senior Debt 111	Industrial	24,552	24,426	1 month LIBOR + 4.35%	Interest Only	11/9/2022
Senior Debt 112	Manufactured Housing	5,000	4,929	1 month LIBOR + 5.90%	Interest Only	5/9/2023
Senior Debt 113	Office	12,750	12,682	1 month LIBOR + 5.00%	Interest Only	11/9/2023
Senior Debt 114	Multifamily	40,937	40,682	1 month LIBOR + 4.35%	Interest Only	11/9/2023
Senior Debt 115	Multifamily	36,200	35,997	1 month LIBOR + 4.45%	Interest Only	11/9/2023
Senior Debt 116	Multifamily	8,250	8,200	1 month LIBOR + 5.50%	Interest Only	11/9/2023
Senior Debt 117	Retail	11,963	11,833	1 month LIBOR + 4.87%	Interest Only	5/9/2022
Senior Debt 118	Manufactured Housing	3,585	3,567	1 month LIBOR + 5.40%	Interest Only	12/9/2022
Senior Debt 119	Multifamily	5,730	5,701	1 month LIBOR + 5.00%	Interest Only	6/9/2023
Senior Debt 120	Multifamily	18,800	18,613	1 month LIBOR + 4.00%	Interest Only	12/9/2024
Senior Debt 121	Industrial	14,250	14,160	1 month LIBOR + 4.50%	Interest Only	12/9/2023
Senior Debt 122	Office	11,550	11,479	1 month LIBOR + 5.50%	Interest Only	1/9/2024
Senior Debt 123	Multifamily	21,000	20,884	1 month LIBOR + 4.60%	Interest Only	1/9/2024
Senior Debt 124	Office	26,000	25,869	1 month LIBOR + 5.00%	Interest Only	1/9/2023
Senior Debt 125	Hospitality	17,401	17,243	5.75%	Amortizing Balloon	10/6/2021
Mezzanine Loan 1	Multifamily	3,480	3,488	9.50%	Interest Only	7/1/2024
Mezzanine Loan 2	Retail	3,500	3,500	10.00%	Interest Only	2/6/2029
Mezzanine Loan 3	Multifamily	6,500	6,473	1 month LIBOR + 10.25%	Interest Only	9/9/2022
Mezzanine Loan 4	Retail	1,438	1,444	1 month LIBOR + 10.75%	Interest Only	5/9/2022
Mezzanine Loan 5	Multifamily	1,000	1,005	11.00%	Interest Only	11/6/2028
		$ 2,722,863	$ 2,714,734			

Exhibit 3.1

ARTICLES OF AMENDMENT AND RESTATEMENT
FOR
BENEFIT STREET PARTNERS REALTY TRUST, INC.
a Maryland corporation

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BENEFIT STREET PARTNERS REALTY TRUST, INC.
ARTICLES OF AMENDMENT AND RESTATEMENT

FIRST: Benefit Street Partners Realty Trust, Inc., a Maryland corporation (the "Company"), desires to amend and restate its charter as currently in effect and as hereinafter amended.

SECOND: The following provisions are all the provisions of the charter currently in effect and as hereinafter amended:

ARTICLE I.
NAME

The name of the Company is Benefit Street Partners Realty Trust, Inc.

ARTICLE II.
PURPOSES AND POWERS

The purpose for which the Company is formed is to engage in any lawful act or activity (including, without limitation or obligation, qualifying and engaging in business as a real estate investment trust under Sections 856 through 860, or any successor sections, of the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code")), for which corporations may be organized under the MGCL and the general laws of the State of Maryland as now or hereafter in force.

ARTICLE III.
RESIDENT AGENT AND PRINCIPAL OFFICE

The name and address of the resident agent for service of process of the Company in the State of Maryland is CSC-Lawyers Incorporating Service Company, 7 St. Paul Street, Suite 1660, Baltimore, Maryland 21202. The address of the Company's principal office in the State of Maryland is c/o CSC-Lawyers Incorporating Service Company, 7 St. Paul Street, Suite 1660, Baltimore, Maryland 21202. The Company may have such other offices and places of business within or outside the State of Maryland as the Board may from time to time determine.

ARTICLE IV.
DEFINITIONS

As used in the Charter, the following terms shall have the following meanings unless the context otherwise requires:

"ADVISOR" or "ADVISORS" means the person or persons, if any, appointed, employed or contracted with the Company and responsible for directing or performing the day to day business affairs of the Company, including any person to whom the Advisor subcontracts all or substantially all of such functions.

"BOARD" means the Board of Directors of the Company.

"BYLAWS" means the Bylaws of the Company, as amended from time to time.

"CHARTER" means the charter of the Company.

"CODE" shall have the meaning as provided in Article II herein.

"COMMON SHARES" shall have the meaning as provided in Section 5.1 herein.

"COMPANY" shall have the meaning as provided in Article I herein.

"DIRECTOR" means a director of the Company.

"DISTRIBUTIONS" means any distributions, as such term is defined in Section 2-301 of the MGCL.

"INDEPENDENT DIRECTOR" means a Director who meets the independence standards of the NASDAQ Stock Market, as determined by a majority of the Board. For purposes of applying these standards, a relationship with the Advisor or an affiliate thereof (other than service as an independent trustee or director of another company managed by the Advisor) will be treated as a relationship with the Company.

"MGCL" means the Maryland General Corporation Law, as in effect from time to time.

"NON-COMPLIANT TENDER OFFER" has the meaning provided in Article IX herein.

"PERSON" means an individual, corporation, partnership, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other legal entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit (as defined in Section 5.7(i)(f) hereof) applies.

"PREFERRED SHARES" shall have the meaning as provided in Section 5.1 herein.

"REIT" means a corporation, trust, association or other legal entity (other than a real estate syndication) that is engaged primarily in investing in equity interests in real estate (including fee ownership and leasehold interests) or in loans secured by real estate or both, as defined pursuant to the REIT Provisions of the Code.

"REIT PROVISIONS OF THE CODE" means Sections 856 through 860 of the Code and any successor or other provisions of the Code relating to real estate investment trusts (including provisions as to the attribution of ownership of beneficial interests therein) and the regulations promulgated thereunder.

"SECURITIES" means any of the following issued by the Company, as the text requires: Shares, any other stock, shares or other evidences of equity or beneficial or other interests, voting trust certificates, bonds, debentures, notes or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in, temporary or interim certificates for, receipts for, guarantees of, or warrants, options or rights to subscribe to, purchase or acquire, any of the foregoing.

"SHARES" means shares of stock of the Company of any class or series, including Common Shares and Preferred Shares.

"STOCKHOLDERS" means the holders of record of the Shares as maintained in the books and records of the Company or its transfer agent.

ARTICLE V.
STOCK

SECTION 5.1 AUTHORIZED SHARES. The total number of Shares that the Company shall have authority to issue is 1,000,000,000 Shares, of which (i) 950,000,000 are designated as common stock, $0.01 par value per share (the "Common Shares"); and (ii) 50,000,000 are designated as preferred stock, $0.01 par value per share (the "Preferred Shares"). The Common Shares and Preferred Shares each comprise a separate class of shares. The aggregate par value of all authorized Shares having par value is $10,000,000. If Shares of one (1) class of stock are classified or reclassified into Shares of another class of stock pursuant to Section 5.2(b) or Section 5.3 of this Article V, the number of authorized Shares of the former class shall be automatically decreased and the number of Shares of the latter class shall be automatically increased, in each case by the number of Shares so classified or reclassified, as the case may be, so that the aggregate number of Shares of all classes that the Company has authority to issue shall not be more than the total number of Shares set forth in the first sentence of this Section 5.1. The Board, with the approval of a majority of the entire Board and without any action by the Stockholders, may amend the Charter from

time to time to increase or decrease the aggregate number of Shares or the number of Shares of any class or series that the Company has authority to issue.

SECTION 5.2 COMMON SHARES.

(a) COMMON SHARES SUBJECT TO TERMS OF PREFERRED SHARES. The Common Shares shall be subject to the express terms of any series of Preferred Shares.

(b) DESCRIPTION. Subject to Section 5.7 hereof and except as may otherwise be specified in the Charter, each Common Share shall entitle the holder thereof to one (1) vote. The Board may classify or reclassify any unissued Common Shares from time to time into one (1) or more classes or series of stock.

(c) DISTRIBUTION RIGHTS. The Board from time to time may authorize the Company to declare and pay to Stockholders such dividends or other Distributions in cash or other assets of the Company, or in securities of the Company, including Shares of one class payable to holders of Shares of another class, or from any other source as the Board in its discretion shall determine. The Board shall endeavor to authorize the Company to declare and pay such dividends and other Distributions as shall be necessary for the Company to qualify as a REIT under the REIT Provisions of the Code unless the Board has determined, in its sole discretion, that qualification as a REIT is not in the best interests of the Company; provided, however, Stockholders shall have no right to any dividend or other Distribution unless and until authorized by the Board and declared by the Company. The exercise of the powers and rights of the Board pursuant to this section shall be subject to the provisions of any class or series of Shares at the time outstanding. The receipt by any Person in whose name any Shares are registered on the records of the Company or by his or her duly authorized agent shall be a sufficient discharge for all dividends or other Distributions payable or deliverable in respect of such Shares and from all liability to see to the application thereof.

(d) RIGHTS UPON LIQUIDATION. In the event of any voluntary or involuntary liquidation, dissolution or winding up, or any distribution of the assets of the Company, the aggregate assets available for distribution to holders of the Common Shares shall be determined in accordance with applicable law. Each holder of Common Shares of a particular class shall be entitled to receive, ratably with each other holder of Common Shares of such class, that portion of such aggregate assets available for distribution as the number of outstanding Common Shares of such class held by such holder bears to the total number of outstanding Common Shares of such class then outstanding.

(e) VOTING RIGHTS. Except as may be provided otherwise in the Charter, and subject to the express terms of any class or series of Preferred Shares, the holders of the Common Shares shall have the exclusive right to vote on all matters (as to which a common stockholder shall be entitled to vote pursuant to applicable law) at all meetings of the Stockholders.

SECTION 5.3 PREFERRED SHARES. The Board may classify any unissued Preferred Shares and reclassify any previously classified but unissued Preferred Shares of any series from time to time, into one (1) or more classes or series of Shares.

SECTION 5.4 CLASSIFIED OR RECLASSIFIED SHARES. Prior to issuance of classified or reclassified Shares of any class or series, the Board by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of Shares; (b) specify the number of Shares to be included in the class or series; (c) set or change, subject to the provisions of Section 5.7 and subject to the express terms of any class or series of Shares outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other Distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Company to file articles supplementary with the State Department of Assessments and Taxation of Maryland. Any of the terms of any class or series of Shares set or changed pursuant to clause (c) of this Section 5.4 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board or other facts or events within the control of the Company) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of Shares is clearly and expressly set forth in the articles supplementary or other Charter document.

SECTION 5.5 STOCKHOLDERS' CONSENT IN LIEU OF MEETING. Any action required or permitted to be taken at any meeting of the Stockholders may be taken without a meeting by consent, in writing or by electronic transmission, in any manner and by the vote permitted by the MGCL and set forth in the Bylaws.

SECTION 5.6 CHARTER AND BYLAWS. The rights of all Stockholders and the terms of all Shares are subject to the provisions of the Charter and the Bylaws.

SECTION 5.7 RESTRICTIONS ON OWNERSHIP AND TRANSFER.

(i) DEFINITIONS. For purposes of this Section 5.7, the following terms shall have the following meanings:

(a) "BENEFICIAL OWNERSHIP" means ownership of Shares by a Person, whether the interest in the Shares is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

(b) "BUSINESS DAY" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

(c) "CHARITABLE BENEFICIARY" means one (1) or more beneficiaries of the Trust as determined pursuant to Section 5.7(iii)(f), provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

(d) "CONSTRUCTIVE OWNERSHIP" means ownership of Shares by a Person, whether the interest in the Shares is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns," "Constructively Owning," and "Constructively Owned" shall have the correlative meanings.

(e) "EXCEPTED HOLDER" means a Stockholder for whom an Excepted Holder Limit is created by the Board pursuant to Section 5.7(ii)(g).

(f) "EXCEPTED HOLDER LIMIT" means, provided that the affected Excepted Holder agrees to comply with the requirements established by the Board pursuant to Section 5.7(ii)(g), and subject to adjustment pursuant to Section 5.7(ii)(h), the percentage limit established by the Board pursuant to Section 5.7(ii)(g).

(g) "MARKET PRICE" on any date means, with respect to any class or series of outstanding Shares, the Closing Price for such Shares on such date. The "Closing Price" on any date shall mean the last sale price for such Shares, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Shares, in either case as reported on the principal national securities exchange on which such Shares are Listed or admitted to trading or, if such Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system that may then be in use or, if such Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Shares selected by the Board or, in the event that no trading price is available for such Shares, the fair market value of the Shares, as determined by the Board.

"PROHIBITED OWNER" means, with respect to any purported Transfer, any Person who, but for the provisions of Section 5.7(ii)(a), would Beneficially Own or Constructively Own Shares in violation of Section 5.7(ii)(a), and if appropriate in the context, shall also mean any Person who would have been the record owner of the Shares that the Prohibited Owner would have so owned.

(h) "RESTRICTION TERMINATION DATE" means the first day on which the Board determines pursuant to Section 7.4 that it is no longer in the best interests of the Company to attempt to, or continue to, qualify as a REIT or

that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of Shares set forth herein is no longer required in order for the Company to qualify as a REIT.

(i) "SHARE OWNERSHIP LIMIT" means 9.8% in value of the aggregate of the outstanding Shares and 9.8% (in value or in number of Shares, whichever is more restrictive) of any class or series of Shares, or such other percentage determined by the Board in accordance with Section 5.7(ii)(h) hereof.

(j) "TRANSFER" means any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire Beneficial Ownership or Constructive Ownership of Shares or the right to vote or receive dividends on Shares, or any agreement to take any such actions or cause any such events, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Shares or any interest in Shares or any exercise of any such conversion or exchange right and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Shares; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings.

(k) "TRUST" means any trust provided for in Section 5.7(iii)(a).

(l) "TRUSTEE" means the Person unaffiliated with the Company and a Prohibited Owner, that is appointed by the Company to serve as trustee of the Trust.

(ii) SHARES.

(a) OWNERSHIP LIMITATIONS. Prior to the Restriction Termination Date, but subject to Section 5.8:

(I) BASIC RESTRICTIONS.

(A)(1) Except as set forth in any articles supplementary creating any class or series of Shares, no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own Shares in excess of the Share Ownership Limit and (2) no Excepted Holder shall Beneficially Own or Constructively Own Shares in excess of the Excepted Holder Limit for such Excepted Holder.

(B) No Person shall Beneficially Own or Constructively Own Shares to the extent that such Beneficial Ownership or Constructive Ownership of Shares would result in the Company being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year), or otherwise failing to qualify as a REIT (including, but not limited to, Beneficial Ownership or Constructive Ownership that would result in the Company actually owning or Constructively Owning an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Company from such tenant would cause the Company to fail to satisfy any of the gross income requirements of Section 856(c) of the Code).

(C) Any Transfer of Shares that, if effective, would result in the Shares being beneficially owned by fewer than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such Shares.

(II) TRANSFER IN TRUST. If any Transfer of Shares occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning Shares in violation of Section 5.7(ii)(a)(I)(A) or (B),

(A) then that number of Shares the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 5.7(ii)(a)(I)(A) or (B) (rounded up to the nearest whole share) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 5.7(iii), effective as of the close of business on the Business Day prior to the date of such Transfer, and such Person shall acquire no rights in such Shares; or

(B) if the transfer to the Trust described in clause (A) of this sentence would not be effective for any reason to prevent the violation of Section 5.7(ii)(a)(I)(A) or (B) then the transfer of that number of Shares that otherwise

would cause any Person to violate Section 5.7(ii)(a)(I)(A) or (B) shall be void ab initio, and the intended transferee shall acquire no rights in such Shares.

To the extent that, upon a transfer of Shares pursuant to this Section 5.7(i)(a)(II), a violation of any provision of this Section 5.7 would nonetheless be continuing (for example where the ownership of Shares by a single Trust would violate the 100 stockholder requirement applicable to REITs), then Shares shall be transferred to that number of Trusts, each having a distinct Trustee and a Charitable Beneficiary or Beneficiaries that are distinct from those of each other Trust, such that there is no violation of any provision of this Section 5.7.

(b) REMEDIES FOR BREACH. If the Board shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 5.7(ii)(a) or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any Shares in violation of Section 9(ii)(a) (whether or not such violation is intended), the Board shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Company to redeem Shares, refusing to give effect to such Transfer on the books of the Company or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 5.7(ii)(a) shall automatically result in the transfer to the Trust described above, and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board or a committee thereof.

(c) NOTICE OF RESTRICTED TRANSFER. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of Shares that will or may violate Section 5.7(ii)(a)(I)(A) or (B) or any Person who would have owned Shares that resulted in a transfer to the Trust pursuant to the provisions of Section 5.7(ii)(a)(II) shall immediately give written notice to the Company of such event, or in the case of such a proposed or attempted transaction, give at least 15 days prior written notice to the Company, and shall provide to the Company such other information as the Company may request in order to determine the effect, if any, of such Transfer on the Company's status as a REIT.

(d) OWNERS REQUIRED TO PROVIDE INFORMATION. Prior to the Restriction Termination Date:

(I) every owner of more than five percent (5%) (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding Shares, within 30 days after the end of each taxable year, shall give written notice to the Company stating the name and address of such owner, the number of Shares Beneficially Owned and a description of the manner in which such Shares are held. Each such owner shall provide to the Company such additional information as the Company may request in order to determine the effect, if any, of such Beneficial Ownership on the Company's status as a REIT and to ensure compliance with the Share Ownership Limit; and

(II) each Person who is a Beneficial Owner or Constructive Owner of Shares and each Person (including the stockholder of record) who is holding Shares for a Beneficial Owner or a Constructive Owner shall provide to the Company such information as the Company may request, in good faith, in order to determine the Company's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

(e) REMEDIES NOT LIMITED. Subject to Section 7.4 hereof, nothing contained in this Section 5.7(ii)(e) shall limit the authority of the Board to take such other action as it deems necessary or advisable to protect the Company and the interests of its Stockholders in preserving the Company's status as a REIT.

(f) AMBIGUITY. In the case of an ambiguity in the application of any of the provisions of this Section 5.7(ii), Section 5.7(iii), or any definition contained in Section 5.7(i), the Board shall have the power to determine the application of the provisions of this Section 5.7(ii) or Section 5.7(iii) or any such definition with respect to any situation based on the facts known to it. In the event Section 5.7(ii) or (iii) requires an action by the Board and the Charter fails to provide specific guidance with respect to such action, the Board shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Section 5.7. Absent a decision to the contrary by the Board (which the Board may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Section 5.7(ii)(b)) acquired Beneficial Ownership or Constructive Ownership of Shares

in violation of Section 5.7(ii)(a), such remedies (as applicable) shall apply first to the Shares which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such Shares based upon the relative number of the Shares held by each such Person.

(g) EXCEPTIONS.

(I) Subject to Section 5.7(ii)(a)(I)(B), the Board, in its sole discretion, may (prospectively or retroactively) exempt a Person from the Share Ownership Limit and may establish or increase an Excepted Holder Limit for such Person if:

(A) the Board obtains such representations and undertakings from such Person as the Board determines are reasonably necessary to ascertain that no individual's Beneficial Ownership or Constructive Ownership of such Shares will violate Section 5.7(ii)(a)(I)(B);

(B) such Person does not, and represents that it will not, actually own or Constructively Own an interest in a tenant of the Company (or a tenant of any entity owned or controlled by the Company) that would cause the Company to actually own or Constructively Own more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant and the Board obtains such representations and undertakings from such Person as are reasonably necessary to ascertain this fact (for this purpose, a tenant from whom the Company (or an entity owned or controlled by the Company) derives (and is expected to continue to derive) a sufficiently small amount of revenue such that, in the opinion of the Board, rent from such tenant would not adversely affect the Company's ability to qualify as a REIT, shall not be treated as a tenant of the Company); and

(C) such Person agrees that any violation or attempted violation of such representations or undertakings (or other action which is contrary to the restrictions contained in Section 5.7(ii)(a) through Section 5.7(ii)(f)) will result in such Shares being automatically transferred to a Trust in accordance with Section 5.7(ii)(a)(II) and Section 5.7(iii).

(II) Prior to granting any exception pursuant to Section 5.7(ii)(g)(I), the Board may require a ruling from the Internal Revenue Service, or an opinion of counsel, in either case in form and substance satisfactory to the Board in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Company's status as a REIT. Notwithstanding the receipt of any ruling or opinion, the Board may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(III) Subject to Section 5.7(ii)(a)(I)(B), an underwriter which participates in an offering or a private placement of Shares (or Securities convertible into or exchangeable for Shares) may Beneficially Own or Constructively Own Shares (or Securities convertible into or exchangeable for Shares) in excess of the Share Ownership Limit but only to the extent necessary to facilitate such offering or private placement.

(IV) The Board may only reduce the Excepted Holder Limit for an Excepted Holder: (1) with the written consent of such Excepted Holder at any time, or (2) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Share Ownership Limit.

(h) INCREASE OR DECREASE IN SHARE OWNERSHIP LIMIT. Subject to Section 5.7(ii)(a)(I)(B), the Board may from time to time increase the Share Ownership Limit for one (1) or more Persons and decrease the Share Ownership Limit for all other Persons; provided, however, that the decreased Share Ownership Limit will not be effective for any Person whose percentage ownership of Shares is in excess of such decreased Share Ownership Limit until such time as such Person's percentage of Shares equals or falls below the decreased Share Ownership Limit, but any further acquisition of Shares in excess of such percentage ownership of Shares will be in violation of the Share Ownership Limit and, provided further, that the new Share Ownership Limit would not allow five or fewer Persons to Beneficially Own or Constructively Own more than 49.9% in value of the outstanding Shares.

(i) NOTICE TO STOCKHOLDERS UPON ISSUANCE OR TRANSFER. Upon issuance or Transfer of Shares prior to the Restriction Termination Date, the Company shall provide the recipient with a notice containing information about the Shares purchased or otherwise Transferred, in lieu of issuance of a share certificate, in a form substantially similar to the following:

The securities of the Company are subject to restrictions on Beneficial Ownership and Constructive Ownership and Transfer for the purpose, among others, of the Company's maintenance of its status as a real estate investment trust under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the Charter , (i) no Person may Beneficially Own or Constructively Own Shares in excess of 9.8% of the value of the total outstanding Shares or 9.8% (in value or in number of shares, whichever is more restrictive) of any class or series of Shares unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially Own or Constructively Own Shares that would result in the Company being "closely held" under Section 856(h) of the Code or otherwise cause the Company to fail to qualify as a REIT; and (iii) any Transfer of Shares that, if effective, would result in the Shares being Beneficially Owned by fewer than 100 Persons (as determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio and the intended transferee shall acquire no rights in such shares. Any Person who Beneficially Owns or Constructively Owns or attempts to Beneficially Own or Constructively Own Shares which causes or will cause a Person to Beneficially Own or Constructively Own Shares in excess or in violation of the above limitations must immediately give written notice (or, in the case of an attempted transaction, give at least 15 days prior written notice) to the Company. If any of the restrictions on transfer or ownership as set forth in (i) and (ii) above are violated, the Shares in excess or in violation of the above limitations will be automatically transferred to a Trustee of a Trust for the benefit of one (1) or more Charitable Beneficiaries. In addition, the Company may redeem shares upon the terms and conditions specified by the Board in its sole discretion if the Board determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void ab initio. All capitalized terms in this notice have the meanings defined in the Company's Charter, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of Shares on request and without charge. Requests for such a copy may be directed to the Secretary of the Company at its principal office.

(iii) TRANSFER OF SHARES IN TRUST.
(a) OWNERSHIP IN TRUST. Upon any purported Transfer or other event described in Section 5.7(ii)(a)(II) that would result in a transfer of Shares to a Trust, such shares shall be transferred to the Trustee as trustee of a Trust for the exclusive benefit of one (1) or more Charitable Beneficiaries. Such transfer to the Trustee shall be effective as of the close of business on the Business Day prior to the purported transfer or other event that results in the transfer to the Trust pursuant to Section 5.7(ii)(a)(II). The Trustee shall be appointed by the Company and shall be a Person unaffiliated with the Company and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Company as provided in Section 5.7(iii)(f).

(b) STATUS OF SHARES HELD BY THE TRUSTEE. Shares held by the Trustee shall be issued and outstanding Shares. The Prohibited Owner shall have no rights in the Shares held in trust by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any Shares held in trust by the Trustee, shall have no rights to dividends or other Distributions and shall not possess any rights to vote or other rights attributable to the Shares held in the Trust.

(c) DIVIDEND AND VOTING RIGHTS. The Trustee shall have all voting rights and rights to dividends or other Distributions with respect to Shares held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other Distribution paid prior to the discovery by the Company that the Shares have been transferred to the Trustee shall be paid by the recipient of such dividend or other Distribution to the Trustee upon demand and any dividend or other Distribution authorized but unpaid shall be paid when due to the Trustee. Any dividend or other Distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to Shares held in the Trust and, subject to Maryland law, effective as of the date that the Shares have been transferred to the Trustee, the Trustee shall have the authority (at the Trustee's sole discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Company that the Shares have been transferred to the Trustee and (ii) to recast such vote in

accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Company has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Section 5.7, until the Company has received notification that Shares have been transferred into a Trust, the Company shall be entitled to rely on its stock transfer and other stockholder records for purposes of preparing lists of Stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of Stockholders.

(d) SALE OF SHARES BY TRUSTEE. Within twenty (20) days of receiving notice from the Company that Shares have been transferred to the Trust, the Trustee shall sell the Shares held in the Trust to a Person, designated by the Trustee, whose ownership of the Shares will not violate the ownership limitations set forth in Section 5.7(ii)(a)(I) or (II). Upon such sale, the interest of the Charitable Beneficiary in the Shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 5.7(iii)(d). The Prohibited Owner shall receive the lesser of (1) the price paid by the Prohibited Owner for the Shares or, if the Prohibited Owner did not give value for the Shares in connection with the event causing the Shares to be held in the Trust (e.g., in the case of a gift, devise or other such transaction), the Market Price of the Shares on the day of the event causing the Shares to be held in the Trust and (2) the price per share received by the Trustee from the sale or other disposition of the Shares held in the Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and other Distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 5.7(iii)(c). Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Company that Shares have been transferred to the Trustee, such Shares are sold by a Prohibited Owner, then (i) such Shares shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such Shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 5.7, such excess shall be paid to the Trustee upon demand.

(e) PURCHASE RIGHT IN STOCK TRANSFERRED TO THE TRUSTEE. Shares Transferred to the Trustee shall be deemed to have been offered for sale to the Company, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (ii) the Market Price on the date the Company, or its designee, accepts such offer. The Company may reduce the amount payable to the Prohibited Owner by the amount of dividends and other Distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 5.7(iii)(c). The Company may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Company shall have the right to accept such offer until the Trustee has sold the Shares held in the Trust pursuant to Section 5.7(iii)(d). Upon such a sale to the Company, the interest of the Charitable Beneficiary in the Shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

(f) DESIGNATION OF CHARITABLE BENEFICIARIES. By written notice to the Trustee, the Company shall designate one (1) or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Trust such that (i) the Shares held in the Trust would not violate the restrictions set forth in Section 5.7(ii)(a)(I) or (II) in the hands of such Charitable Beneficiary and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

SECTION 5.8 SETTLEMENTS. Nothing in Section 5.7 shall preclude the settlement of any transaction entered into through the facilities of any national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any provision of Sections 5.7, and any transfer in such a transaction shall be subject to all of the provisions and limitations set forth in Section 5.7.

SECTION 5.9 SEVERABILITY. If any provision of Section 5.7 or any application of any such provision is determined to be void, invalid or unenforceable by any court having jurisdiction over the issue, the validity and enforceability of the remaining provisions of Section 5.7 shall not be affected and other applications of such provision shall be affected only to the extent necessary to comply with the determination of such court.

SECTION 5.10 ENFORCEMENT. The Company is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of Section 5.7.

SECTION 5.11 NON-WAIVER. No delay or failure on the part of the Company or the Board in exercising any right hereunder shall operate as a waiver of any right of the Company or the Board, as the case may be, except to the extent specifically waived in writing.

SECTION 5.12 PREEMPTIVE AND APPRAISAL RIGHTS. Except as may be provided by the Board in setting the terms of classified or reclassified Shares pursuant to Section 5.4 or as may otherwise be provided by contract approved by the Board, no holder of stock shall, as such holder, have any preemptive right to purchase or subscribe for any additional Shares or any other security of the Company which it may issue or sell. Holders of Shares shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL or any successor statute unless the Board, upon the affirmative vote of a majority of the Board, shall determine that such rights apply, with respect to all or any classes or series of stock, to one (1) or more transactions occurring after the date of such determination in connection with which holders of such Shares would otherwise be entitled to exercise such rights.

ARTICLE VI.
BOARD OF DIRECTORS

SECTION 6.1 NUMBER OF DIRECTORS. The business and affairs of the Company shall be managed under the direction of the Board of Directors. The number of Directors of the Company (the "Directors") shall be three, which number may be increased or decreased from time to time pursuant to the Bylaws, but shall never be less than the minimum required by the MGCL. Until the time the Company has a class of common stock listed on a national securities exchange or national securities association (or a facility thereof), at which time this provision will no longer apply and the Company will be subject to the board independence requirements of such exchange or association, a majority of the Board shall be Independent Directors, except for a period of up to sixty (60) days after the death, removal or resignation of an Independent Director pending the election of such Independent Director's successor. The Company elects, under Section 3-804(c) of the MGCL, except as may be provided by the Board in setting the terms of any class or series of Preferred Shares, that any and all vacancies on the Board, may be filled only by the affirmative vote of a majority of the remaining Directors, even if the remaining Directors constitute less than a quorum, and any Director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until a successor is duly elected and qualifies. No reduction in the number of Directors shall cause the removal of any Director from office prior to the expiration of his term. For the purposes of voting for Directors, each Share may be voted for as many individuals as there are Directors to be elected and for whose election the Share is entitled to be voted. Cumulative voting for Directors is prohibited. Unless the bylaws of the Company provide otherwise, a plurality of all the votes cast at a meeting at which a quorum is present is sufficient to elect a Director, except as may be provided by the board of directors in setting the terms of any class or series of preferred stock.

SECTION 6.2 RESIGNATION OR REMOVAL. Any Director may resign by delivering notice to the Board, the Chairman of the Board, the chief executive officer or the Secretary. Any notice of resignation shall take effect upon receipt by the Board, the Chairman of the Board, the Chief Executive Officer or the Secretary of such notice or upon any future date specified in the notice. Subject to the rights of holders of one or more classes or series of Preferred Shares, any Director or the entire Board may be removed from office at any time but only for cause, and then only by the affirmative vote of Stockholders entitled to cast at least two-thirds of the votes entitled to be cast generally in the election of Directors. For the purpose of this paragraph, "cause" shall mean, with respect to any particular Director, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such Director caused demonstrable, material harm to the Company through bad faith or active and deliberate dishonesty.

ARTICLE VII.
POWERS OF THE BOARD OF DIRECTORS

SECTION 7.1 GENERAL. The business and affairs of the Company shall be managed under the direction of the Board. The Board may take any action that, in its sole judgment and discretion, is necessary or desirable to conduct the business of the Company. The Charter shall be construed with a presumption in favor of the grant of power and

authority to the Board. Any construction of the Charter or determination made in good faith by the Board concerning its powers and authority hereunder shall be conclusive. The enumeration and definition of particular powers of the Board included in this Article VII shall in no way be limited or restricted by reference to or inference from the terms of this or any other provision of the Charter or construed or deemed by inference or otherwise in any manner to exclude or limit the powers conferred upon the Board under the general laws of the State of Maryland as now or hereafter in force.

SECTION 7.2 AUTHORIZATION BY BOARD OF STOCK ISSUANCE. The Board may authorize the issuance from time to time of Shares of any class or series, whether now or hereafter authorized, or securities or rights convertible into Shares of any class or series, whether now or hereafter authorized, for such consideration as the Board may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the Charter or the Bylaws.

SECTION 7.3 FINANCINGS. The Board shall have the power and authority to cause the Company to borrow or, in any other manner, raise money for the purposes and on the terms it determines, which terms may (i) include evidencing the same by issuance of Securities and (ii) have such provisions as the Board may determine (a) to reacquire such Securities; (b) to enter into other contracts or obligations on behalf of the Company; (c) to guarantee, indemnify or act as surety with respect to payment or performance of obligations of any Person; and (d) to mortgage, pledge, assign, grant security interests in or otherwise encumber the Company's assets to secure any such Securities, contracts or obligations (including guarantees, indemnifications and suretyships); and to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Company or participate in any reorganization of obligors to the Company.

SECTION 7.4 REIT QUALIFICATION. The Board shall use its reasonable best efforts to take such actions as are necessary or appropriate to preserve the status of the Company as a REIT; provided, however, if the Board determines that it is no longer in the best interests of the Company to continue to be qualified as a REIT, the Board may revoke or otherwise terminate the Company's REIT election pursuant to Section 856(g) of the Code. The Board also may determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Section 5.7 is no longer required for REIT qualification.

SECTION 7.5 DETERMINATIONS BY BOARD. The determination as to any of the following matters, made by or pursuant to the direction of the Board, shall be final and conclusive and shall be binding upon the Company and every Stockholder: the amount of the net income of the Company for any period and the amount of assets at any time legally available for the payment of dividends, redemption of Shares or the payment of other Distributions on Shares; the amount of paid-in surplus, net assets, other surplus, annual or other cash flow, funds from operations, adjusted or modified funds from operations, adjusted or modified funds from operations, net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); any interpretation or resolution of any ambiguity with respect to any provision of the Charter (including the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other Distributions, qualifications or terms or conditions of redemption of any class or series of Shares) or the Bylaws; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Company or any Shares; the number of Shares of any class of the Company; any matter relating to the acquisition, holding and disposition of any assets by the Company; any interpretation of the terms and conditions of one or more agreements with any Person; or any other matter relating to the business and affairs of the Company or required or permitted by applicable law, the Charter or Bylaws or otherwise to be determined by the Board; provided, however, that any determination by the Board as to any of the preceding matters shall not render invalid or improper any action taken or omitted prior to such determination and no Director shall be liable for making or failing to make such a determination.

ARTICLE VIII.
EXTRAORDINARY ACTIONS

Except as specifically provided in Section 6.2 hereof (relating to removal of Directors) and in the last sentence of Article X, notwithstanding any provision of law permitting or requiring any action to be taken or approved by the

affirmative vote of Stockholders entitled to cast a greater number of votes, any such action shall be effective and valid if declared advisable by the Board and taken or approved by the affirmative vote of Stockholders entitled to cast a majority of all the votes entitled to be cast on the matter.

ARTICLE IX.
TENDER OFFERS

If any Person makes a tender offer, including, without limitation, a "mini-tender" offer, such Person must comply with all of the provisions of Regulation 14D of the Exchange Act, including, without limitation, disclosure and notice requirements, that would be applicable if the tender offer was for more than five percent (5%) of the outstanding Shares of the stock of the Company; provided, however, that unless otherwise required by the Exchange Act, such documents are not required to be filed with the Securities and Exchange Commission. In addition, any such Person must provide notice to the Corporation at least ten (10) business days prior to initiating any such tender offer. No Stockholder may Transfer any Shares held by such Stockholder to any Person who initiates a tender offer without complying with the provisions set forth above (a "Non-Compliant Tender Offer") unless such Stockholder shall have first offered such Shares to the Corporation at the greater of (i) the tender offer price, and (ii) the following, as applicable: (A) if the Company has an effective Share repurchase plan at the time of such Non-Compliant Tender Offer, the price at which such Stockholder would be able to sell such Shares pursuant to the Corporation's Share repurchase plan, (B) if the Company does not have an effective repurchase plan at the time of such Non-Compliant Tender Offer and it has not yet determined a Net Asset value per share, the price at which such Stockholder would have been able to sell such shares pursuant to the Corporation's Share repurchase plan immediately prior to the suspension or termination of the Corporation's Share repurchase plan, or (C) if the Company does not have an effective Share repurchase plan at the time of such Non-Compliant Tender Offer and it has determined a Net Asset value per share, the price equal to Net Asset value per share (as calculated in the Prospectus) at such time as determined by the Board. In addition, any Person who makes a Non-Compliant Tender Offer shall be responsible for all expenses incurred by the Company in connection with the enforcement of the provisions of this Article IX, including, without limitation, expenses incurred in connection with the review of all documents related to such tender offer. In addition to the remedies provided herein, the Company may seek injunctive relief, including, without limitation, a temporary or permanent restraining order, in connection with any Non-Compliant Tender Offer. This Article IX shall be of no force or effect once the Company has a class of common stock listed on a national securities exchange or national securities association (or a facility thereof).

ARTICLE X.
LIABILITY OF STOCKHOLDERS, DIRECTORS, AND OFFICERS

SECTION 10.1 LIMITATION OF STOCKHOLDER LIABILITY. No Stockholder shall be liable for any debt, claim, demand, judgment or obligation of any kind of, against or with respect to the Company by reason of being a Stockholder, nor shall any Stockholder be subject to any personal liability whatsoever, in tort, contract or otherwise, to any Person in connection with the Company's assets or the affairs of the Company by reason of being a Stockholder.

SECTION 10.2 LIMITATION OF DIRECTOR AND OFFICER LIABILITY; INDEMNIFICATION

(a) To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former Director or officer of the Company shall be liable to the Company or the Stockholders for money damages. Neither the amendment nor repeal of this Section 10.2(a), nor the adoption or amendment of any other provision of the Charter or Bylaws inconsistent with this Section 10.2(a), shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

(b) The Company shall have the power, to the maximum extent permitted by Maryland law in effect from time to time, to obligate itself to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (i) any individual who is a present or former Director or officer of the Company or (ii) any individual who, while a Director or officer of the Company and at the request of the Company, serves or has served as a director, officer, partner, member, manager or trustee of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise from and

against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in that capacity. The Company shall have the power, with the approval of the Board, to provide such indemnification and advancement of expenses to a person who served as predecessor of the Company in any of the capacities described in (i) or (ii) above and to any employee or agent of the Company or a predecessor of the Company.

SECTION 10.3 EXPRESS EXCULPATORY CLAUSES IN INSTRUMENTS. Neither the Stockholders nor the Directors, officers, employees or agents of the Company shall be liable under any written instrument creating an obligation of the Company by reason of their being Stockholders, Directors, officers, employees or agents of the Company, and all Persons shall look solely to the Company's assets for the payment of any claim under or for the performance of that instrument. The omission of the foregoing exculpatory language from any instrument shall not affect the validity or enforceability of such instrument and shall not render any Stockholder, Director, officer, employee or agent of the Company liable thereunder to any third party, nor shall the Directors or any officer, employee or agent of the Company be liable to anyone as a result of such omission.

ARTICLE XI.
AMENDMENTS

The Company reserves the right from time to time to make any amendment to its Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any outstanding Shares. All rights and powers conferred by the Charter on Stockholders, Directors and officers are granted subject to this reservation. Except as otherwise provided in the next sentence and except for those amendments permitted to be made without Stockholder approval under Maryland law or by specific provision in the Charter, any amendment to the Charter shall be valid only if declared advisable by the Board and approved by the affirmative vote of Stockholders entitled to cast a majority of all the votes entitled to be cast on the matter. However, any amendment to the third sentence of Section 6.2 hereof or to this section of the Charter shall be valid only if declared advisable by the Board and approved by the affirmative vote of Stockholders entitled to cast at least two-thirds of all votes entitled to be cast on the matter.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Benefit Street Partners Realty Trust, Inc. has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its Chief Executive Officer, and attested by its Secretary, on this 10th day of March, 2021.

ATTEST:

By: /s/ Micah Goodman
Name: Micah Goodman
Title: Secretary

By: /s/ Richard Byrne
Name: Richard Byrne
Title: Chief Executive Officer

EXECUTION VERSION

AMENDMENT NO. 5 TO AMENDED AND RESTATED UNCOMMITTED MASTER REPURCHASE AGREEMENT

AMENDMENT NO. 5 TO AMENDED AND RESTATED UNCOMMITTED MASTER REPURCHASE AGREEMENT, dated as of October 6, 2020 (this "Amendment"), between BSPRT JPM LOAN, LLC (f/k/a RFT JPM Loan, LLC, f/k/a ARC RFT JPM Loan, LLC), a Delaware limited liability company ("Seller"), and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Amended and Restated Uncommitted Master Repurchase Agreement, dated as of June 12, 2017 (as amended by that certain Amendment No. 1 to Amended and Restated Master Repurchase Agreement, dated as of January 30, 2018, as further amended by that certain Amendment No. 2 to Amended and Restated Master Repurchase Agreement, dated as of July 27, 2018, as further amended by that certain Amendment No. 3 to Amended and Restated Master Repurchase Agreement, dated as of September 3, 2019, as further amended by that certain Amendment No. 4 to Amended and Restated Master Repurchase Agreement, dated as of July 21, 2020, as amended hereby, and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Repurchase Agreement"); and

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

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

SECTION 1. Amendment to Master Repurchase Agreement.

(a) The definition of "Maturity Date", as set forth Article 2 of the Repurchase Agreement is hereby amended by (A) replacing the reference to "January 30, 2021" in the first sentence thereof with "October 6, 2022" and (B) replacing the reference to "the fourth anniversary of the First Amendment Effective Date" in the second sentence thereof with "October 6, 2023".

(b) Article 3(n)(i)(l) of the Amended and Restated Repurchase Agreement is hereby amended by replacing the reference to "after the fourth anniversary of the First Amendment Effective Date" with "after October 6, 2023".

SECTION 2. Conditions Precedent. This Amendment shall become effective on the first date on which each of the following has occurred (the "Amendment Effective Date"): (i)

this Amendment is executed and delivered by a duly authorized officer of each of Seller and Buyer, (ii) Buyer receives an amendment fee in the amount of $1,261,644, and (c) Buyer receives bring down letters or new opinions, dated as of the Amendment Effective Date, affirming the legal opinions with respect to the bankruptcy safe harbor that were most recently provided to Buyer by outside counsel to Seller.

SECTION 3. Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under the Repurchase Agreement has occurred and is continuing, and (c) after giving effect to this Amendment, the representations and warranties contained in Article 9 of the Repurchase Agreement are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date).

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges
(a) the execution and delivery of this Amendment and agrees that it continues to be bound by that certain Amended and Restated Guarantee Agreement, dated as of June 12, 2017 (the "Guarantee Agreement"), made by Guarantor in favor of Buyer to the extent of the Obligations (as defined therein), as such obligations may be modified, pursuant to this Amendment, 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 Transaction Documents.

SECTION 5. No Novation, Effect of Agreement. Seller and Buyer have entered into this Amendment solely to amend the terms of the Repurchase Agreement and the Fee and Pricing Letter and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller or Guarantor (the "Repurchase Parties") under or in connection with the Repurchase Agreement, the Fee and Pricing Letter or any of the other document executed in connection therewith to which any Repurchase Party is a party (the "Repurchase Documents"). It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Agreement and the other Repurchase Documents are preserved, (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect, and (iii) any reference to the Repurchase Agreement in any such Repurchase Document shall be deemed to also reference this Amendment.

SECTION 6. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Transaction Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that on and after the date hereof, (a) all references in the Repurchase Agreement to the "Transaction Documents" shall be deemed to include, in any event, this Amendment, and (b) each reference to the "Repurchase Agreement" in any of the Transaction Documents shall be deemed to be a reference to the Repurchase Agreement as amended hereby.

SECTION 7. Counterparts. This Amendment may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument, and the words "executed," "signed," "signature," and words of like import as used above and elsewhere in this Amendment or in any other certificate, agreement or document related to this transaction shall include, in addition to manually executed signatures, images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, any electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

SECTION 8. Costs and Expenses. Seller shall pay Buyer's reasonable actual out of pocket costs and expenses, including reasonable fees and expenses of accountants, attorneys and advisors, incurred in connection with the preparation, negotiation, execution and consummation of this Amendment.

SECTION 9. Submission to Jurisdiction. Each party irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Amendment or relating in any way to this Amendment, and (ii) waives, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding and irrevocably consents to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified in the Repurchase Agreement. The parties hereby agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 9 shall affect the right of Buyer to serve legal process in any other manner permitted by law or affect the right of Buyer to bring any action or proceeding against Seller or its property in the courts of other jurisdictions.

SECTION 10. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT.

SECTION 11. 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 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

[SIGNATURES FOLLOW]

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

BUYER:

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

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

[SIGNATURES CONTINUE ON NEXT PAGE]

SELLER:

BSPRT JPM LOAN, LLC,
a Delaware Limited Liability Company

By: /s/ Micah Goodman
Name: Micah Goodman
Title: Authorized Signatory

Acknowledged and Agreed:

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

By: /s/ Micah Goodman
Name: Micah Goodman
Title: Authorized Signatory

Exhibit 10.29

AGREEMENT OF AMENDMENT No. 3

Dated as of August 24, 2020

Reference is made to that certain Loan and Security Agreement dated as of February 11, 2020,as amended by that certain Agreement of Amendment No. 1, dated March 26, 2020 and that certain Consent and Amendment No. 2 to Loan and Security Agreement, dated as of July 14, 2020 (as from time to time amended, supplemented, waived or otherwise modified, the "Agreement") among Security Benefit Life Insurance Company, as lender (together with its permitted successors and assigns, and the other lenders from time to time party thereto, collectively, the "Lenders"), BSPRT OP Sub I, LLC, as borrower (the "Borrower"), Benefit Street Partners Realty Trust, Inc., Benefit Street Partners Realty Trust LP, LLC, and Benefit Street Partners Realty Operating Partnership, L.P., each as a guarantor (together, the "Guarantors" and, together with the Borrower, the "Loan Parties"), and Cortland Capital Market Services LLC, as administrative agent (the "Agent"). Capitalized terms used herein but not defined shall have the meaning assigned to such terms in the Agreement.

The parties to the Agreement hereby agree that, effective as of the Amendment Effective Date, the Agreement shall be amended as reflected in the document comparison attached hereto as Annex A, with deleted text being struck through and added text being double underlined.

As used herein, the term "Amendment Effective Date" shall mean the first date upon which the Agent shall have executed and delivered one or more counterparts of this agreement of amendment no. 3 (the "Agreement of Amendment") and shall have received one or more counterparts of this Agreement of Amendment executed by the other parties hereto.

Each of the Loan Parties represents and warrants to each of the Agent and the Lenders that (i) immediately after giving effect to this Agreement of Amendment and the transactions contemplated hereby, its representations and warranties set forth in the Agreement are true and correct in all material respects (provided, that to the extent such representations and warranties were made as of a specific date, the same shall continue to be true and correct in all material respects as of such specific date), (ii) no Default or Event of Default has occurred and is continuing or will result from the transactions contemplated by this Agreement of Amendment, and (iii) this Agreement of Amendment has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable insolvency, bankruptcy, or other laws affecting creditor's rights generally, or general principals of equity, whether such enforceability is considered in a proceeding in equity or at law.

This Agreement of Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

The words "execution," "signed," "signature," and words of like import in this Agreement of Amendment shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or

enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

By its signature hereto, each Lender hereby authorizes and directs the Agent to execute and deliver this Agreement of Amendment.

THIS AGREEMENT OF AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT OF AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement of Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

BSPRT OP SUB I, LLC,
as Borrower

By: /s/ Micah Goodman_____
Name: Micah Goodman
Title: Authorized Signatory

BENEFIT STREET PARTNERS REALTY TRUST, INC.,
as Guarantor

By: /s/ Micah Goodman_____
Name: Micah Goodman
Title: Authorized Signatory

BENEFIT STREET PARTNERS REALTY TRUST LP, LLC,
as Guarantor

By: /s/ Micah Goodman_____
Name: Micah Goodman Title:
Authorized Signatory

BENEFIT STREET PARTNERS REALTY OPERATING PARTNERSHIP, L.P.,
as Guarantor

By: /s/ Micah Goodman_____
Name: Micah Goodman
Title: Authorized Signatory

BENEFIT STREET PARTNERS REALTY TRUST, INC.

By: /s/ Micah Goodman_____
Name: Micah Goodman
Title: Authorized Signatory

SECURITY BENEFIT LIFE INSURANCE COMPANY,
as Lender

By: /s/ Joseph W. Wittrock_____
Name: Joseph W. Wittrock
Title: CIO and SVP

CORTLAND CAPITAL MARKET SERVICES LLC,
as Administrative Agent

By: /s/ Matthew Trybula_____
Name: Matthew Trybula
Title: Associate Counsel

ANNEX A

AGREEMENT

EXECUTION VERSION

LOAN AND SECURITY AGREEMENT

among

BSPRT OP SUB I, LLC,
as Borrower,

BENEFIT STREET PARTNERS REALTY TRUST, INC., BENEFIT STREET PARTNERS REALTY TRUST LP, LLC,
and
BENEFIT STREET PARTNERS REALTY OPERATING PARTNERSHIP, L.P.,
as Guarantors,

SECURITY BENEFIT LIFE INSURANCE COMPANY,
and
The Other Lenders from Time to Time Parties Hereto, as Lenders,

and

CORTLAND CAPITAL MARKET SERVICES LLC,
as Administrative Agent

Dated as of February 11, 2020

and as amended by

Agreement of Amendment dated as of March 26, 2020
Agreement of Amendment dated as of July 14, 2020
Agreement of Amendment dated as of August 24, 2020

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3.17 Filing Offices
3.18 Structure Chart
6.3 Liens as of the Closing Date

EXHIBITS:

A-1 Form of Investment Guidelines
B-1 Form of Compliance Certificate
C-1 Form of Closing Certificate
D-1 Form of Note
E-1 Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Not Partnerships for U.S. Federal Income Tax Purposes)
E-2 Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Not Partnerships for U.S. Federal Income Tax Purposes)
E-3 Form of U.S. Tax Compliance Certificate (For Foreign Participants That Are Partnerships for U.S. Federal Income Tax Purposes)
E-4 Form of U.S. Tax Compliance Certificate (For Foreign Lenders That Are Partnerships for U.S. Federal Income Tax Purposes)
F Form of Borrowing Notice
G Form of Prepayment Notice
H Form of Asset Report
I Form of Subordination Agreement
J Form of Assignment and Assumption

LOAN AND SECURITY AGREEMENT, dated as of February 11, 2020, among BSPRT OP SUB I, LLC, as borrower (the "Borrower"), BENEFIT STREET PARTNERS REALTY TRUST, INC., a Maryland corporation, as guarantor, ("BSPRT"), BENEFIT STREET PARTNERS REALTY TRUST LP, LLC, as guarantor ("BSPRT LP"), BENEFIT STREET PARTNERS REALTY OPERATING PARTNERSHIP, L.P. ("Holdings", and together with BSPRT and BSPRT LP, the "Guarantors"), SECURITY BENEFIT LIFE INSURANCE COMPANY, as lender and the other financial institutions or entities from time to time parties to this Agreement as lenders (the "Lenders"), and CORTLAND CAPITAL MARKET SERVICES LLC, as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S E T H:

WHEREAS, the Borrower has requested the Lenders provide a senior secured revolving loan facility in an aggregate principal amount up to the Total Commitment (as defined below), with the proceeds thereof to be used by the Borrower and/or the Borrower Subsidiaries for the purposes set forth below;

WHEREAS, the Lenders are willing to make such a revolving loan facility available upon and subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the agreements hereinafter set forth and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1 DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"Act of Insolvency": with respect to any Person, (a) any proceeding shall be instituted by or against such Person, seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of sixty (60) days, or any of the actions sought in such proceeding (including an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or for any substantial part of its property) shall occur, (b) the commencement by such Person of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect, (c) the making by such Person of any general assignment for the benefit of creditors, (d) the admission by such Person in writing of the inability of such Person to pay its debts generally as they become due or (e) such Person shall generally not pay its material debts as such debts become due.

"Administrative Agent": as defined in the preamble hereto.

"Administrative Agent's Account": the Administrative Agent's account at the Payment Office, as designated by the Administrative Agent in writing from time to time to the Borrower and the Lenders.

"Administrative Agent Fee Letter": the fee letter dated as of February 11, 2020, between the Borrower and the Administrative Agent.

"Administrative Questionnaire": with respect to each Lender, an Administrative Questionnaire in a form supplied by the Administrative Agent and submitted to the Administrative Agent duly completed by such Lender.

"Adverse Facility Rating Event": an event that shall occur if (i) the Facility Rating shall be less than BB- by Egan Jones or the equivalent thereof by another Rating Agency then rating the Facility, or (ii) any Rating Agency rating the Facility shall withdraw its assigned Facility Rating.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether through the ability to exercise voting power, by contract or otherwise; provided that the right to designate a member of a board or manager of a Person will not, by itself, be deemed to constitute "control".

"Agreement": this Loan and Security Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Applicable Margin": the applicable rate per annum set forth below, based upon the most recent Facility Rating by Egan Jones (or the equivalent thereof by another Rating Agency then rating the Facility):

Facility Rating	Applicable Margin
BBB- or higher	4.50%
BB+ to B-	5.50%
CCC+ or lower or unrated	6.50%

"Assignment Agreement": each Assignment and Assumption Agreement, dated as of February 7, 2020, between the Borrower and Holdings, collectively assigning Holdings' interest in the all of its Direct Subsidiaries prior to the Closing Date to the Borrower.

"Assignment and Assumption": an assignment and assumption entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit J or any other form approved by the Administrative Agent.

"Available Revolving Credit Commitment": with respect to any Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Commitment then in effect over

a. such Lender's Revolving Extensions of Credit then outstanding.

"Bankruptcy Code": Title 11 of the United States Code, 11 U.S.C. § 101, et seq., as the same may be amended from time to time, and any successor statute or statutes and all rules and regulations from time to time promulgated thereunder, and any comparable foreign laws relating to bankruptcy, insolvency or creditors' rights or any other Federal or state bankruptcy or insolvency law.

"Bank Secrecy Act": the Bank Secrecy Act, 31 CFR 103, as amended from time to time.

"Base Rate": for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) 1.0% per annum plus the LIBO Rate (for avoidance of doubt after giving effect to the proviso of the definition thereof) applicable to an Interest Period of one month. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the one- month LIBO Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the Federal Funds Effective Rate or the one-month LIBO Rate, respectively.

"Benchmark Replacement": the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent (with the consent of the Required Lenders) giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body, or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBO Rate for U.S. dollar-denominated syndicated or bilateral credit facilities, and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than 1.5%, the Benchmark Replacement will be deemed to be 1.5% for the purposes of this Agreement.

"Benchmark Replacement Adjustment": with respect to any replacement of LIBO Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, 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 the Administrative Agent (with the consent of the Required Lenders) giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body, or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

"Benchmark Replacement Conforming Changes": with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative

matters) that the Administrative Agent (with the consent of the Required Lenders) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Required Lenders in a manner substantially consistent with market practice (or, if the Administrative Agent (with the consent of the Required Lenders) decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent (with the consent of the Required Lenders) determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent (with the consent of the Required Lenders) decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date": the earlier to occur of the following events with respect to the LIBO Rate:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (x) the date of the public statement or publication of information referenced therein and (y) the date on which the administrator of the LIBO Rate permanently or indefinitely ceases to provide the LIBO Rate; or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event": the occurrence of one or more of the following events with respect to the LIBO Rate:

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

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBO Rate, a resolution authority with jurisdiction over the administrator for the LIBO Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBO Rate, which states that the administrator of the LIBO Rate has ceased or will cease to provide the LIBO Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate announcing that the LIBO Rate is no longer representative.

"Benchmark Transition Start Date": (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date, and (ii) if such Benchmark

Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication), and (b) in the case of an

Early Opt-in Election, the date specified by the Administrative Agent (with the consent of the Required Lenders) by notice to the Borrower and the Lenders.

"Benchmark Unavailability Period": if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate and solely to the extent that the LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder in accordance Section 2.10 and (y) ending at the time that a Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder pursuant to Section 2.10.

"Benefited Lender": as defined in Section 11.7.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto. "Borrower Collateral": as defined in Section 8.1(a).

"Borrower Subsidiaries": the Borrower's Direct Subsidiaries, and all of their Subsidiaries.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the Lenders to make Loans hereunder.

"Borrowing Notice": with respect to any request for borrowing of Loans hereunder, a notice from the Borrower, substantially in the form of, and containing the information prescribed by, Exhibit F, delivered to the Administrative Agent.

"B-Piece Investment": as defined in Section 6.1(f).

"BSPRT": as defined in the preamble hereto.

"BSPRT LP": as defined in the preamble hereto.

"Business Day": (a) for all purposes other than as covered by clause (b) below, a day other than a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or required by law to close and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, the Loans, any day which is a Business Day described in clause (a) and which is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Lease Obligations": with respect to any Person, the amount of all obligations of such Person under a lease that are required to be capitalized for financial reporting purposes in accordance with GAAP. The amount of a Capitalized Lease Obligation is the capitalized amount of such obligation as would be required to be reflected on the balance sheet prepared in accordance with GAAP of the applicable Person as of the applicable date.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) including without limitation, membership interests of a limited liability company and any and all warrants, rights or options to purchase any of the foregoing.

"Cash": a demand deposit of Dollars immediately available on the day in question.

"Cash Equivalents": as of any date of determination, (i) marketable securities (a) issued or directly and unconditionally guaranteed as to interest and principal by the United States Government, or (b) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, and (ii) time deposits, certificates of deposit, money market accounts or banker's acceptances of any investment grade rated commercial bank, in each case maturing within 30 days after such date.

"Cash Liquidity": with respect to any Person, on any date of determination, the sum of (i) unrestricted Cash, plus (ii) Cash Equivalents.

"Change in Law": the occurrence, after the Closing Date, of any of the following:

(a) the adoption or taking effect of any law, rule, regulation, writ, statute or treaty, (b) any change in any law, rule, regulation, writ, statute or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control": the occurrence of any of the following events, unless consented to in writing by the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed):

(a) any consummation of a merger, amalgamation or consolidation of any Loan Party with or into another entity (other than another Loan Party) or any other reorganization occurs;

(b) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a percentage of the total voting power of all Capital Stock of BSPRT entitled to vote generally in the election of directors, members or partners of 20% or more other than the Permitted Holders, or to the extent such interests are obtained through a public market offering or secondary market trading;

(c) Benefit Street Partners L.L.C. (or another of its Controlled Affiliates) ceases to be the sole investment advisor of BSPRT;

(d) BSPRT shall cease to own and control directly, of record and beneficially, 100% of each class of outstanding Capital Stock of BSPRT LP;

(e) BSPRT shall cease to be the sole general partner of Holdings or shall have any Direct Subsidiary other than Holdings;

(f) Holdings shall cease to own directly and control directly, of record and beneficially, 100% of each class of outstanding Capital Stock of the Borrower;

(g) any Loan Party shall cease to own and control, of record and beneficially, 100% of each class of outstanding Capital Stock, directly of each of its Direct Subsidiaries, and indirectly of each of its other Subsidiaries; or

(h) any transfer of all or substantially all of any Loan Party's assets (other than making Restricted Payments in accordance with the terms of this Agreement and in the ordinary course of such Loan Party's business).

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied.

"CMBS": mortgage pass-through certificates or other securities issued pursuant to a securitization of commercial real estate loans.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": as defined in Section 8.1(b).

"Collection Account": in respect of a Loan Party, the deposit account with the Deposit Bank in the name of such Loan Party subject to a Lien of the Administrative Agent for the benefit of the Secured Parties pursuant to the Control Agreement.

"Collections": with respect to any Loan Party, all collections, dividends or other distributions and Proceeds payable by any Subsidiary to the Borrower or any Guarantor.

"Commitment": as to any Lender, the obligation of such Lender, if any, to make Loans, in an aggregate principal and/or face amount not to exceed the amount set forth under the

heading "Commitment" opposite such Lender's name on Annex A, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original aggregate amount of the Total Commitments is $100,000,000.

"Commitment Fee Rate": 0.25%.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of any Plan subject to Section 412 or 430 of the Code, Section 414(b), (c), (m) or (o) of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer of the Borrower, substantially in the form of Exhibit B.

"Consolidated EBITDA": for any Reference Period, with respect to the Loan Parties and their Subsidiaries on a consolidated basis (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items), their Consolidated Net Income, plus, without duplication to the extent deducted in calculating such Consolidated Net Income for such Reference Period, the sum of (a) the Consolidated Interest Expense for such Reference Period,(b) the sum of federal, state, local and foreign income taxes accrued or paid in cash during such Reference Period, (c) the amount of depreciation and amortization expense deducted in determining such Consolidated Net Income, (d) any extraordinary, unusual or non-recurring items reducing such Consolidated Net Income for such Reference Period, and (e) any non-cash items reducing such Consolidated Net Income for such period, all determined on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items).

"Consolidated Fixed Charge Coverage Ratio": for any Reference Period, with respect to the Loan Parties and their Subsidiaries on a consolidated basis (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items), the ratio of (a) Consolidated EBITDA for the most recently completed Reference Period prior to such date of determination, to (b) the Consolidated Fixed Charges for such Reference Period.

"Consolidated Fixed Charges": as of any date of determination, with respect to the Loan Parties and their Subsidiaries on a consolidated basis, (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items), for any period, the sum of (i) Consolidated Interest Expense for such period, (ii) tax expenses paid in cash for such period, (iii) scheduled amortization payments or redemptions for any Indebtedness of such Loan Parties or their Subsidiaries for such period, (iv) rentals payable under leases of real and personal property (including ground leases) for such period (without duplication of items included in Consolidated Interest Expense), (v) Consolidated Unfinanced Capital Expenditure for such period, and (vi) dividend payments on preferred stock of any Loan Party or its Subsidiary paid in cash during such period.

"Consolidated Interest Expense": for any Reference Period, with respect to the Loan Parties and their Subsidiaries on a consolidated basis (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items), total interest expense (including that portion attributable to any Capital Lease Obligations in accordance with GAAP and capitalized interest) premium payments, debt discount, fees, charges and related expenses with respect to the Consolidated Total Indebtedness, including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and net costs under Hedging Agreements in respect of interest rates to the extent such net costs are allocable to such Reference Period in accordance with GAAP, in each case whether or not paid in cash during such period.

"Consolidated Leverage Ratio": as of any date of determination, with respect to the Loan Parties and their Subsidiaries on a consolidated basis (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items), the ratio of (i) the Consolidated Total Indebtedness as of such date of determination, to (ii) the total equity (including preferred equity) of BSPRT (calculated in accordance with GAAP and as properly reported on its consolidated balance sheet (excluding any Disregarded CMBS Balance Sheet Items)) for the most recently completed Reference Period prior to such date of determination.

"Consolidated Net Income": with respect to any Person, for any period, the amount of consolidated net income (or loss) of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items).

"Consolidated Tangible Net Worth": as of any date of determination, the sum for the Loan Parties and their Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items)), of the following:

(a) the amount of capital stock; *plus*

(b) the amount of surplus and retained earnings (or, in the case of a surplus or retained earnings deficit, *minus* the amount of such deficit); *minus*

(c) the cost of treasury shares; *minus*

(d) the sum of the following: the book value of all assets that should be classified as intangibles (without duplication of deductions in respect of items already deducted in arriving at surplus and retained earnings), but in any event including goodwill, minority interests, research and development costs, trademarks, trade names, copyrights, patents and franchises, unamortized debt discount and expense, all reserves, and any write-up in the book value of assets resulting from a revaluation thereof subsequent to September 30, 2019.

"Consolidated Total Indebtedness": as of any date of determination, the aggregate principal amount of all Indebtedness of the Loan Parties and their Subsidiaries outstanding as of such date of determination, in the amount that would be reflected on a balance

sheet prepared at such date, determined on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items).

"Consolidated Unfinanced Capital Expenditure": for any Reference Period, with respect to the Loan Parties and their Subsidiaries on a consolidated basis (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items), expenditures (including the aggregate amount of Capital Lease Obligations incurring such period) made by a Loan Party or any Subsidiary thereof to acquire or construct fixed assets, plant, and equipment (including renewals, improvements, and replacements, but excluding repairs) during such period computed in accordance with GAAP, excluding any financed with the proceeds of (a) Permitted Indebtedness (other than from the Loans), (b) the issuance of Capital Stock by BSPRT, (c) insurance, in connection with an event of loss, and (d) reimbursements from third parties (excluding any Loan Party or its Affiliates).

"Contingent Obligations": with respect to any Person as of any date of determination, all of the following as of such date of determination: (a) liabilities and obligations (including Guarantee Obligations) of such Person in respect of "off-balance sheet arrangements" (as defined in the Off Balance Sheet Rules defined below), (b) obligations, including Guarantee Obligations, whether or not required to be disclosed in the footnotes to such Person's financial statements, guaranteeing in whole or in part any Non-Recourse Indebtedness, lease, dividend or other obligation, excluding, however, (i) contractual indemnities (including any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets), (ii) guarantees of non-monetary obligations which have not yet been called or quantified, of such Person or any other Person, and (iii) reasonable and customary "bad boy" acts agreed to by such person (as a guarantor thereunder) in connection with a mortgage loan or mezzanine loan transaction, and (c) forward commitments or obligations to fund or provide proceeds with respect to any loan or other financing which is obligatory and non-discretionary on the part of the lender which is not fully offset by a corresponding asset. The amount of any Contingent Obligations described in the preceding clause (b) shall be deemed to be (i) with respect to a guarantee of interest or interest and principal, or operating income guarantee, the sum of all payments required to be made thereunder (which, in the case of an operating income guarantee, shall be deemed to be equal to the debt service for the note secured thereby), through (x) in the case of an interest or interest and principal guarantee, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (y) in the case of an operating income guarantee, the date through which such guarantee will remain in effect, and (ii) with respect to all guarantees not covered by the preceding clause (i), an amount equal to the stated or determinable amount of the primary obligation in respect of which such guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and in the footnotes to the most recent financial statements of such Person. "Off- Balance Sheet Rules" means the Disclosure in Management's Discussion and Analysis About Off-Balance Sheet Arrangements and Aggregate Contractual Obligations, Securities Act Release Nos. 33-8182; 34-47264; FR-67 International Series Release No. 1266 File No. S7-42-02, 68 Fed. Reg. 5982 (Feb. 5, 2003) (codified of 17 CFR Parts 228, 229 and 249).

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

"Control Agreement": the Blocked Account Control Agreement to be entered into by the Loan Parties, the Administrative Agent, and the Deposit Bank.

"Controlled Affiliate": any Person that, directly or indirectly, is controlled by any Loan Party. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether through the ability to exercise voting power, by contract or otherwise; provided that the right to designate a member of a board or manager of a Person will not, by itself, be deemed to constitute "control".

"Convertible Debt Securities": debt securities, the terms of which provide for conversion into Capital Stock, cash by reference to such Capital Stock or a combination thereof.

"Debtor Relief Laws": the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or otherwise available debtor relief laws of the United States, of any State or of any other applicable jurisdictions from time to time in effect.

"Default": any of the events specified in Section 7.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulting Non-Approved Assignee": as defined in Section 11.6(b)(iv).

"Deposit Bank": U.S. Bank, National Association, or any other deposit bank mutually agreed upon between the applicable Loan Party and the Administrative Agent.

"Designated Jurisdiction": any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Direct Subsidiary": any Subsidiary of a Loan Party in respect of which such Loan Party owns any Capital Stock.

"Disclosable Event": as defined in Section 5.11.

"Disqualified Lender": any Person designated as a "Disqualified Lender" as provided on Schedule II to Exhibit J on the Closing Date and any competitor identified by the Borrower and consented to in writing by the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed) from time to time thereafter.

"Disposition": with respect to any Property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof; and the terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disregarded CMBS": a commercial mortgage-backed securities transaction, in respect of which, (i) the securities or obligations issued by the related issuer are owned by a Borrower Subsidiary, (ii) such securities or obligations constitute Non-Recourse Indebtedness pursuant to clause (x) of the definition thereof, and (iii) the assets and liabilities of the related issuer are consolidated on the balance sheet of such Borrower Subsidiary solely for the purposes of complying with GAAP. For the avoidance of doubt, a collateralized loan obligation transaction shall not constitute a Disregarded CMBS.

"Disregarded CMBS Balance Sheet Items": liabilities, assets or equity (as calculated pursuant to GAAP) of an issuer related to a Disregarded CMBS.

"Dollars" and "$": dollars in lawful currency of the United States of America.

"Early Opt-in Election": the occurrence of:

(a) a determination by the Administrative Agent (with the consent of the Required Lenders) that Dollar-denominated syndicated or bilateral credit facilities being executed at such time contain (as a result of amendment or as originally executed) as a benchmark interest rate, in lieu of the LIBO Rate, a new benchmark interest rate to replace the LIBO Rate, and

(b) the election by the Administrative Agent (with the consent of the Required Lenders) to declare that an Early Opt-in Election has occurred and the provision by the Administrative Agent (with the consent of the Required Lenders) of written notice of such election to the Borrower and the Lenders.

"Egan Jones": Egan Jones Ratings Company or any successor thereof.

"Eligible Administrative Agent": as defined in Section 10.5.

"Eligible Assignee": means (a) a Lender, (b) an Affiliate of a Lender, and (c) any other commercial bank, trust company, finance company, insurance company, investment or mutual fund, investment bank or pension fund, or other entity that is an "accredited investor" (as defined in Rule 501 of Regulation D under the Securities Act) organized under the laws of the United States of America, or any state thereof which extends credit or buys loans as one of its businesses and which either (i) has total assets in excess of $5,000,000,000 calculated in accordance with the accounting principles prescribed by the regulatory authority applicable to such entity in its jurisdiction of organization or (ii) has a rating of BBB or higher from Standard & Poor's Rating Group and a rating of Baa2 or higher from Moody's Investors Service, Inc. at the date that it becomes a Lender approved by the Required Lenders (such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, (i) an "Eligible Assignee" shall not include (x) the Borrower or an Affiliate of the Borrower, (y) any natural person or (z) any Disqualified Lender, and (ii) any assignment to such Person shall be in accordance with Section 11.6 hereof.

"Environmental Claim": any investigative, enforcement, cleanup, removal, containment, remedial, or other private or governmental or regulatory action threatened, instituted, or completed pursuant to any applicable Environmental Law.

"Environmental Laws": any and all laws, rules, orders, regulations, statutes, ordinances, guidelines, codes, decrees, agreements or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health, or employee health and safety, as has been, is now, or may at any time hereafter be, in effect.

"Environmental Liability": any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or, except in the case of Section 11.5, indemnities), of any Loan Party directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Event of Default": any of the events specified in Section 7.1. "Exchange Act": as defined in the definition of "Change of Control".

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

"Facility": the revolving facility made available to the Borrower by the Lenders under this Agreement and the other Loan Documents.

"Facility Rating": the facility rating assigned by the Rating Agency to the Facility.

"FCPA": the Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, et seq., as amended from time to time.

"Federal Funds Effective Rate": for any day, the rate calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three major banks of recognized standing selected by it.

"Federal Reserve Bank of New York's Website": the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"Fund": any Person (other than a natural person) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP": generally accepted accounting principles in the United States of America consistently applied as in effect from time to time.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person that guarantees or in effect guarantees (including by pledging any of its assets), or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (a) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) 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 (d) 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.

"Guaranteed Obligations": as defined in Section 9.1(a).

"Guarantor Collateral": as defined in Section 8.1(b). "Guarantors": as defined in the preamble hereto.

"Hazardous Materials": any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including but not limited to petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables, explosives, mold, mycotoxins, microbial matter and airborne pathogens

(naturally occurring or otherwise), but excluding substances of kinds and in amounts ordinarily and customarily used or stored in similar properties for the purpose of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws.

"Hedge Agreements": all interest rate or currency swaps, caps or collar agreements, foreign exchange agreements, commodity or currency futures contracts, options to purchase or sell a commodity or currency, or option, warrant or other right with respect to a commodity or currency futures contract or similar arrangements entered into by any of the Loan Parties or their Subsidiaries or providing for protection against fluctuations in interest rates, currency exchange rates, commodity prices or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Holdings": as defined in the preamble hereto.

"Indebtedness": with respect to any Person on any date, all of the following on such date, whether or not included as indebtedness or liabilities in accordance with GAAP, determined without duplication: (a) obligations in respect of money borrowed (including principal, interest, assumption fees, prepayment fees, yield maintenance charges, penalties, exit fees, contingent interest and other monetary obligations whether choate or inchoate and whether by loan, the issuance and sale of debt securities or the sale of property or assets to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets, or otherwise), including as incurred pursuant to a warehouse facility or a master repurchase agreement; (b) obligations, whether or not for money borrowed (i) represented by notes payable, letters of credit or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments including any preferred equity or trust preferred securities, or (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered; (c) Capitalized Lease Obligations; (d) reimbursement obligations under any letters of credit or acceptances (whether or not the same have been presented for payments); (e) Off-Balance Sheet Obligations; (f) obligations to purchase, redeem, retire, defease or otherwise make any payment in respect of any mandatory redeemable stock issued by such Person or any other Person (inclusive of forward equity contracts), valued at the greater of its voluntary or its involuntary liquidation preference plus accrued and unpaid dividends and that is redeemable, convertible or exchangeable prior to the date that is 180 days after the Maturity Date; (g) as applicable, all obligations of such Person (but not the obligation of others) in respect of any keep well arrangements, credit enhancements, committed future funding obligations which are not fully offset by a corresponding asset, purchase obligations, repurchase obligations, sale/buy-back agreements, takeout commitments or forward equity commitments which are not fully offset by a corresponding asset, in each case evidenced by a binding agreement (excluding any such obligation to the extent the obligation can be satisfied by the issuance of equity interest (other than mandatory redeemable stock)); (h) all Non-Recourse Indebtedness, Recourse Indebtedness and all indebtedness of other Persons which such Person has guaranteed or is otherwise recourse to such Person; (i) all indebtedness of another Person secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien (other than Liens permitted hereunder) on property or assets owned by such Person even though such Person has not assumed or become liable for the payment of such indebtedness or other payment

obligation; provided, that if such Person has not assumed or become liable for the payment of such indebtedness, then for the purpose of this definition, the amount of such indebtedness shall not exceed the market value of the property subject to such Lien; (j) all Contingent Obligations; (k) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person or obligations of such Person to pay the deferred purchase or acquisition price of property or assets, including contracts for the deferred purchase price of property or assets that include the procurement of services; (l) indebtedness of general partnerships for which such Person is liable as a general partner (whether secondarily or contingently liable or otherwise); and (m) obligations to fund capital commitments under any articles or certificate of incorporation or formation, by-laws, partnership, limited liability company, operating or trust agreement and/or other organization, charter or governing documents, subscription agreement or otherwise.

For all purposes hereof, Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venture, unless such Indebtedness is expressly made non-recourse to such Person.

"Indemnified Liabilities": as defined in Section 11.5. "Indemnitee": as defined in Section 11.5.

"Initial Rating Agency": Egan Jones.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Interest Payment Date": the last day of each Interest Period and the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Loan, (a) initially, the period commencing on the borrowing date with respect to such Loan and ending on the date that is one (1) month thereafter, and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Loan and ending on the date that is one (1) month thereafter; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(a) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(b) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date or such due date, as applicable; and

(c) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period.

"Interpolated Rate": in relation to the LIBO Rate for any Loan, the rate which results from interpolating on a linear basis between:

(a) the applicable LIBO Rate for the longest period (for which that LIBO Rate is available) which is less than the Interest Period of such Loan; and

(b) the applicable LIBO Rate for the shortest period (for which that LIBO Rate is available) which exceeds the Interest Period of such Loan, each as of approximately 11:00 A.M. (London, England time) two Business Days prior to the commencement of such Interest Period of such Loan.

"Investment": as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Capital Stock or other securities of another Person, (b) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guarantees Indebtedness of 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 a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount of such investment required to be included on the investor's consolidated balance sheet in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items).

"Investment Guidelines": the investment guidelines and restrictions of the BSPRT, in substantially the form of Exhibit A hereto, as amended and modified from time to time.

"JPMorgan Chase Pledge Agreement": means that certain Pledge Agreement dated June 18, 2014, as amended, by and between Holdings (f/k/a ARC Realty Finance Operating Partnership, L.P.) and JPMorgan Chase Bank, National Association whereby Holdings pledged its ownership of one hundred percent (100%) of the membership units of BSPRT JPM Loan, LLC (f/k/a RFT JPM Loan, LLC, f/k/a ARC RFT JPM Loan, LLC), a Delaware limited liability company, to JPMorgan Chase Bank, National Association.

"Knowledge": as of any date of determination, the then current actual knowledge (as distinguished from imputed or constructive and without duty of further inquiry or investigation) of a Responsible Officer of the Borrower or a Guarantor, as applicable. "Known" shall have a correlative meaning.

"Lender": as defined in the preamble hereto.

"Lender Fee Letter": the Fee Letter, dated as of the Closing Date, by and among the Borrower and the Lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"LIBO Rate": for any Interest Period as to any Loan, (i) the rate per annum determined by the Administrative Agent to be the offered rate which appears on the page of the applicable Bloomberg screen page which displays the London interbank offered rate administered by ICE Benchmark Administration Limited (such page currently being the LIBOR01 page) (the "LIBO Rate") for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 A.M. (London, England time), two Business Days prior to the commencement of such Interest Period or (ii) in the event the rate referenced in the preceding clause (i) does not appear on such page or service or if such page or service shall cease to be available, the rate determined by the Administrative Agent (x) to be the offered rate on such other page or other service which displays the LIBO Rate for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, or (y) at which deposits in Dollars are offered by four major banks in the London market selected by the Administrative Agent after consultation with the Required Lenders, in each case determined as of approximately 11:00
A.M. (London, England time) two Business Days prior to the commencement of such Interest Period; provided that, if LIBO Rates are quoted under either of the preceding clauses (i) or (ii), but there is no such quotation for the Interest Period elected, the LIBO Rate shall be equal to the Interpolated Rate; and provided further that, if any such rate determined pursuant to the preceding clauses (i) or (ii) is below 1.5%, the LIBO Rate will be deemed to be 1.5%.

"Lien": any mortgage, statutory or other lien, pledge, charge, right, claim, adverse claim, attachment, levy, hypothecation, hypothec, prior claim, assignment, deposit arrangement, security interest, Uniform Commercial Code 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.

"Loan": as defined in Section 2.1.

"Loan Documents": the Security Documents, the Notes, each Subordination Agreement, the Assignment Agreements, the Administrative Agent Fee Letter, the Lender Fee Letter and any other letter agreements with respect to fees payable to the Administrative Agent or the Lenders and any agreements in connection with any of the foregoing.

"Loan Parties": the Borrower and the Guarantors.

"Material Adverse Effect": a material adverse effect on (a) the business, financial condition or operations of the Loan Parties, taken as a whole; (b) the ability of any Loan Party to perform its obligations under the Loan Documents; (c) the legality, validity, binding effect or enforceability of this Agreement or any of the other Loan Documents; or (d) the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Material Environmental Amount": an amount or amounts payable with respect to one or more Real Properties directly or indirectly owned by the Loan Parties in excess of $10,000,000 (individually or in the aggregate), for: costs to comply with any Environmental Law; costs of any investigation, and any remediation, of any Material of Environmental Concern; and compensatory damages (including, without limitation, damages to natural resources), punitive damages, fines, and penalties pursuant to any Environmental Law.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products (virgin or used), polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactivity, and any other materials, substances or forces of any kind, whether or not any such material, substance or force is defined as hazardous or toxic under any Environmental Law, that is regulated pursuant to or would reasonably be expected to give rise to liability under any Environmental Law.

"Maturity Date": the earlier to occur of (i) February 10, 2023, and (ii) the date the Revolving Credits Commitments are terminated pursuant to Section 2.5.

"Maximum Exposure Amount": in respect of any Recourse Indebtedness of a Borrower Subsidiary, the maximum Indebtedness (excluding ordinary course fees, expenses and indemnities) of such Borrower Subsidiary in connection with such Recourse Indebtedness, including without limitation (and without duplication), (i) all assets pledged to secure such Recourse Indebtedness, and (ii) the maximum funded commitments of such Borrower Subsidiary to fund equity or capital to repay borrowings, to contribute or pledge additional assets or to purchase or repurchase assets pursuant to the terms of the transaction documents giving rise to such Recourse Indebtedness.

"Money Laundering Control Act": the Money Laundering Control Act of 1986, as amended from time to time.

"Multiemployer Plan": a multiemployer plan as defined in Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA and to which the Borrower, any Guarantor or any Commonly Controlled Entity has an obligation to contribute.

"Non-Approved Assignee": in respect of any proposed assignment, any of the following entities, but only if after giving effect to such proposed assignment, any such entity would, in and of itself or together with its Affiliates, constitute Required Lenders: (i) Apollo Global Management, (ii) Blackstone, (iii) Fortress Investment Group, or (iv) KKR.

"Non-Excluded Taxes": as defined in Section 2.13(a).

"Non-Recourse Indebtedness": Indebtedness of a Borrower Subsidiary whether or not for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, Act of Insolvency, non-approved transfers, reasonable and customary contractual indemnities, or reasonable and customary "bad boy" acts agreed to by such Borrower Subsidiary) is contractually limited to (x) a contractually agreed upon maximum commitment for such Borrower Subsidiary to acquire, or

to fund the purchase price for the acquisition of, assets where recourse to such Borrower Subsidiary is limited to the amounts funded or the assets acquired by such Borrower Subsidiary in connection with such commitment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, Act of Insolvency, non-approved transfers, reasonable and customary contractual indemnities for nonpayment obligations, or reasonable and customary "bad boy" acts agreed to by such Borrower Subsidiary, (y) specific assets of such Borrower Subsidiary encumbered by a Lien securing such Indebtedness, or (z) a special purpose vehicle subsidiary of such Borrower Subsidiary whose only assets are such specific assets (solely to the extent that such special purpose vehicle is not subject to a substantive consolidation with such Borrower Subsidiary), in each case, (i)(x) in connection with a securitization transaction (including a REMIC securitization, a collateralized loan obligation transaction or other similar securitization) or a warehouse facility in respect thereof or (y) solely in respect of Indebtedness of BSPRT Northbrook, LLC, in connection with the Loan Agreement dated as of January 6, 2020 by and between Access Point Financial, LLC and BSPRT Northbrook, LLC up to a maximum principal amount not to exceed $11,000,000, and (ii) in respect of which there is no guarantee for payment by any Affiliate of such Borrower Subsidiary except for a guarantee which constitutes a Permitted Guarantee.

"Non-U.S. Lender": as defined in Section 2.13(e). "Non-U.S. Participant": as defined in Section 2.13(e). "Note": any promissory note evidencing any Loan.

"Notice of Exclusive Control": shall have the meaning assigned to such term in the Control Agreement.

"Obligations": the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower and the other Loan Parties to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender) in each case that are required to be paid by the Borrower or any Loan Party pursuant hereto or otherwise.

"OFAC": Office of Foreign Assets Control of the United States Department of the Treasury.

"Off-Balance Sheet Obligations": with respect to any Person on any date, to the extent not included as a liability on the balance sheet of such Person, all of the following with respect to such Person as of such date: (a) monetary obligations under any financing lease or so- called "synthetic", tax retention or off-balance sheet lease transaction which, upon the applicable of any Debtor Relief Laws, would be characterized as Indebtedness, (b) monetary obligations under any sale and leaseback transaction which does not create a liability on the balance sheet of

such Person, or (c) any other monetary obligation arising with respect to any other transaction which (i) is characterized as Indebtedness for tax purposes but not for accounting purposes, or (ii) is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person (for purposes of this clause (c), any transaction structured to provide tax deductibility as interest expect of any dividend, coupon or other periodic payment will be deemed to be the functional equivalent of a borrowing).

"Other Connection Taxes": with respect to any Recipient, any Taxes that are (i) imposed on a Recipient by a jurisdiction as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection arising from such recipient having (x) executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest in, enforced, or engaged in any other transaction pursuant to any Loan Document, or (y) sold or assigned an interest in any Loan or Loan Document) and (ii) imposed with respect to an assignment, grant of participation, designation of a new office for receiving payments by or on account of the Borrower, or other transfer of an interest in any Loan or Loan Document.

"Other Taxes": any and all present or future stamp, court or documentary, intangible, recording, filing or similar taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery, performance, registration of, enforcement of, receipt or perfection of a security interest under or otherwise with respect to, this Agreement or any other Loan Document, except any Other Connection Taxes imposed with respect to an assignment or grant of a participation (other than a participation made pursuant to clause (A) of Section 11.6(d)).

"Participant": as defined in Section 11.6(d).

"Payment Office": the office specified from time to time by the Administrative Agent as its payment office by notice to the Borrower and the Lenders.

"Payment Time": with respect to payments to be made by Borrower hereunder, 1:00 P.M. (New York City time) on the due date thereof.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Indebtedness": (i) Non-Recourse Indebtedness of a Borrower Subsidiary; (ii) Permitted Guarantees; (iii) Permitted Recourse Indebtedness; (iv) Indebtedness under the Loan Documents; (v) unsecured Indebtedness of Loan Parties to any Borrower Subsidiary or Indebtedness of any Borrower Subsidiary to a Loan Party or another Borrower Subsidiary; provided that the lenders or financing providers of all such Indebtedness have entered into a Subordination Agreement with the Administrative Agent; (vi) hedging obligations incurred in the ordinary course of business under Hedging Agreements for bona fide hedging purposes and not for speculation; (vii) Indebtedness that constitutes a Disregarded CMBS Balance Sheet Item; (viii) other Indebtedness, in addition to the Indebtedness listed above, in an aggregate outstanding amount not at any time exceeding $5,000,000.

"Permitted Guarantee": (i) each of the Guarantee Obligations of BSPRT and Holdings in respect of a Borrower Subsidiary set forth on Schedule 2 hereto, including the Sterling Guaranty, in each case, to the extent entered into in connection with Non-Recourse Indebtedness or Permitted Recourse Indebtedness, (ii) each Permitted Payment Guarantee entered into by BSPRT after the Closing Date, and (iii) each Permitted Performance Guarantee entered into by BSPRT after the Closing Date, in each case, entered into and maintained in compliance with Section 6.2.

"Permitted Holders": Benefit Street Partners, L.L.C. or any Controlled Affiliate thereof.

"Permitted Payment Guarantee": each unsecured Guarantee Obligation entered into by BSPRT which guarantees Indebtedness of a Borrower Subsidiary, which Indebtedness constitutes Non-Recourse Indebtedness or Permitted Recourse Indebtedness of such Borrower Subsidiary.

"Permitted Performance Guarantee": each Guarantee Obligation entered into by BSPRT which is limited solely to customary non-payment related obligations in respect of acts of fraud by a Borrower Subsidiary, misapplication of funds by a Borrower Subsidiary, environmental indemnities of a Borrower Subsidiary, Act of Insolvency by a Borrower Subsidiary, non-approved transfers by a Borrower Subsidiary, reasonable and customary contractual indemnities for non-payment obligations or reasonable and customary "bad boy" acts by a Borrower Subsidiary, in each case in connection with the Non-Recourse Indebtedness of such Borrower Subsidiary.

"Permitted Recourse Indebtedness": as of any date of determination, all aggregate Recourse Indebtedness of Borrower Subsidiaries that complies with Section 6.1(e) as of such date of determination.

"Permitted Recourse Indebtedness Aggregate Cap": an amount equal to the lesser of (x) $1,100,000,000, and (y) 32% of the aggregate amount of assets (as would be reported on BSPRT's balance sheet on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items)) held or owned by BSPRT and its Subsidiaries, including any asset in respect of which BSPRT or any of its Subsidiaries has a repurchase obligation.

"Permitted Recourse Indebtedness Individual Cap": an amount equal to the lesser of (A) in respect of BSPRT High Yield Securities, LLC, (x) $625,000,000, and (y) 18% of the aggregate amount of assets (as would be reported on BSPRT's balance sheet on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items)) held or owned by BSPRT and its Subsidiaries, including any asset in respect of which BSPRT or any of its Subsidiaries has a repurchase obligation, and (B) in respect of any other Borrower Subsidiary other than BSPRT High Yield Securities, LLC, (x) $275,000,000, and (y) 8% of the aggregate amount of assets (as would be reported on BSPRT's balance sheet on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items)) held or

owned by BSPRT and its Subsidiaries, including any asset in respect of which BSPRT or any of its Subsidiaries has a repurchase obligation.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan, other than a Multiemployer Plan, that is covered by Title IV of ERISA or Section 412 of the Code and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA and with respect to which the Borrower or any Guarantor could reasonably be expected to have liability (contingent or otherwise).

"Pledge Holding Period": as defined in Section 8.4(c).

"Pledged Stock": in respect of a Loan Party, the shares of Capital Stock in respect of each of its Direct Subsidiaries, and together with any other shares, stock certificates, options or rights of any nature whatsoever in respect of such Capital Stock that may be issued or granted to, or held by, such Loan Party while this Agreement is in effect.

"Post Petition Interest": as defined in Section 9.7(b).

"Prepayment Notice": a notice of prepayment of Loans pursuant to Section 2.4(a), substantially in the form of Exhibit G.

"Prime Rate": the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the United States or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually available.

"Principal Financial Officer": a Responsible Officer a Person with actual knowledge of the financial affairs of such Person and its Subsidiaries.

"Proceeds": with reference to any asset or property, the meaning assigned to it under the UCC and, in any event, shall include, but not be limited to, any and all amounts from time to time paid or payable under or in connection with such asset or property.

"Program Termination Date": the later to occur of (i) the Maturity Date, and (ii) the date that all Obligations (other than contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted) have been finally paid in full; provided, however, that if any payment in respect of any Obligation that was made to any Secured Party must be rescinded or returned for any reason whatsoever (including, without limitation, the insolvency or bankruptcy of a Loan Party, any of its Subsidiaries or any of their

respective Affiliates), such Obligation and/or such amounts payable shall be deemed to be reinstated as though such payment had not been made and the Program Termination Date shall be deemed to have not occurred.

"Property": any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Rating Agency": Egan Jones, or another nationally recognized statistical rating organization consented to by the Required Lenders.

"Real Property": with respect to any Person, all of the right, title, and interest of such Person in and to land, improvements and fixtures, including ground leases.

"Recipient": the Administrative Agent or any Lender.

"Recourse Borrower Subsidiary": a Borrower Subsidiary that is a borrower, seller, counterparty, or otherwise has any obligation to pay amount, contribute any asset or otherwise incur any liability in respect of any Recourse Indebtedness.

"Recourse Indebtedness": with respect to any Person, on any date of determination, the amount of Indebtedness for which such Person has recourse liability (such as through a loan agreement, security agreement, subscription agreement, repurchase agreement, guarantee agreement or any similar agreement), exclusive of any such Indebtedness for which such recourse liability is limited as Non-Recourse Indebtedness.

"Reduction Fee": In respect of any reduction or termination of Commitment pursuant to Section 2.17, if such reduction or termination is made on or prior to the date that is (i) the one (1) year anniversary of the Closing Date (the "First Reduction Fee Period"), a fee equal to 0.50% of the aggregate amount of such reduction or termination of the Commitment, (ii) the two (2) year anniversary of the Closing Date (the "Second Prepayment Fee Period") but after the First Prepayment Fee Period, a fee equal to 0.25% of the aggregate amount of such reduction or termination of the Commitment, and (iii) on or after the Second Prepayment Fee Period, a fee equal to zero.

"Reference Period": as of any date of determination, the most recently completed four consecutive fiscal quarters of BSPRT on or immediately prior to such date, or, if less than four consecutive fiscal quarters have been completed since the Closing Date, the fiscal quarters that have been completed since such date; *provided* that, for purposes of computing the amount of Consolidated EBITDA, Consolidated Interest Expense or Consolidated Fixed Charges included in the calculation of a financial ratio or financial covenant for the fiscal quarters ending March 2020, June 2020 and September 2020, such amount for the Reference Period then ended (and, in the case of the latter two such determinations, each previous fiscal quarter commencing after the Closing Date) shall be *multiplied* by four, two and 1.33 respectively.

"Register": as defined in Section 11.6(c).

"Regulation U": Regulation U of the Board as in effect from time to time.

"REIT Status": with respect to any Person, (a) the qualification of such Person as a real estate investment trust under Sections 856 through 860 of the Code, and (b) the applicability to such Person and its shareholders of the method of taxation provided for in Section 857 et seq. of the Code, including a deduction for dividends paid.

"Related Parties": with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

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

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the 30-day notice period is waived under PBGC Reg. § 4043.

"Required Facility Rating": a rating of at least BBB by Egan Jones or the equivalent of such rating from another Rating Agency proposed by the Required Lenders and consented to by the Borrower for the Facility.

"Required Lenders": at any time, the holders of more than 51% of the Total Commitments then in effect or, if the Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

"Requirements of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any treaty, federal, state, county, municipal and other governmental statutes, laws, orders, rules, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities or determination of an arbitrator or a court, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"Responsible Officer": means in respect of any Person, the president, chief executive officer, the executive vice president, the senior vice president, any vice president, managing director, chief financial officer, the treasurer or any other duly authorized officer of such Person.

"Restricted Payment": any (a) dividend or other distribution (whether in cash, securities or other property) with respect to any Capital Stock of any Person, or any payment (whether in cash, securities or other property), including any payment on account of, any setting apart of assets for a sinking or other analogous fund or similar deposit for, or redemption, retirement, defeasance, acquisition, cancellation or termination of, any such Capital Stock, or on account of any return of capital to any Person's stockholders, partners or members (or the

equivalent of any thereof), or on account of any option, warrant or other right to acquire any such dividend or other distribution or payment or any declaration to effect the same, (b) payment of any fees, expenses or other amounts to any Affiliate, including without limitation, payment of any principal, interest, margin or any other amount owed in respect of any Indebtedness of any Affiliate (other than administrative or overhead costs and expenses which are payable to third parties but, consistent with past practices, must be paid to an Affiliate), except, in each case under clause (a) or (b) above, to the extent paid in accordance with Section 5.9(b), or (c) payment of any amount pursuant to a Permitted Guarantee.

"Revolving Credit Commitment Period": the period from and including the Closing Date to the Revolving Credit Termination Date.

"Revolving Credit Percentage": as to any Lender at any time, the percentage which such Lender's Commitment then constitutes of the Total Commitments (or, at any time after the Commitments shall have expired or terminated, the percentage which the aggregate amount of such Lender's Revolving Extensions of Credit then outstanding constitutes of the Total Revolving Extensions of Credit then outstanding).

"Revolving Credit Termination Date": the earlier to occur of (x) August 11, 2022, and (y) the Maturity Date.

"Revolving Extensions of Credit": as to any Lender at any time, an amount equal to the sum of the aggregate principal amount of all Loans made by such Lender then outstanding.

"Sanctions": any international economic sanction administered or enforced by OFAC, the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"SEC": the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

"Secured Parties": the Lenders and the Administrative Agent. "Securities Act": the Securities Act of 1933.

"Security Documents": this Agreement, the Control Agreement and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any Property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document, as each may be amended, restated, supplemented or otherwise modified from time to time.

"Shareholders' Equity": as of any date of determination, the consolidated shareholders' equity (including, for the purpose of clarity, both common and preferred equity and excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items)) of the Loan Parties and their Subsidiaries as of such date of determination, as determined in accordance with GAAP.

"Sterling Guaranty": the Guaranty to be entered into by BSPRT in respect of the Recourse Indebtedness of BSPRT Kemble Finance, LLC, in favor of Sterling National Bank, in form reasonably satisfactory to the Required Lenders and up to a maximum amount of $43,350,000, excluding ordinary course fees, expenses and indemnities.

"SOFR": with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"Solvent": with respect to any Person, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (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 such debts and liabilities as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"Specially Designated Nationals List": the Specially Designated Nationals and Blocked Persons List maintained by OFAC and available at http://www.ustreas.gov/offices/enforcement/ofac/sdn/, or as otherwise published from time to time.

"State": any state, commonwealth or territory of the United States of America, in which the subject of such reference or any part thereof is located.

"Subordinated Obligations": as defined in Section 9.7(b).

"Subordination Agreement": the Subordination Agreement substantially in the form of Exhibit I hereto.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

"Tax": any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholding) or other similar charges, whether computed on a separate, consolidated, unitary, combined or other basis and any and all liabilities (including interest, fines, penalties or additions with respect to any of the foregoing) with respect to the foregoing.

"Term SOFR": the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Total Commitments": at any time, the aggregate amount of the Commitments
then in effect.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit of the Lenders outstanding at such time. "Transferee": as defined in Section 11.14.

"UCC": the Uniform Commercial Code, as from time to time in effect in the applicable jurisdictions.

"Unadjusted Benchmark Replacement": the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"USA PATRIOT Act": the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107- 56), as amended from time to time.

1.2 Other Definitional Provisions; Rules of Construction. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to any Loan Party and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) All calculations of financial ratios set forth in Section 6.1 shall be calculated to the same number of decimal places as the relevant ratios are expressed in and

shall be rounded upward if the number in the decimal place immediately following the last calculated decimal place is five or greater. For example, if the relevant ratio is to be calculated to the hundredth decimal place and the calculation of the ratio is 5.126, the ratio will be rounded up to 5.13.

(f) The headings, subheadings and table of contents set forth in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect the meaning, construction or effect of any provision hereof.

(g) References in this Agreement to "including" shall mean including without limiting the generality of any description preceding such term, and for purposes hereof the rule of ejusdem generis shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned.

(h) Each of the parties to this Agreement and its counsel have reviewed and revised, or requested revisions to, this Agreement, and the usual rule of construction that any ambiguities are to be resolved against the drafting party shall be inapplicable in the construction and interpretation of this Agreement.

(i) Any definition of or reference to any agreement, instrument or other document (including any organization document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document).

(j) References to day or days without further qualification means calendar days.

(k) For purposes of this Agreement, an Event of Default shall be deemed to be continuing until it is waived in accordance with Section 11.1.
(l) Unless otherwise expressly stated in this Agreement, if at any time any changes in GAAP would affect the computation of any covenant (including the computation of any financial covenant) set forth in this Agreement or any other Loan Document, the Loan Parties and the Required Lenders shall negotiate in good faith to amend such covenant to preserve the original intent in light of such change; provided, that until so amended, (i) such covenant shall continue to be computed in accordance with the application of GAAP prior to such change, and (ii) the applicable Loan Party shall provide to the Lenders and the Administrative Agent a written reconciliation in form and substance reasonably satisfactory to the Lenders and the Administrative Agent, between calculations of such covenant made before and after giving effect to such change in GAAP.

(m) Unless otherwise specified, all references herein to times of day shall be references to New York City time.

(n) Any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and rules and regulations promulgated pursuant to such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(o) Disregarded CMBS Balance Sheet Items shall be excluded for purposes of calculating compliance with any provision of Section 6.1, including any components thereof.

SECTION 2 AMOUNT AND TERMS OF REVOLVING CREDIT COMMITMENT

2.1 Revolving Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans (the "Loans") to the Borrower from time to time during the Revolving Credit Commitment Period in an aggregate principal amount at any one time outstanding for such Lender which does not exceed the amount of such Lender's Commitment; provided that, the Total Revolving Extensions of Credit shall at no time exceed the Total Commitments at such time. During the Revolving Credit Commitment Period the Borrower may use the Commitments by borrowing, prepaying the Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Borrower shall repay all outstanding principal and interest on the Loans and the other Obligations on the Maturity Date.

2.2 Procedure for Revolving Credit Borrowing. The Borrower may borrow Loans under the Commitments on any Business Day during the Revolving Credit Commitment Period; provided that, the Borrower shall deliver to the Administrative Agent and the Lenders a written Borrowing Notice (which Borrowing Notice must be received by the Administrative Agent prior to 11:00 A.M. (New York City time) two Business Days prior to the requested Borrowing Date). Each such Borrowing Notice shall specify the date of such borrowing (which shall be a Business Day), the aggregate amount of the requested Loans, and the wiring instructions of the Borrower's account to which funds are to be disbursed. Each borrowing of Loans hereunder shall be in an amount equal to $1,000,000 or a whole multiple of $250,000 in excess thereof (or, if the then aggregate Available Revolving Credit Commitments are less, such lesser amount). Each Lender will make its Revolving Credit Percentage of the amount of each borrowing of Loans available to the Administrative Agent for the account of the Borrower indicated on the applicable Borrowing Notice to the Administrative Agent's Account prior to 2:00 P.M. (New York City time) on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Upon receipt of all requested funds, such borrowing will then be made available to the Borrower by the Administrative Agent by promptly wiring the amounts so received in like funds in accordance with the Borrowing Notice.

2.3 Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the appropriate Lender the then unpaid principal amount of each Loan of such Lender on the Maturity Date (or on such earlier date on which the Loans become due and payable pursuant to Section 7.1). The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans from time to time outstanding from the date hereof until payment in full thereof, in each case, at the rates per annum, and on the dates, set forth in Section 2.8.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain the Register pursuant to Section 11.6(c), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof. In the event of any conflict between the accounts and records maintained by any Lender and the Register maintained by the Administrative Agent in respect of such matters, the Register of the Administrative Agent shall control in the absence of manifest error; provided, that the Administrative Agent and each such Lender shall work in good faith to resolve such conflict.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.3(b) shall, absent manifest error, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender to maintain any such account or any error therein, or the failure by the Administrative Agent to maintain the Register or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower in accordance with the terms of this Agreement.

(e) the Borrower agrees that, upon the request by any Lender, the Borrower will promptly execute and deliver to such Lender a Note evidencing any Loans of such Lender, substantially in the form of Exhibit D, with appropriate insertions as to date and principal amount; provided that, delivery of Notes shall not be a condition precedent to the occurrence of the Closing Date or the making of Loans, if any, on the Closing Date.

2.4 Commitment Fee; Fee Letters. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee for the period

from and including the Closing Date to the last day of the Revolving Credit Commitment Period, computed at the applicable Commitment Fee Rate on the average daily amount of the Available Revolving Credit Commitment of such Lender during the period for which payment is made, payable monthly in arrears on the last Business Day of each month and on the Maturity Date, commencing on the first of such dates to occur after the date hereof.

(b) The Borrower agrees to pay to the Lenders the fees in the amounts and on the dates set forth in the Lender Fee Letter and otherwise from time to time agreed to in writing by the Borrower and the Lenders.

2.5 Termination of Commitments. The Commitments shall terminate on the Revolving Credit Termination Date.

2.6 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty (except as otherwise provided herein), upon delivery of an irrevocable Prepayment Notice delivered to the Administrative Agent and the Lenders no later than 2:00 P.M. (New York City time) three Business Days prior thereto, which Prepayment Notice shall specify the date and amount of such prepayment; provided that if a Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.14. If a Prepayment Notice is given, the amount specified in such Prepayment Notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid. Partial prepayments of Loans shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $250,000 in excess thereof (or, if the aggregate outstanding principal amount of the Loans are less, such lesser amount).

2.7 Mandatory Prepayments. (a) If at any date the Total Revolving Extensions of Credit exceed the Total Commitments as of such date, the Borrower shall prepay the Loans within one Business Day of such date in an aggregate amount equal to or greater than such excess so that the Total Revolving Extensions of Credit no longer exceed the Total Commitments as of such date of prepayment.

(b) If an Adverse Facility Rating Event shall have occurred, the Borrower shall (i) specify a repayment date pursuant to the terms of this Section 2.7(b) in the notice of such Adverse Facility Rating Event provided to the Administrative Agent pursuant to Section 5.7(a), and (ii) repay all outstanding Loans, interest thereon, and all other Obligations within forty-five (45) days after the occurrence of such Adverse Facility Rating Event. The Borrower shall deliver to the Administrative Agent written notice of any prepayment due pursuant to this Section 2.7 not later than 10:00 A.M. (New York City time) on the date of such mandatory prepayment. Upon receipt of such notice, Administrative Agent shall promptly notify the Lenders of such prepayment.

2.8 Interest Rates and Payment Dates. (a) Each Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the LIBO Rate determined for such day plus the Applicable Margin.

(b) (i) At any time an Event of Default has occurred and is continuing, all outstanding Loans (whether or not overdue) (to the extent legally permitted) shall bear interest at a rate per annum that is equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% per annum, and (ii) if all or a portion of any interest payable on any Loan or any commitment fee or other Obligation payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to the Loans plus 2% per annum, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (after as well as before judgment).

(c) Interest shall be payable in arrears on each Interest Payment Date; provided that (i) interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand during the applicability of Section 2.8(b), and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment. The Administrative Agent shall use commercially reasonable efforts to deliver an invoice 5 Business Days prior to each Interest Payment Date; provided that, the Administrative Agent's failure to deliver an invoice pursuant to this Section 2.8(b) shall not relieve, excuse or waive any of the Borrowers' payment or other obligation under the Loan Documents.

2.9 Computation of Interest and Fees; Retroactive Adjustments of Applicable Margin. (a) Interest, fees and commissions payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a LIBO Rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error.

2.10 Inability to Determine Interest Rate; Replacement of LIBO Rate.

(a) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent may amend this Agreement to replace the LIBO Rate with a Benchmark Replacement. Any such amendment will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has provided such proposed amendment to the Borrower and the Lenders, without any further action or consent of the Borrower. No replacement of the LIBO Rate with a Benchmark Replacement pursuant to this Section 2.10 will occur prior to the applicable Benchmark Transition Start Date.

(b) In connection with the implementation of a Benchmark Replacement, the Administrative Agent (with the consent of the Required Lenders) 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 Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will

become effective without any further action or consent of any other party to this Agreement. The Administrative Agent shall provide prompt written notice of such amendment to the other parties hereto.

(c) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 2,10, 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, will be conclusive and binding absent manifest error and shall be made by the Administrative Agent (with the consent of the Required Lenders) and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.10. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBO Rate" or "Benchmark Replacement", other than the determination thereof, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to this Section 2.10 will be similar to, or produce the same value or economic equivalence of the LIBO Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

(d) During any Benchmark Unavailability Period, all Loans shall bear interest at the Base Rate.

2.11 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any repayment of the Loans, shall be made pro rata to the Lenders according to the Revolving Credit Percentages of the Lenders. Each payment of interest in respect of the Loans and each payment in respect of fees payable under the Lender Fee Letter shall be applied to the amounts of such obligations owing to the Lenders pro rata according to the respective amounts then due and owing to the Lenders.

(a) Each payment (including each prepayment) by the Borrower on account of principal of the Loans shall be made pro rata according to the respective outstanding principal amounts of the Loans then held by the Lenders.

(b) Each payment of the Loans shall be accompanied by accrued interest to the date of such payment on the amount paid.

(c) All payments (including prepayments) to be made by any Loan Party in respect of the Obligations, whether on account of principal, interest, fees or otherwise,

shall be made without setoff, counterclaim or deduction and shall be made prior to the Payment Time, on the due date thereof to the Administrative Agent, for the account of the Administrative Agent or the relevant Lenders, at the Payment Office, in Dollars and in immediately available funds. Any payment made by any Loan Party after the Payment Time on any Business Day shall (unless otherwise directed by the Required Lenders) be deemed to have been made on the next following Business Day. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Loan or other Obligation becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be deemed made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing of Loans that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, but shall not be required to, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the Base Rate, on demand, from the Borrower.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment of Loans due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(f) Upon receipt by the Administrative Agent of payments on behalf of Lenders, the Administrative Agent shall promptly distribute such payments to the Lender or Lenders entitled thereto, in like funds as received by the Administrative Agent.

2.12 Requirements of Law. (a) If any Change in Law:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Loan made by it (except for Non-Excluded Taxes imposed on amounts payable by the Borrower under this Agreement, taxes expressly excluded under the provisions of Section 2.13 in defining "Non-Excluded Taxes" or Other Taxes covered by Section 2.1);

(ii) shall impose, modify or hold applicable any reserve, 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 such Lender that is not otherwise included in the determination of the LIBO Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 2.12, it shall notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.12 for any increased costs incurred or reductions suffered more than twelve months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the twelve-month period referred to above shall be extended to include the period of retroactive effect thereof).

(c) If any Lender shall have determined that any Change in Law regarding capital adequacy or liquidity requirements or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under to a level below that which such Lender or such corporation could have achieved but for such Change in Law or compliance (taking into consideration such Lender's or such corporation's policies with

respect to capital adequacy) then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(d) A certificate as to any additional amounts payable pursuant to this Section 2.12 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrower pursuant to this Section 2.12 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.13 Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes, except as required by applicable Law. If any applicable Law (as determined in good faith by an applicable withholding agent) requires the deduction or withholding of any Tax, excluding, however, (i) net income Taxes (however denominated), branch profit Taxes, and franchise Taxes, (A) imposed by the jurisdiction under the laws of which such Recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or (B) that are Other Connection Taxes; (ii) Taxes that are attributable to such Recipient's failure to comply with the requirements of paragraph (e) or (h) of this Section 2.13; (iii) in the case of a Lender, United States federal withholding Taxes imposed on amounts payable to such Lender pursuant to a law in effect on the date on which such Lender (A) becomes a party to this Agreement, or (B) designates a new lending office, except, in each case, to the extent that pursuant to this Section 2.13, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before the time of assignment or to such Lender immediately before it changed its lending office; or (iv) any U.S. federal withholding Taxes imposed under FATCA (Taxes not so excluded, and imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document, "Non-Excluded Taxes"), then, in the case of any Non-Excluded Taxes or any Other Taxes, the amounts so payable to the Recipient shall be increased to the extent necessary to yield to the Recipient (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement.

(a) In addition, without duplication of other amounts payable by the Borrower or Loan Party pursuant to Section 2.13(a), the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(b) The Borrower shall indemnify each Lender or the Administrative Agent, as the case may be, within ten days after demand therefor, for the full amount of any Non- Excluded Taxes (including Non-Excluded Taxes imposed or asserted on or attributable to amounts payable under this Section 2.13(c)) payable or paid by the Administrative Agent or such Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy

to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for the account of the relevant Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent. If the Borrower fail to pay any Non- Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any Taxes that may become payable by the Administrative Agent or any Lender as a result of any such failure, except to the extent that any such amounts are compensated for by an increased payment under Section 2.15(a). The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(d) Each Lender shall deliver documentation and information to the Borrower and the Administrative Agent, at the times and in form required by applicable law or reasonably requested by the Borrower or the Administrative Agent, sufficient to permit the Borrower or the Administrative Agent to determine whether or not payments made with respect to this Agreement or any other Loan Documents are subject to taxes, and, if applicable, the required rate of withholding or deduction. Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation expired, obsolete or inaccurate in any material respect, deliver promptly to the Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the applicable withholding agent) or promptly notify the Borrower and the Administrative Agent in writing of its legal ineligibility to do so. In addition, any Recipient, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements. Except for the items expressly referenced in clause (i) below, a Lender shall not be required to deliver any documentation or information pursuant to this paragraph that such Lender is not legally able to deliver. Without limiting the generality of the foregoing,

(i) Any Lender (or Transferee) that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent Internal Revenue Service Form W-9 (or successor form) on or prior to the date it becomes a Lender hereunder (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent) establishing that such Lender is not subject to U.S. backup withholding or such Lender shall otherwise establish an exemption from U.S. backup withholding, and provide a new U.S. Internal Revenue Service Form W-9.

(ii) Each Lender (or Transferee) that is not a "United States person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant that would be Non-U.S. Lender if it were a Lender (each, a "Non-U.S. Participant"), to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN, Form W-8BEN-E or Form W- 8ECI, Form W-8IMY (together with all required supporting documentation), or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest" a statement substantially in the form of Exhibit E-1, E-2, E-3 or E-4, as applicable, and a Form W-8BEN or Form W-8BEN-E, or any subsequent versions thereof or successors thereto properly completed and duly executed by such Non-U.S. Lender claiming complete exemption from, or a reduced rate of, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of any Non-U.S. Participant, on or before the date such Non-U.S. Participant purchases the related participation) (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent). Each Non-U.S. Lender shall promptly notify the Borrower (or, in the case of a Non-U.S. Participant, the Lender from which the related participation shall have been purchased) at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Non-U.S. Lender shall not be required to deliver any form pursuant to this paragraph that such Non-U.S. Lender is not legally able to deliver.

(e) For the avoidance of doubt, if a Lender is an entity disregarded from its owner for U.S. federal income tax purposes, references to the foregoing documentation are intended to refer to documentation with respect to such Lender's owner and, as applicable, such Lender.

(f) The Administrative Agent shall deliver to the Borrower a duly executed U.S. branch withholding certificate on U.S. Internal Revenue Service Form W-8IMY evidencing its agreement to be treated as a United States person with respect to payments made by the Borrower under this Agreement on or prior to the Closing Date, and thereafter when such documentation previously delivered has expired or become obsolete or invalid or otherwise upon the reasonable request of the Borrower. Notwithstanding anything to the contrary in this Section 2.13, the Administrative Agent shall not be required to provide any documentation that the Administrative Agent is not legally eligible to deliver.

(g) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender 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), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative

Agent 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 the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (h), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(h) If the Administrative Agent or a Lender determines in its discretion exercised in good faith that it has received a refund of any Non-Excluded Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower have paid additional amounts pursuant to this Section 2.13, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 2.13 with respect to the Non-Excluded Taxes or the Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that if the Administrative Agent or such Lender is required to repay all or a portion of such refund to the relevant Governmental Authority, Borrower, upon the request of the Administrative Agent or such Lender, shall repay the amount paid over to Borrower that is required to be repaid (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender within three Business Days after receipt of written notice that the Administrative Agent or such Lender is required to repay such refund (or a portion thereof) to such Governmental Authority. Notwithstanding anything to the contrary, in no event will the Administrative Agent or any Lender be required to pay any amount to Borrower the payment of which would place the Administrative Agent or such Lender in a less favorable net after-Tax position than the Administrative Agent or such Lender would have been in if the Non-Excluded Taxes giving rise to such refund had not been deducted, withheld or otherwise imposed and additional amounts with respect to such Non-Excluded Taxes had never been paid.

(i) Nothing in this Section 2.13 shall require the Lender to make available any of its tax returns or any other information that it deems to be confidential or proprietary.

2.14 Indemnity. The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any actual out-of-pocket loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, or continuation of Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, or (c) the making of a prepayment or conversion of Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so

borrowed, or continued, for the period from the date of such prepayment or of such failure to borrow or continue to the last day of such Interest Period (or, in the case of a failure to borrow or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank Eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.15 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Loans at the LIBO Rate or other Benchmark Replacement as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make such Loans at such rate and continue Loans as such shall forthwith be canceled, and (b) such Lender's Loans then outstanding, if any, shall, upon notice to the Borrower, automatically be deemed to accrue interest at the Base Rate on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.14.

2.16 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Sections 2.12, 2.13 or 2.15 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage; and provided, further that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Sections 2.12, 2.13(a) or 2.15.

2.17 Termination or Reduction of Commitments. So long as no Default or Event of Default shall have occurred and be continuing, the Borrower shall have the right, upon not less than three Business Days' prior written notice to the Administrative Agent, to terminate the Commitments or, from time to time, reduce the aggregate amount of the Commitments; provided that, (x) no such termination or reduction of Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Commitments, and (y) the Borrower shall pay a fee to the Lenders, pro rata based on the Revolving Credit Percentages equal to the Reduction Fee; provided, however, that no portion of the Reduction Fee shall be due or payable to any Defaulting Non-Approved Assignee or its Affiliates. Any such reduction shall be in an amount equal to $1,000,000, or a whole multiple thereof (or, if the aggregate

Commitments are less, such lesser amount), and shall reduce permanently the Commitments then in effect.

SECTION 3 REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, the Borrower and the Guarantors jointly and severally represent and warrant on and as of the Closing Date, each Borrowing Date and in respect of Section 3.16 on each date any such information is delivered, on behalf of the other Loan Parties, to the Administrative Agent and each Lender that:

3.1 Financial Condition.

(a) The unaudited consolidated balance sheet of BSPRT as at December 31, 2019, and the related consolidated statements of income and retained earnings and of cash flows for the fiscal quarter ended on such date, copies of which have heretofore been furnished to each Lender, present fairly in accordance with GAAP (to the extent applicable) the consolidated financial condition of BSPRT and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal quarter then ended.

(b) The audited consolidated balance sheet of BSPRT as at September 30, 2019, and the related consolidated statement of income and retained earnings and of cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from Ernst & Young LLP, copies of which have heretofore been furnished to each Lender, present fairly in accordance with GAAP (to the extent applicable) the consolidated financial condition of BSPRT and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended, and show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(c) All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved, subject, in the case of the quarterly financial statements, to normal year-end audit adjustments and the absence of footnotes. The Loan Parties do not have any material Guarantee Obligations (other than pursuant to this Agreement), contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from September 30, 2019 to and including the date hereof there has been no Disposition by BSPRT and its Subsidiaries of any material part of its business or Property.

3.2 No Change. Since September 30, 2019 there has been no development or event in respect of it or its Subsidiaries that could reasonably be expected to have a Material Adverse Effect, which has not been disclosed by a Loan Party in accordance with Section 5.7(f) and waived in writing by the Administrative Agent at the direction of the Required Lenders.

3.3 Corporate Existence; Compliance with Law; Jurisdiction of Organization.

(a) Each of the Loan Parties and its Subsidiaries (i) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has the corporate power and authority, and the legal right and all requisite governmental licenses, authorizations, consents and approvals to own and operate its Property and to conduct the business in which it is currently engaged, (iii) is duly qualified as a foreign corporation or other organization and in good standing (to the extent such concept exists in such jurisdiction) under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification and (iv) is in compliance with all Requirements of Law, except in the case of clauses (ii) (with respect to requisite governmental licenses, authorizations, consents and approvals only), (iii) and (iv) to the extent that the failure to so qualify or comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Each Loan Party's (other than BSPRT's) jurisdiction of organization is Delaware, and BSPRT's jurisdiction of organization is Maryland. Each Loan Party's principal place of business and chief executive office is at the addresses referred to in Section 11.2(a). None of the Loan Parties have transacted any business under its name set forth in Section 11.2(a).

3.4 Corporate Power; Authorization; Enforceable Obligations. Each Loan Party has the corporate or other power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Each Loan Party has taken all necessary corporate or other action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with (a) the borrowings hereunder, (b) the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, or (c) the consummation of the transactions contemplated by the Loan Documents and compliances with the terms, conditions and provisions hereof or thereof, except consents, authorizations, filings and notices which have been obtained or made and are in full force and effect. Each Loan Document has been or will be duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

3.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder, the granting of the Lien to the Secured Parties hereunder and the use of the proceeds thereof will not conflict with, result in a breach or violation of, or constitute a default under any Requirement of Law or any Contractual Obligation of any Loan Party and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to, or require any payment to be made under, any Requirement of Law or any such Contractual Obligation. No Requirement of Law or Contractual Obligation applicable to any Loan Party or any Subsidiary of a Loan Party could reasonably be expected to have a Material Adverse Effect.

3.6 No Material Litigation. Except as otherwise disclosed to the Administrative Agent prior to the Closing Date or after the Closing Date pursuant to Section 5.7(c) and waived in writing by the Administrative Agent at the direction of the Required Lenders, no action, suit, claim, dispute litigation, investigation or proceeding at law, in equity, in arbitration or before any arbitrator or Governmental Authority is pending or, to the Knowledge of such Loan Party, threatened by or against any Loan Party, any of their respective Subsidiaries or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

3.7 No Default. None of the Loan Parties is in default under or with respect to any of its Contractual Obligations in any respect, that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and no Default or Event of Default has occurred and is continuing which has not been disclosed in accordance with Section 5.7(a) and waived in writing by the Administrative Agent at the direction of the Required Lenders. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

3.8 No Debt. Neither any Loan Party nor any of its Subsidiaries have any Indebtedness outstanding, except for Permitted Indebtedness. Schedule 2 hereto sets forth a complete and accurate list of all Permitted Guarantees of the Loan Parties and the underlying amounts guaranteed as of March 23, 2020. Schedule 3 hereto sets forth a complete and accurate list of all Recourse Indebtedness of the Loan Parties and their Subsidiaries (other than Permitted Guarantees) as of March 23, 2020.

3.9 Taxes. Each of the Loan Parties and their Subsidiaries has filed or caused to be filed all Federal, state and other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any taxes the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the applicable Loan Party; and no tax Lien has been filed (other than with respect to any taxes the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the applicable Loan Party, as the case may be), and, to the Knowledge of such Loan Party or Subsidiary, no claim is being asserted against any Loan Party or a Subsidiary of a Loan Party, with respect to any such tax, fee or other charge.

3.10 Federal Regulations. None of the transactions contemplated herein (including, without limitation, the use of proceeds of any Loans, the use of the proceeds from the sale of the Collateral, and any extensions of credit hereunder), will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including without limitation, Regulations T, U and X of the Board. Such Loan Party does not own or intend to carry or purchase, and no proceeds from the Loans will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect, to extend "purpose credit" within the meaning thereof or for any purpose that violates the provisions of the Regulations of the Board.

3.11 Labor Matters. Except as otherwise disclosed by the Borrower pursuant to Section 5.7(f) and waived in writing by the Administrative Agent at the direction of the Required Lenders, there are no strikes or other labor disputes against any Loan Party or any Subsidiary of a Loan Party pending or, to the Knowledge of any Loan Party, threatened that (individually or in the aggregate) in either case could reasonably be expected to have a Material Adverse Effect.

3.12 ERISA. Neither a Reportable Event nor a failure to meet the minimum funding standards and benefit limitations of Section 412, 430 or 436 of the Code with respect to any Plan (whether or not waived) has occurred. Each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during the previous five years. Neither the Borrower, the Guarantors nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in liability, and neither the Borrower nor the Guarantors would become subject to any liability under ERISA if the Borrower, any Guarantor or any Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

3.13 Investment Company Act; Other Regulations. No Loan Party or a Subsidiary of a Loan Party is required to register as an "investment company," or a company "controlled by an investment company," within the meaning of the Investment Company Act of 1940, as amended.

3.14 Use of Proceeds. The proceeds of the Loans shall be used by the Borrower and/or the Borrower Subsidiaries (i) to fund Investments in accordance with the Investment Guidelines, and/or (ii) for general corporate purposes.

3.15 Environmental Matters. Except with respect to any matters that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, no Loan Party or its Subsidiaries has (i) failed to comply with any Environmental Law, (ii) failed to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (iii) become subject to any Environmental Liability that remains outstanding, (iv) received written notice of any claim with respect to any Environmental Liability that remains outstanding or (v) gained Knowledge of any basis for any Environmental Liability that remains outstanding.

3.16 Accuracy of Information, etc. Each Notice of Borrowing and all other information, reports, certificates, statements and data provided by or on behalf of any Loan Party (other than financial estimates, forecasts and other forward-looking information, pro forma financial information and information of a general economic or industry-specific nature) to the Administrative Agent or any Lender in connection with the transactions contemplated hereby, the negotiation of this Agreement, delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) is and will be true, correct and complete in all material respects on the date such information is provided and as of such date no such information contains, or will contain, any misrepresentation or any omission to state therein matters necessary to make the statements made therein not misleading in any material respect under the circumstances in which they were made. With respect to any projections (including the projections delivered on the Closing Date), financial estimates, forecasts and other forward-looking information or any pro forma financial information, each Loan Party represents and warrants that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation by the applicable Loan Party; it being understood that such projections may vary from actual results and that such variances may be material.

3.17 No Other Liens; Security Documents. Except for the security interested granted to the Administrative Agent on behalf of the Secured Parties hereunder (and subject to the Liens permitted by Section 6.3), each Loan Party owns each item of the Collateral pledged by such Loan Party hereunder free and clean of all Liens. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Administrative Agent on behalf of the Secured Parties hereunder. Each Security Document is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. When the financing statements in appropriate form are filed in the offices specified on Schedule 3.17 (which financing statements have been duly completed and delivered to the Administrative Agent) and such other filings as are specified in the Security Documents have been completed (all of which filings have been duly completed), the Security Documents shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in each case free and clear of all Liens (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 6.3).

3.18 Representations and Warranties Regarding Subsidiaries. (a) The Loan Parties have no Subsidiaries other than those specifically disclosed in Schedule 1, and, subsequent to the Closing Date, such Subsidiaries shall have been formed in compliance with Section 6.14, and all of the outstanding Capital Stock in such Subsidiaries has been validly issued, is fully paid and nonassessable and, as of the Closing Date, is owned (directly or indirectly) by a Loan Party in the amounts specified on such Schedule 1 free and clear of all Liens except those permitted by Section 6.3. The Loan Parties own no Capital Stock in any other corporation or entity other than those specifically disclosed in Schedule 1, which schedule may be updated from time to time after the Closing Date pursuant to Section 6.14. All of the outstanding Capital Stock in the Loan Parties (other than BSPRT) has been validly issued, and is fully paid and nonassessable and is owned by the Persons and in the amounts specified on Schedule 1.

(a) The organizational documents of each Loan Party (other than BSPRT) and each of its Direct Subsidiaries expressly permits the owners of its Capital Stock (to the extent such Capital Stock is a membership interest in a limited liability company organized in Delaware) to pledge all of their rights, title and interest to another Person, and upon exercise of any secured party of its rights and remedies, expressly allows such secured party or other successful bidder to automatically succeed to all right, title and interest in such pledged Capital Stock, including, without limitation (i) its "limited liability company interest" as defined in the Delaware Limited Liability Company Act, (ii) its right to participate in the management of the business and affairs of such Loan Party or Direct Subsidiary, as applicable, and (iii) its status as a "member".

(b) The Pledged Stock consists entirely of "general intangibles" (as defined in the UCC) and is not (i) dealt in or traded on securities exchanges or in securities markets, (ii) by its terms expressly subject to Article 8 of the UCC, (iii) an investment company security (within the meaning of Section 8-103(c) of the UCC), or (iv) credited to a securities account (within the meaning of Section 8-501(a) of the UCC).

(c) As of March 26, 2020 the organization and structure chart of BSPRT and its Subsidiaries is as set forth on Schedule 3.18 hereto.

3.19 Solvency. Each Loan Party is, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith will be and will continue to be, Solvent.

3.20 REIT Status; Tax Status. The Borrower is classified as a partnership for U.S. federal income tax purposes. BSPRT has been organized and operated in a manner that has allowed it to qualify for REIT Status commencing with its taxable year ending December 31, 2013. Each of the other Loan Parties is treated as a qualified REIT subsidiary, as defined in Section 856(i)(2) of the Code, and is not an association taxable as a corporation under the Code.

3.21 Insurance. The Loan Parties and their respective Subsidiaries are insured with financially sound and reputable insurance companies (as determined in the good faith judgment of the applicable Loan Party) which are not Affiliates of any Loan Party, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar assets (as determined in the good faith judgment of the applicable Loan Party).

3.22 Compliance with Anti-Terrorism, Embargo and Anti-Money Laundering Laws. (a) Neither the Borrower, nor any other Loan Party or Controlled Affiliate (i) is or has, directly or indirectly, engaged in business dealings with any party subject to, or any party owned or controlled by any party subject to, Sanctions, (ii) is located, organized or residing in or has, directly or indirectly, conducted business dealings with a party located, organized, or residing in a Designated Jurisdiction or (iii) derived income from business dealings with a party subject to Sanctions.

(a) Neither the Borrower nor any other Loan Party or Controlled Affiliate has derived or used any of its assets in violation of the anti-money laundering or anti-terrorism laws or regulations of the United States, including but not limited to the USA

PATRIOT Act, the Money Laundering Control Act, the Bank Secrecy Act and any related Executive Order issued by the President.

(b) Neither the Borrower, nor any other Loan Party or Controlled Affiliate has failed to comply with applicable anti-bribery and anti-corruption laws and regulations (including the FCPA), including failing to comply in any manner that may result in the forfeiture of the proceeds of the Loans or any Collateral or a claim of forfeiture of the proceeds of the Loans or any Collateral.

(c) No Loan, nor the proceeds from any Loan, has been used, directly or indirectly, to lend, contribute, provide or has otherwise made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including any Secured Party) of Sanctions.

SECTION 4 CONDITIONS PRECEDENT

4.1 Conditions to the Closing Date. The effectiveness of the Commitments of each Lender, and the agreement of each Lender to make the initial extension of credit requested to be made by it hereunder on or after the Closing Date, is subject to the satisfaction of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received, in form and substance satisfactory to the Administrative Agent, (i) this Agreement, executed and delivered by a duly authorized officer of the Borrower, the Guarantors and each Lender party hereto, (ii) the Administrative Agent Fee Letter executed and delivered by a duly authorized officer of the Borrower, (iii) the Lender Fee Letter executed and delivered by a duly authorized officer of the Borrower and each Lender party thereto (iv) each Assignment Agreement, executed and delivered by a duly authorized officer of the Borrower and Holdings, and (v) to the extent requested by any Lender, a Note duly completed and executed by the Borrower and payable to such Lender.

(b) Financial Condition Covenants. The Administrative Agent shall have received (i) a Compliance Certificate containing all information and calculations reasonably necessary for determining pro forma compliance with Section 6.1 as of the last day of the fiscal quarter of BSPRT ended September 30, 2019 after giving effect to the transactions contemplated hereby to occur on the Closing Date, and (ii) a completed list of all Properties held by the Loan Parties and their Subsidiaries as of the Closing Date, signed on behalf of BSPRT by a Principal Financial Officer.

(c) Projections; Financial Statements. The Lenders shall have received (i) projections with respect to BSPRT and its consolidated Subsidiaries' financial performance in form and substance reasonably acceptable to the Administrative Agent, and (ii) audited consolidated financial statements of BSPRT and its consolidated Subsidiaries for the 2017 and 2018 fiscal years.

(d) Third-Party Approvals. All governmental and third-party approvals necessary in connection with the continuing operations of the Loan Parties and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(e) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, including pursuant to the Administrative Agent Fee Letter and the Lender Fee Letter, as applicable, and all actual out-of-pocket expenses for which invoices have been presented (including reasonable fees, actual out-of-pocket disbursements and other charges of outside counsel to the Administrative Agent and the Lenders), on or before the Closing Date.

(f) Solvency. The Administrative Agent shall have received a certificate (in form and substance reasonably satisfactory to the Administrative Agent) from a Responsible Officer of BSPRT certifying that it and each of its Subsidiaries after giving effect to the transactions contemplated hereby to occur on the Closing Date, are Solvent.

(g) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions in which the UCC financing statements or other filings or recordations should be made to evidence or perfect security interests in the Collateral, and such search shall reveal no Liens on any of the assets of the Loan Parties which constitutes Collateral hereunder.

(h) Filings, Registrations and Recordings. Each document (including, without limitation, any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, free and clear of any Liens (other than with respect to Liens expressly permitted by Section 6.3), shall have been filed, registered or recorded or shall have been delivered to the Administrative Agent in proper form for filing, registration or recordation.

(i) Closing Certificate. The Administrative Agent shall have received a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(j) Legal Opinion. The Administrative Agent shall have received executed legal opinions of Nelson Mullins Riley & Scarborough LLP, counsel to the Loan Parties, in form and substance reasonably acceptable to the Administrative Agent. Such legal opinions shall cover such matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require and shall be addressed to the Administrative Agent and the Lenders.

(k) USA PATRIOT Act. The Lenders and the Administrative Agent shall have received, sufficiently in advance of the Closing Date, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation

the USA PATRIOT Act, and including but not limited to, a duly executed IRS Form W-9 for the Borrower.

(l) Ratings Letter. The Lenders and the Administrative Agent shall have received a letter signed by Egan Jones confirming that the Facility has been assigned the Required Facility Rating.

(m) No Material Adverse Effect. No event or condition shall have occurred since the date of BSPRT's most recent audited financial statements delivered to the Administrative Agent which has had or could reasonably be expected to have a Material Adverse Effect.

4.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it hereunder on any date (including, without limitation, its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Control Agreement; Collection Account. Within sixty (60) days of the Closing Date, (i) the Control Agreement shall have been duly executed and delivered by the Deposit Bank, a duly authorized officer of each Loan Party and the Administrative Agent, (ii) each Collection Account shall have been established at the Deposit Bank pursuant to documentation reasonably satisfactory to the Administrative Agent, and subject to the Control Agreement, and (iii) the Administrative Agent shall have received executed legal opinions of Nelson Mullins Riley & Scarborough LLP, counsel to the Loan Parties, in form and substance reasonably acceptable to the Administrative Agent, covering such matters incident to the Control Agreement and the Collection Accounts as the Administrative Agent may reasonably require and addressed to the Administrative Agent and the Lenders.

(b) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date; provided that, (x) to the extent that any such representation or warranty relates to a specific earlier date, such representations and warranties shall be true and correct in all material respects as of such earlier date, and (y) to the extent that any such representation and warranty is qualified as to "materiality", "Material Adverse Effect" or similar language, such representations and warranties shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(c) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date or from the application of the proceeds therefrom.

(d) Borrowing Notice. The Borrower shall have delivered to the Administrative Agent a Borrowing Notice in accordance with Section 2.2.

(e) Facility Rating. No Adverse Facility Rating Event shall have occurred and be continuing.

Each borrowing by the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 4.2 have been satisfied.

SECTION 5 AFFIRMATIVE COVENANTS

The Borrower and the Guarantors hereby jointly and severally agree that until the Program Termination Date, the Borrower and the Guarantors shall, and solely with respect to Sections 5.3, 5.4, 5.5, 5.6, 5.8, 5.9, 5.11, 5.12, 5.13 and 5.14 cause each of their Subsidiaries to:

5.1 Financial Statements. Furnish to the Administrative Agent on behalf of each Lender:

(a) as soon as available, but in any event within 100 days after the end of each fiscal year of BSPRT, a copy of the audited consolidated balance sheet of BSPRT and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and retained earnings and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of such year and for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit (other than in respect of an upcoming maturity of Indebtedness occurring within one year from the delivery of such opinion or any potential inability to satisfy a financial condition covenant on a future date or in a future period), by Ernst & Young LLP or other independent certified public accountants of nationally recognized standing (it being agreed that the furnishing of BSPRT's annual report on Form 10-K for each such fiscal year as filed with the SEC within the time periods specified above, will satisfy the obligation under this Section 5.1(a) with respect to such fiscal year except with respect to the requirement that such financial statements be reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit); and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of BSPRT, beginning with the quarter ending March, 2020, the unaudited consolidated balance sheet of BSPRT and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and retained earnings and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of such quarter and for the corresponding period in the previous year, certified by a Responsible Officer of BSPRT as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes) (it being agreed that the furnishing of BSPRT's quarterly report on Form 10-Q for each such fiscal quarter, as filed with the SEC within the time periods specified above, will satisfy the obligations under this Section 5.1(b) with respect to such fiscal quarter);

all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

5.2 Certificates; Other Information. Furnish to the Administrative Agent on behalf of each Lender, or, in the case of clause (d), to the relevant Lender:

(a) concurrently with the delivery of the financial statements referred to in Section 5.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no Default or Event of Default has occurred and is continuing, except as specified in such certificate (it being understood that such certificate shall be limited to the items that independent certified public accountants are permitted to cover in such certificates pursuant to their professional standards and customs of the profession);

(b) concurrently with the delivery of any financial statements pursuant to Section 5.1, (i) a certificate of a Responsible Officer of the Borrower stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that no Default or Event of Default has occurred and is continuing except as specified in such certificate and (ii) a Compliance Certificate containing all information and calculations necessary for determining compliance with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of BSPRT, as the case may be;

(c) (i) within five Business Days after the same are sent, copies, including copies sent electronically, of all financial statements and reports that BSPRT sends to the holders of any class of its debt securities or public equity securities and, within five Business Days after the same are filed, copies of all financial statements and reports that BSPRT may make to, or file with, the SEC; and (ii) within five Business Days after the receipt thereof, copies of all written correspondence received from the SEC concerning any material investigation or inquiry regarding financial or other operational results of any Loan Party; and

(d) promptly, such additional information regarding the business, legal, financial, corporate affairs or assets of any Loan Party or a Subsidiary of a Loan Party, or compliance with the terms of the Loan Documents, as the Administrative Agent may from time to time on its own behalf or on behalf of any Lender reasonably request.

5.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent subject to applicable notice and cure periods, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in accordance with GAAP with respect thereto have been provided on its books.

5.4 Conduct of Business and Maintenance of Existence. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all necessary action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 6.4; and (b) comply and cause each of its Subsidiaries to comply, with all Contractual Obligations and Requirements of Law, including Environmental Laws, except to the extent that failure to comply

therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.4.

5.5 Maintenance of Property; Insurance. (a) Keep and maintain its property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and in compliance with all material applicable standards, rules or regulations imposed by any Governmental Authority or by any insurance policy held it.

(a) Maintain with insurance companies which it believes (in its good faith judgment) are financially sound and reputable, insurance in such amounts and against such risks as is customarily maintained by companies of established repute engaged in the same or similar businesses (as determined in its good faith judgment).

5.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which entries are full, true and correct and in accordance with GAAP and with all Requirements of Law, shall be made of all dealings and transactions in relation to its business and activities, and (b) permit representatives of any Lender or the Administrative Agent to visit and inspect any of its properties and examine and make abstracts from any of its books, records and accounts at any reasonable time and as often as may reasonably be desired and to discuss its business, operations, properties and financial and other condition with its officers and employees and with its independent certified public accountants.

5.7 Notices. Promptly (unless otherwise specified below) give notice to the Administrative Agent, on behalf of each Lender, of:

(a) as soon as possible, and in any event, within two (2) Business Days, the occurrence of any Adverse Facility Rating Event or any other change in the Facility Rating, Default or Event of Default or the breach of any representation or warranty set forth in Section 3.1, together with a certificate setting forth details thereof and the actions to be taken or proposed to be taken with respect thereto;

(b) any (i) default or event of default under any Contractual Obligation of any Loan Party of which such Loan Party knows, should have known or has otherwise received written notice thereof or (ii) litigation, investigation of which such Loan Party has Knowledge, or proceeding which may exist at any time between any Loan Party or any Subsidiary of a Loan Party and any Governmental Authority;

(c) any pending or threatened (in writing to any Loan Party or any Subsidiary of a Loan Party), litigation, investigation or proceeding affecting any Loan Party or any Subsidiary of a Loan Party (i) in which the aggregate actual or estimated liability, individually or in the aggregate, (A) of the Loan Parties and their Subsidiaries is $50,000,000 or more, or (B) of the Loan Parties is $25,000,000 or more, and in each case not covered by insurance or for which adequate reserves have not been established in accordance with GAAP, (ii) in which injunctive or similar relief is sought that, if adversely determined, could reasonably be expected to have a Material Adverse Effect or (iii) which relates to any Loan Document;

(d) the following events, as soon as possible and in any event within thirty (30) days after any Loan Party knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Guarantor or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan;

(e) promptly after the Loan Parties first obtain Knowledge thereof, any Environmental Claim or other development, event, or condition that, individually or in the aggregate with other developments, events or conditions, could reasonably be expected to result in the payment by the Loan Parties and their Subsidiaries, in the aggregate, of a Material Environmental Amount, including a full description of the nature and extent of the matter for which notice is given and all relevant circumstances, other than Environmental Claims covered by environmental indemnities or otherwise covered by insurance or for which adequate reserves have been established in accordance with GAAP;

(f) as soon as possible and in any event within five (5) Business Days of any Loan Party obtaining Knowledge thereof, any development or event that could reasonably be expected to have a Material Adverse Effect;

(g) as promptly as practicable, and in any event within ten (10) Business Days, after it knows of (x) any claim or other communication by any Governmental Authority alleging or asserting the failure of BSPRT to maintain REIT Status, (y) the failure of BSPRT to maintain REIT Status, or (z) the failure of each other Loan Party that is treated as a qualified REIT subsidiary, as defined in Section 856(i)(2) of the Code to maintain its status as a qualified REIT subsidiary;

(h) as promptly as practicable, and in any event within thirty (30) days, after any material amendments to the Investment Guidelines;

(i) promptly after the effectiveness of any amendment or other modification of the organizational documents of any Loan Party, a true correct and complete copy of such amendment or other modification; and

(j) as promptly as practicable, and in any event within two (2) Business Days, after any claim for payment is made in respect of any Guarantee Obligation, notice of such claim including the total amount thereof.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the applicable Loan Party setting forth details of the occurrence referred to therein and stating what action the relevant Loan Party proposes to take with respect thereto. Each notice pursuant to Section 5.7(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

5.8 Further Assurances. From time to time, at its expense, execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take such actions, as the Administrative Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents. Upon the exercise by the Administrative Agent or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, it will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Administrative Agent or such Lender may reasonably be required to obtain from it for such governmental consent, approval, recording, qualification or authorization.

5.9 Cash Management. (a) Each Collection Account shall be established at the Deposit Bank on or prior to the Closing Date. The Borrower and the Guarantors shall cause all Collections payable or distributable to the Borrower or any Guarantor by any Subsidiary to be remitted directly to the Collection Account of the Borrower or such Guarantor, as applicable, without any intermediate commingling. The only permitted distributions or withdrawals from the Collection Accounts of any Loan Party shall be to (i) pay Obligations and other ordinary course expenses by such Loan Party then due and payable, (ii) make distributions to the Collection Account of another Loan Party, (iii) make distributions to the holders of any class of debt or public equity securities of BSPRT, or (iv) in respect of BSPRT or Holdings, and subject to Section 6.6, make a payment pursuant to a Permitted Guarantee.

(a) To the extent necessary to pay any Obligations then due and payable, the Borrower and each Guarantor shall cause each of its Subsidiaries (other than a Loan Party) to remit (as a dividend, return on capital or otherwise) its Consolidated Net Income to the holders of its Capital Stock.

(b) If at any time, an Event of Default shall have occurred and be continuing, funds on deposit in each Collection Account shall be applied by the Administrative Agent from time to time to the prepayment and repayment of the Obligations in the amounts and order of priority in its sole discretion.

5.10 Asset Reports. (a) Beginning with the quarter ended March 2020, deliver to the Administrative Agent (and the Administrative Agent shall thereafter deliver to each Lender), as soon as available and in any event no later than five Business Days after the end of each quarter, a completed list of all Properties held by the Loan Parties and their Subsidiaries as of the end of such quarter, signed on behalf of BSPRT by a Principal Financial Officer substantially in the form of Exhibit H.

(b) Beginning with the month ended February 2020, deliver to the Administrative Agent (and the Administrative Agent shall thereafter deliver to each Lender), as soon as available and in any event no later than five Business Days after the end of each month, a certification signed by a Responsible Officer of the Borrower (and in respect of clause (iv) and (v) below, by a Principal Financial Officer of the applicable Guarantor(s) or Borrower Subsidiary) certifying (i) the aggregate borrowings of Loans that occurred during such month and that have occurred as of the end of such month, (ii) the use of proceeds of each such Loan setting forth in reasonable detail (x) the pool of assets funded by such proceeds and the purchase

price of each asset therein, or (y) the corporate purposes for which such proceeds were utilized, (iii) the amount of Permitted Indebtedness relating to warehouse financings or securitizations utilized by each Loan Party and each Subsidiary of a Loan Party, and the applicable advance rate on each asset in the related warehouse or securitization, (iv) the Permitted Guarantees in effect as of the last day of such month, in substantially the same form as Schedule 2 hereto, including in respect of each Permitted Payment Guarantee, the maximum dollar amount guaranteed thereby (excluding ordinary course fees, expenses and indemnities), (v) the Recourse Indebtedness in effect as of the last day of such month, in substantially the same form as Schedule 3 hereto, indicating whether such Recourse Indebtedness constitutes Permitted Recourse Indebtedness and the Maximum Exposure Amount of such Recourse Indebtedness, and demonstrating in reasonable detail compliance with each of the provisions of Section 6.1(e), including, without limitation, the assets of each Borrower Subsidiary and of BSPRT on a consolidated basis, (vi) aggregate Disregarded CMBS Balance Sheet Items and the aggregate amount of B-Piece Investments, in each case, as of the last day of such month, and (vii) such other information as reasonably requested by the Administrative Agent from time to time, including in respect of any Subsidiary of the Loan Parties.

5.11 Taxes. Timely file or cause to be filed all Federal, state and other tax returns that are required to be filed and shall timely pay all taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any taxes the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on its or BSPRT's books).

5.12 Disclosable Events. If it obtains Knowledge or receives any written notice that any Loan Party or Controlled Affiliate is in violation of Section 6.17(a), 6.17(b) or 6.17(c), including any such violation that could result in the forfeiture of the proceeds of the Loans or any Collateral or a claim of forfeiture of the proceeds of the Loans or any Collateral (any such violation, a "Disclosable Event"), it shall promptly (i) give written notice to the Administrative Agent of such Disclosable Event and (ii) comply with all applicable laws with respect to such Disclosable Event. Each Loan Party hereby authorizes and consents to the Administrative Agent and each Lender taking any and all steps the Administrative Agent or such Lender deems necessary, in its sole but reasonable discretion, to avoid a violation of all applicable laws with respect to any such Disclosable Event.

5.13 Use of Proceeds. The proceeds of the Loans shall be used by the Borrower and/or the Borrower Subsidiaries (i) to fund Investments in accordance with the Investment Guidelines, and/or (ii) for general corporate purposes.

5.14 Investment Guidelines. All investments, sales, purchases, and other acquisition or disposition of any Property of any Loan Party or a Subsidiary of a Loan Party shall comply with the Investment Guidelines.

SECTION 6 NEGATIVE COVENANTS

The Borrower and the Guarantors hereby jointly and severally agree that until the Program Termination Date, the Borrower and the Guarantors shall not, and solely with respect to

Sections 6.2, 6.3, 6.4, 6.7, 6.8, 6.9, 6.12, 6.13(a), 6.14, and 6.17 shall cause each of their Subsidiaries not to, directly or indirectly:

6.1 Financial Condition Covenants.

(a) Consolidated Fixed Charge Coverage Ratio. As of any date of determination, permit the Consolidated Fixed Charge Coverage Ratio to be less than 1.50 to 1 as of such date of determination.

(b) Consolidated Tangible Net Worth. As of any date of determination, permit the Consolidated Tangible Net Worth to be less than the sum of (x) $630,000,000 *plus* (y) an amount equal to 70% of the aggregate increases in Shareholders' Equity of the Loan Parties and their Subsidiaries after the Closing Date by reason of the issuance and sale of Capital Stock of a Loan Party or any Subsidiary (other than issuances to a Loan Party or a wholly-owned Subsidiary of a Loan Party), including upon any conversion of debt securities of a Loan Party into such Capital Stock for the period commencing on September 30, 2019 and ending at the date of such determination.

(c) Cash Liquidity. As of any date of determination, permit the Cash Liquidity of the Loan Parties and their Subsidiaries, on a consolidated basis (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items), to be less than $10,000,000.

(d) Consolidated Leverage Ratio. As of any date of determination, permit the Consolidated Leverage Ratio to be greater than 3.25 to 1.

(e) Permitted Recourse Indebtedness.

(i) Permit the sum of the aggregate Maximum Exposure Amount of such Recourse Indebtedness (including, for the avoidance of doubt, the repurchase price in respect of asset or security subject to a repurchase agreement) of BSPRT and its Subsidiaries (other than Permitted Guarantees) to be greater than $850,000,000 without, in the case of each incremental increase thereafter, the prior written consent of the Required Lenders;

(ii) Permit the aggregate amount of assets (as would be reported on BSPRT's balance sheet on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items)) held or owned by any single Recourse Borrower Subsidiary and its Subsidiaries, including any asset in respect of which such Recourse Borrower Subsidiary or any of its Subsidiaries has a repurchase obligation, to be greater than the Permitted Recourse Indebtedness Individual Cap; and

(iii) Permit the aggregate amount of assets (as would be reported on BSPRT's balance sheet on a consolidated basis in accordance with GAAP (excluding, for the avoidance of doubt, all Disregarded CMBS Balance Sheet Items)) held or owned by all Recourse Borrower Subsidiaries and their respective Subsidiaries, including any asset in respect of which any such Recourse Borrower Subsidiary or any of its Subsidiaries has

a repurchase obligation, to be greater than the Permitted Recourse Indebtedness Aggregate Cap.

(f) CMBS B-Piece Cap. As of the date BSPRT or any of its Subsidiaries makes an Investment in the most subordinated class of securities offered in a commercial mortgaged-back securities transaction (each, a "B-Piece Investment" and collectively, the "B-Piece Investments"), permit (on a pro-forma basis after giving effect to such Investment) the aggregate amount of B-Piece Investments (calculated based upon the purchase prices thereof) by BSPRT and its Subsidiaries in all B-Piece Investments to exceed an amount equal to the lesser of (x) $70,000,000, and (y) 7.00% of the total equity (including preferred equity) of BSPRT (calculated in accordance with GAAP and as properly reported on its consolidated balance sheet, and excluding any Disregarded CMBS Balance Sheet Items)) for the most recently completed Reference Period prior to the date of investment in such B-Piece Investment. For the avoidance of doubt, securities offered in a commercial real estate collateralized loan obligation transaction shall not constitute B-Piece Investments.

6.2 Indebtedness; Permitted Guarantees.

(a) Create, incur, assume or suffer to exist any Indebtedness, except Permitted Indebtedness.

(b) Enter into or agree to be bound by any Permitted Performance Guarantee if, at the time of such entry, a Default or Event of Default shall be continuing or shall result therefrom.

(c) Enter into or agree to be bound by any Permitted Payment Guarantee (i) if, at the time of such entry, a Default or Event of Default shall be continuing or shall result therefrom, or (ii) unless (x) BSPRT has provided written notice of its intent to enter into a Permitted Payment Guarantee, together with a form of such Permitted Payment Guarantee, the aggregate maximum dollar amount of obligations (excluding ordinary course fees, expenses and indemnities) to be guaranteed thereunder, specifying whether such Permitted Payment Guarantee will be incurred in the ordinary course of business of the applicable Borrower Subsidiary, and such other information in respect thereof as requested by the Required Lenders, and (y) the Required Lenders have provided their prior written consent in respect of such Permitted Payment Guarantee; provided, that if the maximum dollar amount of obligations (excluding ordinary course fees, expenses and indemnities) being guaranteed by such Permitted Payment Guarantee is equal to or less than $25 million, then until the aggregate maximum dollar amount of obligations (excluding ordinary course fees, expenses and indemnities) being (or to be) guaranteed by all Permitted Payment Guarantees is equal to or greater than $100 million, (x) the Required Lenders' consent shall not be unreasonably withheld, conditioned or delayed, and (y) if the Required Lenders do not provide an affirmative response to such request for consent within five (5) Business Days of the later to occur of the receipt of such notice of intent and the information requested by the Required Lenders, such consent shall be deemed given by the Required Lenders; provided, further, that in all circumstances other

than as set forth in the prior proviso, the Required Lenders shall use commercially reasonable efforts to respond to such request for consent as soon as practicable.

(d) In respect of any Guarantor, make any payment in respect of any Guarantee Obligation (other than in respect of the Guaranteed Obligations), without a Principal Financial Officer of the applicable Guarantor providing prior written certification to the Administrative Agent and the Lenders that such payment is being made in respect of a Guarantee Obligation that constitutes a Permitted Guarantee, and that such payment is not prohibited by Section 6.6.

(e) Increase the maximum dollar amount of obligations (excluding ordinary course fees, expenses and indemnities) covered by any Permitted Payment Guarantee without the prior written consent of the Required Lenders.

6.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of the Collateral or any Capital Stock of a Subsidiary, whether now owned or hereafter acquired, except for (i) Liens in favor of the Administrative Agent and the Lenders under the Loan Documents to secure the Obligations; (ii) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings diligently conducted for which adequate reserves with respect thereto are maintained on its or BSPRT's books, as the case may be, in conformity with GAAP; (iii) Liens described on Schedule 6.3 as of the Closing Date or the replacement, extension or renewal thereof; provided, that (x) the amount of indebtedness secured by such Lien is not increased at the time of such replacement, extension or renewal other than by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with thereunder, and (y) the Collateral or Capital Stock of a Subsidiary subject to such Lien is not modified or increased in connection with such replacement, extension or renewal; (iv) judgment Liens that do not constitute an Event of Default under Section 7.1(h); (v) Liens that are customary contractual rights of setoff (x) relating to the establishment of depository relations with banks or other deposit-taking financial institutions in the ordinary course and not given in connection with the issuance of Indebtedness, or (y) relating to pooled deposit or sweep accounts of the Borrower or any of the Loan Parties to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower or any of the Loan Parties; (vi) standard and customary Liens on the Capital Stock of a Borrower Subsidiary securing Non-Recourse Indebtedness of such Borrower Subsidiary in connection with a warehouse facility which is consistent with past practices of BSPRT and its Subsidiaries or Indebtedness referred to in clause (z)(i)(y) of the definition of Non-Recourse Indebtedness; or (vii) standard and customary Liens on the Capital Stock of a Borrower Subsidiary securing Permitted Recourse Indebtedness of such Recourse Borrower Subsidiary.

6.4 Limitation on Fundamental Changes. Adopt or carry out any plan of merger, consolidation, amalgamation, liquidation, reorganization, recapitalization or wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its Property or business (other than, in respect of any Borrower Subsidiary, in connection with the repayment, or in the case of a master repurchase agreement, incurrence, of any Permitted Indebtedness), except that any Person may merge or amalgamate with the Borrower, provided, that the Borrower shall be the continuing or surviving Person and the Required Lenders have consented to such merger or amalgamation (such consent not to be unreasonably withheld, conditioned or delayed).

6.5 Dispositions. Make any Disposition or substitution of any Collateral.

6.6 Restricted Payments. If any Default (other than pursuant to (i) Section 7.1(b), (ii) Section 7.1(c) as a result of failing to comply with Section 5.7(a), (iii) Section 7.1(d) other than as a result of failing to comply with Sections 5.6 or 5.8, (iv) Section 7.1(h) or (v) Section 7.1(j)), or Event of Default shall have occurred and be continuing or would result therefrom, and, so long as any Obligations are outstanding (other than contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted), make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) or make any declaration to do so.

6.7 Collection Account. Deposit, credit or cause or allow to be deposited or credited, any assets in a Collection Account of a Loan Party other than the Collections in respect of such Loan Party.

6.8 Limitation on Modifications of Organizational Documents. Amend or permit to be amended its organizational documents in any manner determined by the Required Lenders in their good faith, commercially reasonable judgment to be materially adverse to the Lenders.

6.9 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to it as would be obtainable by it at the time in a comparable arm's-length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to (i) transaction between or among the Loan Parties not prohibited hereunder and (ii) Investments and Restricted Payments not prohibited hereunder.

6.10 Name Change. Change its name without giving the Administrative Agent and the Lenders at least two (2) Business Days' prior written notice to such change.

6.11 Limitation on Changes in Fiscal Periods; Accounting Changes. Permit the fiscal year of any Loan Party to end on a day other than December 31, change a Loan Party's method of determining fiscal quarters, or change the accounting policies or reporting practices of a Loan Party, except as required under GAAP.

6.12 Limitation on Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement (other than this Agreement or any other Loan Document) that prohibits or limits the ability of (i) any Loan Party to create, incur, assume or suffer to exist any Lien upon any of the Collateral, whether now owned or hereafter acquired, to secure the Obligations, (ii) any Subsidiary to make Restricted Payments to such Loan Party (directly or indirectly), or (iii) any Guarantor to guarantee the Guaranteed Obligations.

6.13 Limitation on Lines of Business. (a) Enter into any business, either directly or through any Subsidiary, except for those businesses which may lawfully be conducted while maintaining REIT Status and which are consistent with the Investment Guidelines.

(a) With respect to any Loan Party, engage in any material operating business activities; provided, that the following and activities incidental thereto shall be permitted in any event (i) its ownership of the Capital Stock of its Direct Subsidiaries as

set forth on Schedule 1 hereto and activities incidental thereto, (ii) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (iii) the performance of its obligations with respect to the Loan Documents, (iv) solely in respect of BSPRT, (x) any public offering of its common stock or any other issuance or sale of its Capital Stock, (y) payment of dividends, (v) making contributions to the capital of any Direct Subsidiary, (vi) guaranteeing the obligations of the Borrower, (vii) participating in the tax, accounting and other administrative matters as owners of its Direct Subsidiaries, (viii) holding any cash incidental to any activities permitted under this Section 6.13 or this Agreement, (ix) providing reasonable indemnification to its officers, managers, and directors and (x) any activities incidental to the foregoing.

6.14 Additional Capital Stock; Additional Subsidiaries. (a) In respect of a Loan Party, acquire or receive any Capital Stock after the Closing Date which does not constitute Collateral hereunder or as to which the Administrative Agent does not have a perfected first priority Lien unless on or prior to such acquisition or receipt such Loan Party shall (i) execute and deliver to the Administrative Agent such amendments to the Loan Documents (including amending Schedule 1 hereto) or such other documents, in each case, as the Administrative Agent deems reasonably necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such Property, (ii) take all actions reasonably necessary to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such Capital Stock or the Capital Stock of such Subsidiary, including without limitation, the filing of UCC financing statements in such jurisdictions as may be required under this Agreement or by law or as may be reasonably requested by the Administrative Agent.

(a) Other than as set forth in clause (a) above, establish or permit to be established a new Subsidiary, unless on or prior to such establishment the Loan Parties shall execute and deliver to the Administrative Agent a revised Schedule 1 hereto reflecting such new Subsidiary.

6.15 REIT Status. (i) Permit BSPRT to fail to meet the requirements for REIT Status; (ii) permit the Borrower to fail to be classified as a partnership for U.S. federal income tax purposes; or (iii) permit each other Loan Party that is treated as a qualified REIT subsidiary as of the date hereof, as defined by Section 856(i)(2) of the Code, to fail to meet the requirements for such subsidiary to be treated as a qualified REIT subsidiary.

6.16 Federal Regulations. Use or permit to be used the proceeds of any Loan, Collateral, or any other extensions of credit hereunder (x) in violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including without limitation, Regulations T, U and X of the Board, or (y) to carry or purchase whether directly or indirectly, immediately, incidentally or ultimately, any "margin stock" within the meaning of Regulation U as now and from time to time hereafter in effect, to extend "purpose credit" within the meaning thereof or for any purpose that violates the provisions of the Regulations of the Board.

6.17 Disclosable Events. (a) (i) Engage, directly or indirectly, in business dealings with any party subject to, or any party owned or controlled by any party subject to, Sanctions; (ii) be located, organized, or reside in, or conduct business dealings with a party

located, organized, or residing in, a Designated Jurisdiction; or (iii) derive or use income from business dealings with a party subject to Sanctions; or (iv) use the proceeds of the Loans, directly or indirectly, to lend, contribute, provide or otherwise make available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including any Secured Party) of Sanctions.

(a) Derive or use any of its assets in violation of the anti-money laundering or anti-terrorism laws or regulations of the United States, including but not limited to the USA PATRIOT Act, the Money Laundering Control Act, the Bank Secrecy Act and any related Executive Order of the President.

(b) Fail to comply with applicable anti-bribery and anti-corruption laws and regulations (including the FCPA), including any failure to so comply that may result in the forfeiture of the proceeds of the Loans or a claim of forfeiture of the proceeds of the Loans.

(c) Fail to provide the Administrative Agent and the Lenders with any information regarding any Loan Party or any Controlled Affiliate necessary for the Administrative Agent or any of the Lenders to comply with (i) the anti-money laundering laws and regulations, including but not limited to the USA PATRIOT Act, The Money Laundering Control Act, the Bank Secrecy Act and any related Executive Order issued by the President, (ii) all applicable economic sanctions laws and regulations administered by OFAC, and (iii) all applicable anti-corruption and anti-bribery laws and regulations, including the FCPA, in each case which the Administrative Agent and the Lenders have requested be provided.

SECTION 7 EVENTS OF DEFAULT

7.1 Events of Default. If any of the following events shall occur and be continuing:

(a) (i) the Loan Parties shall fail to pay any principal of any Loan when due in accordance with the terms hereof; or (ii) the Loan Parties shall fail to pay (A) any interest within three Business Days after any such interest becomes due and payable, or (B) any other Obligation within five Business Days after the Borrower receives notice thereof from the Administrative Agent or the Borrower first obtaining Knowledge of any such Obligation becoming due and payable; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document, or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished, and such breach is not remedied within ten Business Days after the earliest to occur of notice thereof to the Borrower from the Administrative Agent or any Borrower first obtaining Knowledge thereof; or

(c) any Loan Party shall fail to perform or observe any term, covenant or agreement contained in Section 5.4(a), Section 5.7(a), Section 5.9, or Section 6 (other than Section 6.10), and (other than in respect of Section 5.9, Section 6.4, and Section 6.5) such default shall continue unremedied for a period of Five Business Days after the earliest to occur of notice thereof to the Borrower from the Administrative Agent or the Borrower first obtaining Knowledge thereof; or

(d) any Loan Party shall fail to perform or observe any other term, covenant or agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after the earliest to occur of the Administrative Agent notifying any Loan Party of such failure or a Responsible Officer of a Loan Party first obtaining Knowledge thereof; or

(e) any Loan Party or its Subsidiary shall (i) default in making any payment of any principal of any Indebtedness (other than as set forth in clause (a) above) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required and subject to any cure or grace periods, such Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided that, a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness having an aggregate outstanding principal amount (including amounts owing to all creditors under any combined or syndicated credit arrangement) of which exceeds, individually or in the aggregate, (A) in respect of the Loan Parties and their Subsidiaries, $50,000,000 or (B) in respect of the Loan Parties, $25,000,000; provided, further, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default if the applicable Loan Party or Subsidiary cures such default, event or condition, as the case may be, within the grace period, if any, provided under the applicable instrument or agreement; or

(f) an Act of Insolvency shall have occurred with respect to any Loan Party; or

(g) (i) any Person shall engage in any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, or any Lien in favor

of the PBGC or a Plan shall arise on the assets of the Borrower or a Guarantor, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Plan shall terminate for purposes of Title IV of ERISA, or (v) the Borrower or a Guarantor shall, or shall be reasonably likely, to incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan; or

(h) one or more judgments or decrees shall be entered against (A) any of the Loan Parties and/or their Subsidiaries exceeding (not paid or fully covered by insurance or for which adequate reserves have not been established in accordance with GAAP) $50,000,000, individually or in the aggregate, or (B) any of the Loan Parties exceeding (not paid or fully covered by insurance or for which adequate reserves have not been established in accordance with GAAP) $25,000,000, individually or in the aggregate, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(i) any provision of this Agreement or any other Loan Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) any non-monetary judgment or order shall be rendered against any Loan Party or its Subsidiary, which individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, and there shall be any period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(k) any Change of Control shall occur; or

(l) one or more claims shall be made against BSPRT and/or Holdings in respect of the Permitted Guarantees or any other Guarantee Obligation, which claims exceed $25,000,000, individually or in the aggregate;

then, and in any such event for so long as such event is continuing, (A) if such event is an Event of Default specified in paragraph (f) above with respect to any Loan Party, the Commitments shall immediately and automatically terminate and the Loans hereunder (with accrued interest thereon) and all other Obligations shall immediately and automatically become due and payable, and (B) if such event is any other Event of Default, in addition to all rights and remedies specified in this Agreement, including without limitation, Article VIII, and the rights and remedies of a secured party under Applicable Law, including, without limitation the UCC, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, (i) by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and/or (ii) by notice to the Borrower, declare the Loans hereunder (with accrued

interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable.

SECTION 8 PLEDGE OF COLLATERAL; REMEDIES

8.1 Security Interests.

(a) In consideration of the Lenders making and maintaining the Loans and as collateral security for the prompt, complete and unconditional payment and performance of all of the Obligations, the Borrower hereby pledges, hypothecates, collaterally assigns, transfers, sets over and delivers to the Administrative Agent for the benefit of the Secured Parties and grants to the Administrative Agent for the benefit of such Secured Parties a continuing Lien upon and security interest in, all of the Borrower's right, title and interest in, to and under the following, whether now owned or existing or hereafter arising or acquired and wheresoever located:

(i) all Pledged Stock owned by the Borrower and all Collections relating thereto;

(ii) all voting, consensual rights and other rights that such has in respect of such Pledged Stock;

(iii) all of the cash, assets, investments and property from time to time credited to the Borrower's Collection Account, including all security entitlements with respect to such accounts;

(iv) the Borrower's Collection Account;

(v) all interest, dividends, stock dividends, stock splits, distributions and other money or property of any kind distributed in respect of the assets, investments, property and security entitlements described in clause (i) or (iii) above;

(vi) all rights of the Borrower in the Control Agreement and all other rights accompanying the property described above;

(vii) all books and records pertaining to the Borrower Collateral; and

(viii) all Proceeds of any and all of the foregoing.

The assets, properties and interests of the Borrower referred to in this Section 8.1(a), are hereinafter collectively referred to as the "Borrower Collateral".

(b) In consideration of the Lenders making and maintaining the Loans and as collateral security for the prompt, complete and unconditional payment and performance of all of the Guaranteed Obligations, each Guarantor hereby pledges, hypothecates, collaterally assigns, transfers, sets over and delivers to the Administrative Agent for the benefit of the Secured Parties and grants to the Administrative Agent for the benefit of such Secured Parties a continuing Lien upon and security interest in, all of

such Guarantor's right, title and interest in, to and under the following, whether now owned or existing or hereafter arising or acquired and wheresoever located:

(i) all Pledged Stock owned by such Guarantor and all Collections relating thereto;

(ii) all voting, consensual rights and other rights that such has in respect of such Pledged Stock;

(iii) all of the cash, assets, investments and property from time to time credited to such Guarantor's Collection Account, including all security entitlements with respect to such accounts;

(iv) such Guarantor's Collection Account;

(v) all interest, dividends, stock dividends, stock splits, distributions and other money or property of any kind distributed in respect of the assets, investments, property and security entitlements described in clause (i) or (iii) above;

(vi) all rights of such Guarantor in the Control Agreement and all other rights accompanying the property described above;

(vii) all books and records pertaining to its Guarantor Collateral; and

(viii) all Proceeds of any and all of the foregoing.

The assets, properties and interests of the Guarantors referred to in this Section 8.1(b), are hereinafter collectively referred to as the "Guarantor Collateral", and together with the Borrower Collateral, the "Collateral".

8.2 Pledged Stock.

(a) Unless an Event of Default shall have occurred and be continuing, and so long as the Secured Parties are required to delay or refrain from exercising any of their rights or remedies pursuant to Section 8.4(c), each Loan Party shall be permitted to receive all membership interest distributions and cash dividends paid in respect of the Pledged Stock and all payments made in respect of the Pledged Stock, in each case paid in the normal course of business of the applicable Direct Subsidiary and consistent with past practice, to the extent permitted in this Agreement, and to exercise all voting, membership interests and corporate rights with respect to the Pledged Stock; provided, however, that no vote shall be cast or corporate right exercised or other action taken which, in the Administrative Agent's commercially reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of this Agreement or any other Loan Document.

(b) If an Event of Default shall occur and be continuing, and so long as the Secured Parties are not required to delay or refrain from exercising any of their rights or remedies pursuant to Section 8.4(c), (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Stock and make application thereof to the Obligations in the order set forth in

Section 8.3, and (ii) each Loan Party shall at all times act or refrain from acting in respect of (x) any request, act or decision to vote in respect of such Pledged Stock (including all voting, corporate and other rights pertaining to such Pledged Stock at any meeting of shareholders of any applicable Direct Subsidiary or otherwise) to which it is entitled, only in accordance with the directions of the Administrative Agent on behalf of the Secured Parties, and the Administrative Agent shall exercise such rights upon the instruction of the Required Lenders in respect of such Loan Facility, and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Stock to which it is entitled, only in accordance with the directions of the Administrative Agent on behalf of the Secured Parties, and the Administrative Agent shall exercise such rights upon the instruction of the Required Lenders in respect of such Loan Facility (including, without limitation, the right to exchange at its discretion any and all of the Pledged Stock upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the corporate structure of any Direct Subsidiary of any Loan Party, or upon the exercise by a Loan Party or the Administrative Agent of any right, privilege or option pertaining to such Pledged Stock, and in connection therewith, the right to deposit and deliver any and all of the Pledged Stock with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Loan Party to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Loan Party shall, and hereby does, authorize and instruct each of its Direct Subsidiaries to (i) comply with any instruction received by it from the Administrative Agent in writing that (x) states that an Event of Default has occurred and is continuing, and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from any Loan Party, and each Loan Party agrees that each of its Direct Subsidiaries shall be fully protected by it in so complying, and (ii) unless otherwise expressly permitted hereby, during the continuance of an Event of Default pay any dividends or other payments with respect to the Pledged Stock directly to the Administrative Agent on behalf of the Secured Parties.

8.3 Priority of Payments.

(a) If an Event of Default shall have occurred and be continuing, the Administrative Agent may apply all or any part of Proceeds constituting Collateral, whether or not held in any Collection Account, in payment of the Obligations in the following order:

First, to pay incurred and unpaid fees, expenses, indemnities and other amounts of the Administrative Agent required to be paid by the Loan Parties under the Loan Documents; provided, that the aggregate amounts payable under this clause First shall not exceed $20,000;

Second, to the extent funds are remaining after the above applications, fist to each Lender in payment of the accrued and unpaid

commitment fees, and second to each Lender in payment of the accrued and unpaid interest on the Loans, in each case, based on such Lender's Revolving Credit Percentages;

Third, to the extent funds are remaining after the above applications, to the Lenders to the payment of the principal amount of the outstanding Loans to the extent due and payable on a pro-rata basis based on the Revolving Credit Percentages;

Fourth, to the extent funds are remaining after the above application, to the payment of all other Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by such Secured Parties (including amounts that remain unpaid pursuant to clause First above).

(b) If any funds are remaining after they have been applied pursuant to Section 8.3(a) and all Obligations (other than contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted) have been finally paid in full, then the Administrative Agent shall remit such remaining funds to the Loan Parties as requested by the Borrower.

8.4 Rights and Remedies Upon Event of Default.

(a) Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent or its designees may (i) deliver a Notice of Exclusive Control to the Deposit Bank under the Control Agreement; (ii) take control of the Proceeds of any Collateral; (iii) without limiting Section 8.2, exercise any consensual or voting rights in respect of the Collateral; (iv) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; and (v) endorse the name of any Loan Party upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against an account debtor. Without limiting the generality of the foregoing, if an Event of Default shall occur and be continuing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may, subject to Section 8.4(c), forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Loan Party, which right or equity is hereby waived and released. Each Loan Party further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which

the Administrative Agent shall reasonably select, whether at such Loan Party's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 8.4 with respect to any Collateral, after deducting all reasonable out-of- pocket costs and expenses incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the Secured Parties hereunder with respect thereto, including, without limitation, reasonable attorneys' fees and disbursements of outside counsel, to the payment in whole or in part of the Obligations, in the order specified in Section 8.3. To the extent permitted by applicable law, each Loan Party waives all claims, damages and demands it may acquire against the Administrative Agent or any Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 3 days before such sale or other disposition.

(b) Each Loan Party hereby irrevocably appoints the Administrative Agent as its attorney-in-fact (which appointment being coupled with an interest is irrevocable while any of the Obligations remain unpaid, other than any contingent indemnification or reimbursement obligations for which no claim giving rise thereto has been asserted), with power of substitution, in the name of the Administrative Agent or in the name of a Loan Party or otherwise, for the use and benefit of the Administrative Agent for the benefit of the Secured Parties.

(c) Notwithstanding any other provision of this Agreement, the Secured Parties agree that following the occurrence of an Event of Default (other than an Event of Default of the type specified in Section 7.1(f) or Section 7.1(k)) and so long as each of the Borrower and Guarantor are complying with Section 5.9 and causing all Collections to be applied to the Obligations in accordance with Section 8.3(a), the Secured Parties shall for the Pledge Holding Period delay, or, if (i) such Event of Default is cured by any of the Loan Parties prior to the earlier to occur of (x) the end of the Pledge Holding Period or (y) the acceleration of the Loans pursuant to the terms of this Agreement or (ii) the Borrower repays all Obligations (whether prior to or following acceleration of the Loans pursuant to the terms of this Agreement) or no Obligations are outstanding (other than, in either case, contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted), refrain from, exercising any of their rights and remedies with regards to the portion of Collateral constituting Pledged Stock, including, but not limited to, their right to sell or otherwise dispose of, right to vote, consensual rights and other rights. "Pledge Holding Period" means an initial period of thirty (30) days following the earlier to occur of (i) the date any of Michael Comparato, Jerome Baglien, Micah Goodman or Matthew Jacobs or any successor thereto in respect of the position(s) held by any such Person in respect of any of the Loan Parties has actual knowledge (as distinguished from imputed or constructive and without duty of further inquiry or investigation) of an Event of Default, and (ii) the Administrative Agent notifies the Borrower of the occurrence of an Event of Default, plus up to four (4) additional twenty (20) day increments thereafter, so long as immediately prior to each such extension the Borrower or the Guarantors have repaid an amount equal to ten percent (10%) of the amount of the Obligations outstanding on the initial date of such Event of

Default whether before or after acceleration of the Loans pursuant to the terms of this Agreement; provided, however, that any Pledge Holding Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

8.5 Secured Parties Not Bound.

(a) This Agreement shall not be construed as creating a partnership or joint venture agreement among any Secured Party and any Loan Party.

(b) No Secured Party shall be obligated to perform or discharge any obligation of any Loan Party or any other Person as a result of any collateral assignment hereby effected. No Secured Party shall be required to take any action with respect to any matter that might arise in connection with organizational documents of any Loan Party or any of its Subsidiaries. No Secured Party has any duty to determine or inquire into any happening or occurrence or any performance or failure of performance of any Loan Party or any of its Subsidiaries. No Secured Party shall have any duty as to the collection or protection of any Collateral or any income thereon or payments with respect thereto, or as to the preservation of any rights pertaining thereto.

(c) The acceptance by the Secured Parties of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate any Secured Party to appear in or defend any action or proceeding relating to any Collateral to which it is not a party, or to take any action hereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under any Collateral.

8.6 Remedies Cumulative.

Each right, power, and remedy of the Agent and the other Secured Parties, or any of them, as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Administrative Agent or any other Secured Party of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by such Persons of any or all such other rights, powers, or remedies.

SECTION 9 GUARANTEE

9.1 Guarantee. (a) Each Guarantor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby, jointly and severally, unconditionally and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Secured Parties and their respective successors, endorsees, transferees and assigns permitted in accordance with Section 11.6, the prompt and complete payment and performance by the Borrower when due (whether on an Interest Payment Date, at stated maturity, by acceleration or otherwise) of the principal and interest on the Loans made by the Lenders and all other

Obligations from time to time owing under this Agreement and the other Loan Documents (such obligations herein, collectively, the "Guaranteed Obligations").

(a) Each Guarantor hereby further agrees that if the Borrower shall fail to pay in full when due (whether on an Interest Payment Date, at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors, jointly and severally, will promptly pay the same (and in any case, no later than the Business Day on which the Borrower failed to make such payment), and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether on an Interest Payment Date, at stated maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. The guarantee in this Section 9.1 is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

(b) The guarantee contained in this Section 9 shall remain in full force and effect until all the Obligations and the obligations of the Guarantors hereunder shall have been satisfied by full and final payment in cash and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Agreement the Borrower may be free from any Obligations.

(c) No payment made by any Loan Party, any other guarantor or any other Person or received or collected by the Administrative Agent or any Secured Party from any Loan Party, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantors under this Section 9 which shall, notwithstanding any such payment (other than any payment made by the Borrower or the Guarantors in respect of the Obligations or any payment received or collected from the Borrower or the Guarantors in respect of the Obligations), remain liable for the Obligations until the Obligations are fully and finally paid in cash and the Commitments are terminated.

(d) Each Guarantor shall pay additional amounts to, and indemnify, each Secured Party (including for purposes of this Section 9, any permitted assignee, successor or participant) with respect to taxes imposed on payments pursuant to this guarantee to the same extent as the Borrower would have paid additional amounts and indemnified such Secured Party with respect to taxes under Sections 2.12 and 2.13, if such Guarantor were the Borrower hereunder. For the avoidance of doubt, any such payments are in addition to the Guarantor's obligation to pay any amounts required to be paid by the Borrower to any Secured Party. The agreements in this Section 9.1(e) shall survive the termination of this guarantee and the payment of the Loans and all other amounts payable under this Agreement.

9.1 Subrogation. Upon any payment made by any Guarantor hereunder or any set-off or application of funds of a Guarantor by the Administrative Agent or any Secured Party, such Guarantor shall be subrogated to the rights of the Administrative Agent or any Secured Party against the Borrower and the other Guarantors and any collateral security or guarantee or

right of offset held by the Administrative Agent or any Secured Party for the payment of the Obligations; provided, that such Guarantor shall not seek to enforce any right or receive any payment by way of subrogation until all the Loans and other Obligations (other than contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted) have been paid in full and the Commitments have been terminated; provided, further, that such subrogation rights shall be subordinate in all respects to all amounts owing to the Administrative Agent or any Secured Party under the Loan Documents.

9.2 Amendments, etc. with respect to the Obligations. Until all the Loans and other Obligations have been paid in full and the Commitments have been terminated, each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Secured Party may be rescinded by the Administrative Agent or such Secured Party and any of the Obligations continued, and the Obligations, or the liability of any other Person 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 the Administrative Agent or any Secured Party in accordance with this Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Secured Party for the payment of the Obligations may be sold, exchanged, waived, surrendered or released in accordance with the Loan Documents. Neither the Administrative Agent nor any Secured Party shall, except to the extent set forth in, and for the benefit of the parties to, the agreements and instruments governing such Lien or guarantee, have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for the guarantees contained in this Section 9 or any property subject thereto. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not affect the liability of any Guarantor hereunder:

(i) at any time or from time to time, without notice to it, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions of this Agreement or any other Loan Document shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or any other Loan Document shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or the Collateral or any lien or security interest granted to, or in favor of, the Administrative Agent or any other Secured Party as security for any of the Guaranteed Obligations shall fail to be perfected.

9.3 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Secured Party upon the guarantee contained in this Section 9 or acceptance of the guarantee contained in this Section 9; the Obligations, 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 guarantee contained in this Section 9; and all dealings between any Borrower and the Guarantor, on the one hand, and the Administrative Agent and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 9. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Borrower with respect to the Obligations and any requirement that any Secured Party exhaust any right, power or remedy or proceed against any Person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Administrative Agent, on behalf of the Secured Parties, may from time to time enforce against any Guarantor its rights under this Agreement or any other Loan Document without being required to first proceed or exhaust its remedies against the Borrower. Each Guarantor understands and agrees that the guarantee of the Guarantors contained in this Section 9 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the value, genuineness, validity, regularity or enforceability of this Agreement or any other Loan Document, any of the Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Secured Party, (ii) 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 the Borrower or any other Person against the Administrative Agent or any Secured Party, (iii) the failure of any other Guarantor to make payment in respect of the Guaranteed Obligations, (iv) or any substitution, release or exchange of any other guarantee of or security for the Guaranteed Obligations, or (v) any other circumstance whatsoever (with or without notice to or Knowledge of the Borrower or any Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of a Guarantor under the guarantee of such Guarantor contained in this Section 9, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against a Guarantor, the Administrative Agent or any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, another Guarantor or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, another Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, another Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve such Guarantor of any obligation or liability under this Section 9, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Secured Party against such Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

9.4 Reinstatement. The guarantee contained in this Section 9 shall continue to be effective, or be automatically reinstated, as the case may be, if at any time payment, or any

part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any other Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Loan Party or any substantial part of its property, or otherwise, all as though such payments had not been made. Each Guarantor agrees that it will jointly and severally indemnify the Administrative Agent and each other Secured Party on demand for all reasonable costs and expenses (including, without limitation, fees of counsel) incurred by the Secured Parties in connection with such rescission or restoration.

9.5 Payments. Each Guarantor hereby guarantees that payments by it hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the Payment Office, and subject to the provisions of Section 2.11 as if the Borrower were making such payment.

9.6 Subordination. Each Guarantor hereby subordinates any and all debts, liabilities and other obligations owed to such Guarantor by each other Loan Party (the "Subordinated Obligations") to the Guaranteed Obligations to the extent and in the manner set forth in this Section 9.7.

(a) Except during the continuance of a Default or an Event of Default, each Guarantor may receive regularly scheduled payments or payments made in the ordinary course of business from any other Loan Party on account of the Subordinated Obligations. After the occurrence and during the continuance of a Default or an Event of Default, however, unless the Administrative Agent otherwise agrees, no Guarantor shall demand, accept or take any action to collect any payment on account of the Subordinated Obligations.

(b) In any proceeding under the Bankruptcy Code relating to any other Loan Party, each Guarantor agrees that the Secured Parties shall be entitled to receive payment in full in cash of all Guaranteed Obligations (including all interest and expense accruing after the commencement of a proceeding under the Bankruptcy Code), whether or not constituting an allowed claim in such proceeding ("Post Petition Interest") before such Guarantor receives payment of any Subordinated Obligations.

(c) After the occurrence and during the continuance of any Default or Event of Default, each Guarantor shall, if the Administrative Agent so requests, collect, enforce and receive payments on account of the Subordinated Obligations as trustee for the Secured Parties and deliver such payments to the Administrative Agent on account of the Guaranteed Obligations (including all Post Petition Interest), together with any necessary endorsements or other instruments of transfer, but without reducing or affecting in any manner the liability of such Guarantor under the other provisions of the guaranty pursuant to this Section 9.

(d) After the occurrence and during the continuance of any Default or Event of Default, the Administrative Agent is authorized and empowered (but without any obligation to do so), in its discretion, (i) in the name of each Guarantor, to collect and enforce, and to submit claims in respect of, Subordinated Obligations and to apply any

amounts received thereon to the Guaranteed Obligations (including any and all Post Petition Interest), and (ii) to require each Guarantor (A) to collect and enforce, and to submit claims in respect of, Subordinated Obligations, and (B) to pay any amounts received on such obligations to the Administrative Agent for application for the Guaranteed Obligations (including any and all Post Petition Interest).

9.7 Release of Guarantee Obligations. Notwithstanding anything to the contrary contained herein or any other Loan Document, after the Program Termination Date, upon request of the Guarantors, the Administrative Agent shall take such actions as shall be required to release all Guarantee Obligations under any Loan Document. Any such release of Guarantee Obligations shall be deemed subject to the provision that such Guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Loan Party or any substantial part of its property, or otherwise, all as though such payment had not been made.

SECTION 10 ADMINISTRATIVE AGENT

10.1 Authorization and Action.

(a) Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or the other Loan Documents, the Administrative Agent shall not be required to exercise any discretion or take any action, whether at the direction of the Required Lenders or otherwise but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders; provided, however, that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement, the other Loan Documents or applicable Law. Concurrently herewith, each Lender directs the Administrative Agent and the Administrative Agent is authorized to enter into the Loan Documents and any other related agreements in the forms presented to the Administrative Agent. The provisions of this Section 10 are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any other Loan Party shall have any rights as a third party beneficiary of any such provisions. Each Lender agrees that in any instance in which this Agreement provides that the Administrative Agent's consent may not be unreasonably withheld, provide for the exercise of the Administrative Agent's reasonable discretion, or provide to a similar effect, such Lender shall not in its instructions (or, by refusing to provide instruction) to the Administrative Agent withhold its consent or exercise its discretion in an unreasonable manner. It is expressly agreed and acknowledged that the Administrative Agent is not guaranteeing performance of, or assuming any liability, for the obligations of the other parties hereto or any parties to any Collateral. The

Administrative Agent shall not have liability for any failure, inability or unwillingness on the part of any Loan Party to provide accurate and complete information on a timely basis to the Administrative Agent, or otherwise on the part of any such party to comply with the terms of this Agreement, and shall have no liability for any inaccuracy or error in the performance or observance on the Administrative Agent's part of any of its duties hereunder that is caused by or results from any such inaccurate, incomplete or untimely information received by it, or other failure on the part of any such other party to comply with the terms hereof. For purposes of clarity, phrases such as "satisfactory to the Administrative Agent," "approved by the Administrative Agent," "acceptable to the Administrative Agent," "as determined by the Administrative Agent," "in the Administrative Agent's discretion," "selected by the Administrative Agent," "elected by the Administrative Agent," "requested by the Administrative Agent," if any, and phrases of similar import (including, without limitation, any allocations to be determined by the Administrative Agent pursuant to any Loan Document or any actions required of the Administrative Agent in connection with the collection, adjustment or settlement under an insurance policy pursuant to any Loan Document) that authorize and permit the Administrative Agent to approve, disapprove, determine, act or decline to act in its discretion shall be subject to the Administrative Agent's receiving written direction from the Required Lenders to take such action or to exercise such rights.

(b) If the Person serving as the Administrative Agent hereunder is also a Lender, the Administrative Agent shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person servicing as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any of their Affiliates as if such Person were not the Administrative Agent hereunder and without any duty to account therefore to the Lenders.

(c) The Administrative Agent shall promptly provide each Lender with copies of all notices, reports and other information it receives pursuant to this Agreement and the other Loan Documents, except to the extent that any Loan Party is expressly obligated to provide the same directly to each Lender.

10.2 Administrative Agent's Reliance, Etc.

The Administrative Agent shall not have any duties or obligations except for those expressly set forth in this Agreement and the other Loan Documents to which it is a party, and no implied covenants, duties, obligations or liabilities shall be read into this Agreement or any other Loan Documents on the part of the Administrative Agent. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any of the other Loan Documents, except for its or their own gross negligence or willful misconduct, as determined in a final non-appealable decision by a court of competent jurisdiction. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as

shall be necessary), or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until it has received written notice describing such event from a Loan Party or a Lender and stating that such notice is a "notice of Default" or "notice of Event of Default", as applicable. The Administrative Agent shall take such action with respect to any such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interest of the Lenders. Without limiting the generality of the foregoing, the Administrative Agent: (i) may consult with legal counsel (including local counsel and counsel for any Loan Party) and independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Secured Party or any other Person and shall not be responsible to any Secured Party or any Person for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or the other Loan Documents; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of the Deposit Bank or any other Person or to inspect the property (including the books and records) of any Loan Party; (iv) shall not be responsible to any Secured Party or any other Person for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Loan Documents, the Collateral or any other instrument or document furnished pursuant hereto or thereto; (v) shall not be subject to any fiduciary or implied duties regardless of whether a Default or Event of Default has occurred and is continuing; (vi) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers, expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law; and (vii) shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon any notice, consent, certificate or other instrument or writing (which may be delivered by telecopier, telegram, cable, e-mail or telex) believed by it to be genuine and signed or sent by the proper party or parties. The Administrative Agent may at any time request instructions from the applicable Lenders with respect to any actions or approvals which by the terms of this Agreement or of any of the other Loan Documents the Administrative Agent is permitted or required to take or to grant. If, in performing its duties under this Agreement, the Administrative Agent is required to decide between alternative courses of action or has received conflicted directions or any other directions from Lenders who do not satisfy the definition of Required Lenders, the Administrative Agent may refrain from taking any action until it receives instructions from the Required Lenders. Nothing herein or in any other Loan Document or related documents shall obligate the Administrative Agent to advance, expend or risk its own funds, or to take any action which in its reasonable judgment may cause it to incur any expense or financial or other liability for which it does not reasonably expect to be indemnified to its satisfaction. The Administrative Agent shall not be liable for any indirect, special, punitive or

consequential damages (included but not limited to lost profits) whatsoever, even if it has been informed of the likelihood thereof and regardless of the form of action. Before acting hereunder, the Administrative Agent shall be entitled to request, receive and rely upon such certificates and opinions as it may reasonably determine appropriate with respect to the satisfaction of any specified circumstances or conditions precedent to such action. The Administrative Agent shall not be responsible or liable for: (i) delays or failures in performance resulting from acts beyond its control, including but not limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters, the unavailability of communications or computer facilities, the failure of equipment or interruption of communications or computer facilities, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility, (ii) any delay, error omission or default of any mail, telegraph, cable or wireless agency or operator, or (iii) the acts or edicts of any government or governmental agency or other group or entity exercising governmental powers. The Administrative Agent shall not be liable for interest on any money received by it. For the avoidance of doubt, the Administrative Agent's rights, protections, indemnities and immunities provided herein shall apply to the Administrative Agent for any actions taken or omitted to be taken under any Loan Documents and any other related agreements in any of their capacities. The Administrative Agent shall not be required to take any action under this Agreement, the other Loan Documents or any related document if taking such action (A) would subject the Administrative Agent to a tax in any jurisdiction where it is not then subject to a tax, or (B) would require the Administrative Agent to qualify to do business in any jurisdiction where it is not then so qualified.

10.3 Indemnification.

Whether or not the transactions contemplated hereby are consummated, each of the Lenders agrees to indemnify and hold the Administrative Agent and its Related Parties harmless (to the extent not timely reimbursed by or on behalf of the Loan Parties and without limiting the obligation of the Loan Parties to do so), based on such Lender's pro rata share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever actually imposed on, incurred by, or asserted against the Administrative Agent or its Related Parties in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by the Administrative Agent under this Agreement or any other Loan Document, which the Administrative Agent in good faith believes to be within the scope of the authority conferred on the Administrative Agent hereunder or thereunder, including, but not limited to, at the direction of the Required Lenders; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment). Without limitation of the foregoing, each of the Lenders agrees to pay or reimburse the Administrative Agent based on and to the extent of such Lender's pro rata share promptly upon demand for any out-of-pocket fees, costs and expenses of the Administrative Agent (limited, in respect of legal fees, to reasonable fees and disbursements of one outside counsel) incurred by the Administrative Agent (whether through negotiations, legal proceedings or otherwise) in connection with the development, preparation, review, negotiation, reproductions,

execution, delivery, administration, modification, amendment, restructuring, enforcement of (including the preservation of any rights under), this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, including, without limitation, the reasonable fees and disbursements and other charges of outside counsel to the Administrative Agent with respect thereto and with respect to advising the Administrative Agent, as to its rights, remedies and responsibilities under this Agreement and the other Loan Documents, to the extent that the Administrative Agent is not timely reimbursed for such expenses by or on behalf of the Loan Parties. Each Lender shall be obligated to pay its pro rata share of all amounts payable to the Administrative Agent under this Section 10.3. The indemnities contained in this Section 10.3 shall survive the resignation or removal of the Administrative Agent and the termination of this Agreement and the other Loan Documents. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the outstanding Loans and unused Commitments at such time (or if such indemnity payment is sought after the date on which the Loans have been paid in full and the Commitments are terminated, in accordance with such Lender's pro rata share on the date immediately prior to the date on which the Loans are paid in full and the Commitments are terminated).

10.4 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent with due care. The Administrative Agent and any such sub-agents may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section 10 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the loan facilities provided for herein as well as activities as Administrative Agent; provided, however, that the Administrative Agent shall remain liable for acts or omissions of its Affiliates as if the Agent had performed any such act or omission directly.

10.5 Resignation or Removal of Administrative Agent.

The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. The Required Lenders may at any time remove the Administrative Agent by providing at least 60 days' prior written notice to the Administrative Agent, the Borrower and the other Lenders. Upon receipt of any such notice of resignation or removal, the Required Lenders shall appoint a bank or financial institution which has a long-term unsecured debt rating from Moody's Investors Service, Inc. of at least "Baa3" (an "Eligible Administrative Agent"). If no such Eligible Administrative Agent shall (i) have been so appointed by the Required Lenders and (ii) have accepted such appointment within forty-five (45) days after the retiring Administrative Agent gives notice of its resignation or the Required Lenders give notice of removal, then the retiring Administrative Agent or the Borrower may on behalf of the Lenders appoint an Eligible Administrative Agent. Any Administrative Agent that is retiring or has received a notice of removal shall cooperate with all reasonable requests of a successor Administrative Agent. Upon the acceptance of an Eligible Administrative Agent's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) or removed Administrative

Agent, as applicable, and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). If no successor Eligible Administrative Agent shall have accepted appointment as the Administrative Agent by the date which is sixty (60) days after the retiring Administrative Agent's notice of resignation or the notice of removal from the Required Lenders, the retiring Administrative Agent's resignation or removal, as applicable, shall nevertheless thereupon become effective and the Required Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. After the Administrative Agent's resignation or removal hereunder, the provisions of this Section 10, Section 2.14 and Section 11.5 shall continue in effect for the benefit of such retiring Administrative Agent, its agents, sub-agents, custodians, nominees, attorneys and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

10.6 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.7 Payment of Fees to the Administrative Agent.

Each Loan Party, jointly and severally, covenants and agrees to timely pay to the Administrative Agent, for its own account, the administrative fees and other expenses set forth in the Administrative Agent Fee Letter at the times and in the amounts specified therein.

10.8 Proof of Claims.

The Lenders hereby agree that after the occurrence of an Event of Default pursuant to Section 7.1(f), in case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Lenders, the Administrative Agent (irrespective of whether the principal of the Loans or any other Obligation shall be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent, shall have made any demand on the Lenders) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Loans and any other Obligations that are owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the

Lenders, the Administrative Agent, and their agents and counsel and all other amounts due the Lenders and the Administrative Agent) allowed in such judicial proceeding;

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and

any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to Administrative Agent any amount due for the compensation, expenses, disbursements and advances of the Administrative Agent and their agents and counsel, and any other amounts due the Administrative Agent. Nothing herein contained shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Administrative Agent to vote in respect of the claim of any Lender in any such proceeding. Further, nothing contained in this Section 10.8 shall affect or preclude the ability of any Lender to (i) file and prove such a claim in the event that the Administrative Agent has not acted within ten (10) days prior to any applicable bar date, and (ii) require an amendment of the proof of claim to accurately reflect such Lender's outstanding Obligations.

SECTION 11 MISCELLANEOUS

11.1 Amendments and Waivers. (a) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, restated, supplemented or modified except in accordance with the provisions of this Section 11.1 unless (other than as set forth in Section 2.13) the same shall be in writing and signed by each Loan Party, the Required Lenders and the Administrative Agent. Any waiver of any provision of this Agreement, and any consent to any departure by any Loan Party from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which given and shall be in writing and signed by the Administrative Agent and the Required Lenders relating to each Loan Facility.

(a) Notwithstanding anything in Section 11.1(a) of this Agreement to the contrary, the Administrative Agent agrees that it shall not, without the prior written consent of each affected Lender:

(i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable under this Agreement (except that (w) any amendment pursuant to Section 2.13, (x) the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders), (y) any amendment or modification of defined terms used in the financial condition covenants in this Agreement and (z) a waiver of any Default, Event of Default or mandatory reduction of the Commitments shall not constitute a forgiveness in principal (which amendment or modification shall be effective with the consent of the Required Lenders) shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any

payment thereof, or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the consent of each Lender directly affected thereby, except that a waiver of any Default, Event of Default or mandatory reduction of the Commitments shall not constitute an extension of any scheduled date of payment or increase in the amount or extend the expiration of the Commitments;

(ii) amend, modify or waive any provision of this Section, reduce any percentage specified in the definition of "Required Lenders", consent to the assignment or transfer by any Loan Party of any of its rights and obligations under this Agreement and the other Loan Documents or release any Loan Party from its respective obligations under the Loan Documents, in each case without the consent of all of the Lenders;

(iii) amend, modify or waive any provision of Section 10, or any other provision affecting the rights, duties or obligations of the Administrative Agent, without the consent of the Administrative Agent;

(iv) amend, modify or waive any provision of Section 2.11 without the consent of each Lender directly affected thereby;

(v) impose restrictions on assignments and participations that are more restrictive than, or additional to, those set forth in Section 11.6 without the consent of each Lender directly affected thereby;

(vi) release any Collateral from the Lien under this Agreement; or

(vii) impair in any material respect, any of the material rights and remedies that the Administrative Agent, on behalf of the Secured Parties, has under any Loan Document following an Event of Default.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Any such waiver, amendment, supplement or modification shall be effected by a written instrument signed by the parties required to sign pursuant to the foregoing provisions of this Section; provided that delivery of an executed signature page of any such instrument by facsimile transmission or electronic communication shall be effective as delivery of a manually executed counterpart thereof.

11.2 Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy or electronic mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice or electronic mail, when received, addressed (i) in the case of the Loan Parties, Administrative Agent and the Lenders, as follows, (ii) in the case of a Lender which becomes a party to this Agreement pursuant to an Assignment and Assumption, in such

Assignment and Assumption or (iii) in the case of any party, to such other address as such party may hereafter notify to the other parties hereto:

If to the Borrower or the Guarantors:	c/o Benefit Street Partners Realty Trust LP, LLC 1345 Avenue of the Americas, Suite 32A New York, NY 10105 Attention: Micah Goodman and Jerome Baglien Telephone: 212-588-6770 Email: m.goodman@benefitstreetpartners.com and j.baglien@benefitstreetpartners.com with a copy to Nelson Mullins Riley & Scarborough LLP One Post Office Square, 30th Floor Boston, MA 02109 Attention: James W. Bartling Telephone: (617) 217-4692 E-mail: jim.bartling@nelsonmullins.com
If to the Administrative Agent:	Cortland Capital Market Services LLC 225 W. Washington St., 9th Floor Chicago, IL 60606 Attention: Legal Department and Raquel Pequeno Telephone: (312) 564-5100 Telecopy: (312) 376-0751 Email: legal@cortlandglobal.com and Raquel.pequeno@cortlandglobal.com With a copy to: Holland & Knight LLP 150 N. Riverside Drive, Suite 2700 Chicago, Illinois 60606 Attention: Joshua M. Spencer Telephone: (312) 715-5709 Fax: (312) 578-6666 Email: joshua.spencer@hklaw.com
If to the Lenders:	Security Benefit Life Insurance Company Attention: Howell Li, Associate Counsel One Security Benefit Place Topeka, Kansas 66636-0001 Telephone: (785) 438-1472 Email: legalnotice@securitybenefit.com

; provided that, any notice, request or demand to or upon the Administrative Agent or any Lender shall not be effective until received.

(b) Without limiting Section 11.2(a), notices and other communications to the Administrative Agent, the Loan Parties or the Lenders hereunder may be delivered or furnished by any other electronic communications pursuant to procedures mutually approved by the Administrative Agent and the Loan Parties.

11.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges at law or in equity. No notice to or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

11.4 Survival of Representations and Warranties. All representations and warranties made herein, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder. The agreements set forth in Sections 2.12, 2.13, 2.14, 2.15, and 11.5 shall survive the termination of this Agreement.

11.5 Payment of Expenses. (a) Each Loan Party jointly and severally agrees to pay or reimburse on demand all fees, costs, and expenses of the Secured Parties (limited, in respect of legal fees, to the fees and disbursements of one outside counsel for the Administrative Agent and one outside counsel for the Lenders (as a whole) (whether through negotiations, legal proceedings or otherwise), in connection with (i) the development, preparation, review, negotiation, reproductions, execution, delivery, administration, modification, amendment, restructuring, enforcement of (including the preservation of any rights under), this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, including, without limitation, the reasonable fees and disbursements and other charges of one outside counsel to the Administrative Agent and one outside counsel to the Lenders (as a whole) with respect thereto and with respect to advising any Secured Party, as to its rights, remedies and responsibilities under this Agreement and the other Loan Documents, and (ii) obtaining the Required Facility Rating from a Rating Agency (including pursuant to Section 11.17) for Facility and maintaining the Facility Rating (including the Required Facility Rating, if applicable).

(b) Each Loan Party jointly and severally agrees to indemnify and hold harmless each Secured Party, its Affiliates, and their respective Related Parties (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees, disbursements and other charges of counsel) (collectively, the "Indemnified Liabilities") actually incurred by, asserted, imposed or awarded against

an Indemnitee arising out of, in connection with, or as a result of the execution, delivery, enforcements, performance, administration of or otherwise arising out of or incurred in connection with this Agreement, any other Loan Document, any commitment letter or fee letter in connection therewith, any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the transactions contemplated hereby or thereby (and regardless of whether or not any such transactions are consummated), including, without limitation any such Indemnified Liability that is incurred or arises out of or in connection with, or by reason of any one or more of the following (i) preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with this Agreement or any other Loan Document or any of the transactions contemplated hereby or thereby; (ii) any breach or alleged breach of any covenant or agreement by a Loan Party or any Deposit Bank contained in any Loan Document; (iii) any representation or warranty made or deemed made by a Loan Party or any Deposit Bank, contained in any Loan Document or in any certificate, statement or report delivered in connection therewith is, or is alleged to be, false or misleading; (iv) any failure by a Loan Party or any Deposit Bank to comply with any applicable Law or contractual obligation binding upon it; (v) any failure to vest, or delay in vesting, in the Secured Parties a first priority perfected security interest in the Collateral; (vi) any action or omission, not expressly authorized by the Loan Documents, by a Loan Party or any Deposit Bank, which has the effect of subjecting the Collateral or the rights of the Administrative Agent or the Secured Parties with respect thereto to a Lien (other than any Lien created under this Agreement); (vii) any Default or Event of Default; (viii) any transactions related to the funding, carrying or repayment of the outstanding principal amount of any Loan in connection with the Loan Documents; (ix) any Loan or the use or proposed use of the proceeds thereof; (x) any actual or alleged presence or release of Materials of Environmental Concern on or from any property owned, occupied or operated by the Borrower or any other Loan Party, or any Environmental Liability related in any way to the Borrower or any other Loan Party or any of their respective properties (other than any such presence or release to the extent first arising solely after the date on which the Administrative Agent or any Secured Party enforces its remedies with respect to such property or the Collateral of the applicable Loan Party pursuant to the Loan Documents following an Event of Default by transferring the respective property or Collateral pursuant to a foreclosure, accepting a deed in lieu of foreclosure or similar transfer thereof or the appointment of a receiver by a court of competent jurisdiction with respect thereto); or (xi) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by any third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that, no Loan Party shall have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or a material breach of this Agreement by such Indemnitee. To the fullest extent permitted by applicable law, each party hereto shall not assert, and hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result

of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof; provided that such waiver of special, indirect, consequential or punitive damages shall not otherwise limit the indemnification obligations of the Loan Parties under this Section. No Secured Party shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(c) Without limiting the foregoing, and to the extent permitted by applicable law, each Loan Party agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries so to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section shall be payable not later than 30 days after written demand therefor. Statements payable by the Borrower pursuant to this Section shall be submitted to the address of the Borrower set forth in Section 9.2, or to such other Person or address as may be hereafter designated by the Borrower in a notice to the Administrative Agent. The agreements in this Section shall survive repayment of the Loans and all other amounts payable hereunder. For the avoidance of doubt, this Section 11.2 shall not apply to Taxes, except any Taxes that represent losses or damages arising from any non-Tax claim.

11.6 Assignability. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (x) unless otherwise provided herein (including without limitation as permitted under Section 6.4) no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and (y) no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) in accordance with the provisions of Section 11.6(b), (ii) by way of participation in accordance with the provisions of Section 11.6(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions Section 11.6(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 11.6(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Secured Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may at any time assign all or a portion of its rights and obligations under this Agreement (including all or a portion of its Loans at the time owing to it); provided, that any such assignment shall be subject to the following conditions:

(i) (A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender, no minimum amount need be assigned; and (B) in any case not described in clause (A) above, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding hereunder), or if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $1,000,000 unless the Administrative Agent otherwise consents (such consent not to be unreasonably withheld or delayed).

(ii) The parties to each assignment shall execute and deliver to the Administrative Agent (with a copy to the Borrower) an Assignment and Assumption, together with a processing fee of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and all know your customer documentation, as requested by the Administrative Agent, including but not limited to a properly completed and duly executed IRS Form W-9 (or other applicable tax form).

(iii) No such assignment shall be made to any Person that does not represent that it is an "Eligible Assignee."

(iv) So long as no Event of Default has occurred or is continuing, no such assignment shall be made to any Person that represents that it is a "Non-Approved Assignee" without the consent of the Borrower (such consent not to be unreasonably withheld or delayed); provided, that if, prior to the occurrence and continuance of an Event of Default, such assignment is made to a Person that represented that it is not a Non-Approved Assignee in an Assignment and Assumption, which representation is proved to have been false as of the effective date of such assignment (a "Defaulting Non-Approved Assignee"), (x) solely for purposes of calculating "Required Lenders", such Defaulting Non-Approved Assignee's and its Affiliates' Commitments (or Revolving Credit Extensions, as applicable) shall (so long as such Commitments or Revolving Credit Extensions are held by such Defaulting Non-Approved Assignee and/or its Affiliates) be deemed to be no greater than 50%, and (y) such false representation shall be deemed to be a material breach of this Agreement by such Defaulting Non-Approved Assignee for purposes of Section 11.5(b), unless, in each case, otherwise consented to in writing by the Borrower.

(v) Such Lender shall take commercially reasonable efforts to provide notice of such proposed assignment to the Borrower at least two (2) Business Days prior to the effective date of such assignment.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 11.6(c), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall,

to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.14, 2.15, and 11.5 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower (at its expense) shall executed and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 9.6(d).

(c) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices located in the United States, a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, the Commitments, and the Revolving Credit Percentages of each Lender, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive (absent manifest error), and the Loan Parties, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior written notice.

(d) Any Lender may at any time, without the consent of, or notice to, any Loan Party or the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 11.1(b) that directly affects such Participant. Each Loan Party agrees that each Participant shall be entitled to the benefits of Sections 2.12, 2.13, 2.14, 2.15, and 11.5 and the other terms and provisions of this Agreement that relate to rates, determinations, reserves and capital adequacy requirements to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.6(b) (it being understood that the documentation required under Section 11.3(e) shall be

delivered to the Lender who sells the participation); provided, that such Participant (A) agrees to be subject to the provisions of Section 2.12 as if it were an assignee under paragraph (b) of this Section, and (B) shall not be entitled to receive any greater payment under Sections 2.12, 2.13, 2.14, 2.15, and 11.5 with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, unless (x) the sale of the participation to such Participant is made with the Borrower's prior written consent, or (y) such entitled to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.16 with respect to any Participant. To the extent permitted by law, each Participant shall be entitled to the benefits of Section 11.7 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided, that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, or its other obligations under any Loan Documents), except to the extent that such disclosure is necessary to establish that such Participant's interest in the commitments, loans or other obligations under the Program Documents 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 such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided, that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

11.7 Adjustments; Set-off. (a) Except to the extent that this Agreement provides for payments to be allocated to a particular Lender or to the Lenders, if any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7.1(f) or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that (i) if all or any portion of such excess payment

or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest and (ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by any Loan Party pursuant to and in accordance with the express terms of this Agreement, or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant.

(b) Subject to Section 11.7(c), in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, at any time and from time to time while an Event of Default shall have occurred and be continuing, without prior notice to any Loan Party, any such notice being expressly waived by each Loan Party to the extent permitted by applicable law, upon any amount becoming due and payable by any Loan Party hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of any Loan Party, as the case may be. Each Lender agrees promptly to notify the applicable Loan Party or Loan Parties and the Administrative Agent after any such setoff and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such setoff and application.

(c) Each Lender hereby acknowledges that the exercise by any Lender of offset, set-off, banker's lien or similar rights against any deposit account or other property or asset of any Loan Party could result under certain laws in significant impairment of the ability of all Lenders to recover any further amounts in respect of the Obligations. Each Lender hereby agrees not to charge or offset any amount owed to it by any Loan Party against any of the accounts, property or assets of any Loan Party held by such Lender without the prior written approval of the Required Lenders.

11.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

11.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Loan Parties, the Administrative Agent, and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or

warranties by the Administrative Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

11.11 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

11.12 Submission To Jurisdiction; Waivers. Each of the Loan Parties, the Lenders and the Administrative Agent hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it, as applicable, at its address set forth in Section 11.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

For avoidance of doubt, nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

11.13 Acknowledgements. Each Loan Party hereby acknowledges that:

(a) it has been advised by and consulted with its own legal, accounting, regulatory and tax advisors (to the extent it deemed appropriate) in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Loan Party arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the

Administrative Agent and the Lenders, on one hand, and such Loan Party, on the other hand, in connection herewith or therewith is solely that of debtor and creditor;

(c) it is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and

(d) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Administrative Agent and the Lenders or among the Loan Parties and the Lenders.

11.14 Confidentiality. Each of the Administrative Agent and the Lenders agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is expressly designated by such Loan Party as confidential (including the terms hereof or any other Loan Document); provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any Affiliate of any thereof, (b) to any Participant or Eligible Assignee (each, a "Transferee") or prospective Transferee, that agrees to comply with the provisions of this Section or substantially equivalent provisions, (c) to any of its employees, directors, agents, attorneys, accountants and other professional advisors who need to know such information and has generally been informed of confidentiality requirements, (d) to any financial institution that is a direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty agrees to be bound by the provisions of this Section), (e) upon the request or demand of any Governmental Authority having jurisdiction over it, (f) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (g) in connection with any litigation or similar proceeding, (h) that has been publicly disclosed other than in breach of this Section, (i) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (j) in connection with the exercise of any remedy hereunder or under any other Loan Document or the enforcement of any right hereunder or thereunder, (k) with the consent of the Borrower, or (l) becomes available to the Administrative Agent or any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower; provided, that in the case of each of clauses (e), (f) and (g), the Administrative Agent and such Lender, as applicable, shall, to the extent permitted by applicable Requirements of Law and practicable, provide the Borrower with reasonable advance notice of such disclosure.

11.15 Accounting Changes. In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial condition covenants, standards or terms in this Agreement, then the Loan Parties and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Change with the desired result that the criteria for evaluating the Loan Parties' financial condition shall be the same after such Accounting Change as if such Accounting Change had not been made. Until such time as such an amendment shall have been executed and delivered by the Loan Parties, the Administrative Agent and the Required Lenders, all financial condition covenants, standards and terms in this

Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred. "Accounting Change" refers to any change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board or, if applicable, the SEC.

11.16 Waivers of Jury Trial. EACH OF THE LOAN PARTIES, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

11.17 Ratings. The Borrower shall obtain the Required Facility Rating (or such lower rating as the Required Lenders otherwise agree to) for the Facility from a Rating Agency other than Egan Jones within 180 days of the Closing Date. In order to obtain and maintain the Required Facility Rating, (x) each Loan Party will make members of its management team, including any Responsible Officers, available to the Lenders, the Administrative Agent and the applicable Rating Agency at the reasonable request of the Required Lenders or any Rating Agency, and (y) if certain structural changes, modifications or amendments to this Agreement, any other Program Document or any Organization Documents of any Loan Party or the delivery of additional opinions of counsel would be required, each Loan Party shall (i) negotiate in good faith to effect such changes, amendments or modifications, and (ii) use commercially reasonable efforts to cause such opinions to be delivered.

11.18 Joint and Several Liability. Each Loan Party hereby accepts joint and several liability hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Lenders under this Agreement and the other Loan Documents, for the mutual benefit, directly and indirectly, of the Borrower and in consideration of the undertakings of each Loan Party to accept joint and several liability for the Loans and the other Obligations hereunder. Each Loan Party, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with each Loan Party, with respect to the payment and performance of all of the Obligations, it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each of the Loan Parties without preferences or distinction among them. If and to the extent that the Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event each other Loan Party will make such payment with respect to, or perform, such Obligation.

11.19 JPMorgan Chase Pledge Agreement. Notwithstanding anything to the contrary set forth herein, the parties hereto hereby agree to waive all breaches and defaults that arise or may arise hereunder solely as a result of Holdings (x) being a party to the JPMorgan Chase Pledge Agreement, or (y) pledging or granting a Lien in any of its ownership interest in the Capital Stock of BSPRT JPM Loan, LLC (f/k/a RFT JPM Loan, LLC, f/k/a ARC RFT JPM Loan, LLC), including the filing of any financing statement against Holdings' interests therein, pursuant to the JPMorgan Chase Pledge Agreement to JPMorgan Chase Bank, National Association, in each case, until the earlier to occur of (x) 30 days after the Closing Date, and (y) the date Holdings assigns its rights, duties, and obligations under the JPMorgan Chase Pledge

Agreement and its ownership interest in the Capital Stock of BSPRT JPM Loan, LLC to BSPRT CRE Finance, LLC.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BSPRT OP SUB I, LLC,
as Borrower

By:
Name:
Title:

BENEFIT STREET PARTNERS REALTY TRUST, INC.,
as Guarantor

By:
Name:
Title:

BENEFIT STREET PARTNERS REALTY OPERATING PARTNERSHIP, L.P.,
as Guarantor

By, its General Partner:

BENEFIT STREET PARTNERS REALTY TRUST, INC.

By:
Name:
Title:

SECURITY BENEFIT LIFE INSURANCE COMPANY,
as Lender

By:
Name:
Title:

CORTLAND CAPITAL MARKET SERVICES LLC,
as Administrative Agent

By:
Name:
Title:

Subsidiaries of Benefit Street Partners Realty Trust, Inc.

Name	Jurisdiction of Incorporation/Formation
Benefit Street Partners Realty Trust, Inc.	Maryland
Benefit Street Partners Realty Operating Partnership, L.P.	Delaware
Benefit Street Partners Realty Trust LP, LLC	Delaware
Benefit Street Partners Realty Trust TRS, LLC	Delaware
BSPRT 2018-FL3 Co-Issuer, LLC	Delaware
BSPRT 2018-FL3 Holder, LLC	Delaware
BSPRT 2018-FL3 Issuer, Ltd.	Cayman
BSPRT 2018-FL3 Seller, LLC	Delaware
BSPRT 2018-FL4 Co-Issuer, LLC	Delaware
BSPRT 2018-FL4 Holder, LLC	Delaware
BSPRT 2018-FL4 Issuer, Ltd.	Cayman
BSPRT 2018-FL4 Seller, LLC	Delaware
BSPRT 2019-FL5 Co-Issuer, LLC	Delaware
BSPRT 2019-FL5 Holder, LLC	Delaware
BSPRT 2019-FL5 Issuer, Ltd.	Cayman
BSPRT 2019-FL5 Seller, LLC	Delaware
BSPRT 2020-C9 Owner, LLC	Delaware
BSPRT BB Fixed, LLC	Delaware
BSPRT BB Float, LLC	Delaware
BSPRT BB Loan, LLC	Delaware
BSPRT CMBS Finance, LLC	Delaware
BSPRT CRE Cheyenne, LLC	Delaware
BSPRT CRE Dupont Pref, LLC	Delaware
BSPRT CRE Equity, LLC	Delaware
BSPRT CRE Finance, LLC	Delaware
BSPRT CRE JAX Pref, LLC	Delaware
BSPRT CS Loan, LLC	Delaware
BSPRT Finance Counterparty, LLC	Delaware
BSPRT Finance Sub-Lender I, LLC	Delaware
BSPRT Finance Sub-Lender II, LLC	Delaware
BSPRT Finance Sub-Lender III, LLC	Delaware
BSPRT GPO Owner, LLC	Delaware
BSPRT High Yield Securities, LLC	Delaware
BSPRT JPM Loan, LLC	Delaware
BSPRT Kemble Finance, LLC	Delaware
BSPRT Knox Owner, LLC	Delaware
BSPRT Minn Owner, LLC	Delaware
BSPRT Northbrook, LLC	Delaware
BSPRT OP Sub I, LLC	Delaware
BSPRT Pickwick, LLC	Delaware
BSPRT USB Fixed, LLC	Delaware
BSPRT USB Loan, LLC	Delaware
BSPRT WFB Loan, LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-186111) of Benefit Street Partners Realty Trust, Inc. and in the related Prospectus of our report dated March 10, 2021, with respect to the consolidated financial statements and schedule of Benefit Street Partners Realty Trust, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2020.

/s/ Ernst & Young LLP

New York, New York
March 10, 2021

Exhibit 31.1

I, Richard J. Byrne, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2020 of Benefit Street Partners Realty 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:		March 10, 2021		/s/ Richard J. Byrne Richard J. Byrne Chief Executive Officer and President (Principal Executive Officer)

Exhibit 31.2

I, Jerome S. Baglien, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2020 of Benefit Street Partners Realty 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:		March 10, 2021		/s/ Jerome S. Baglien Jerome S. Baglien Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)

Exhibit 32

SECTION 1350 CERTIFICATIONS

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code, as adopted 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 for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

The undersigned, who are the Chief Executive Officer and Chief Financial Officer of Benefit Street Partners Realty Trust, Inc. (the "Company"), each hereby certify to his knowledge as follows:

The Annual Report on Form 10-K of the Company, which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in this Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:		March 10, 2021		/s/ Richard J. Byrne Richard J. Byrne Chief Executive Officer and President (Principal Executive Officer) /s/ Jerome S. Baglien Jerome S. Baglien Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)