UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2021

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

FRANKLIN BSP 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.)
1345 Avenue of the Americas, Suite 32A, New York, NY	**10105**
(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 Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	FBRT	New York Stock Exchange
7.50% Series E Cumulative Redeemable Preferred Stock, par value $0.01 per share	FBRT PRE	New York Stock Exchange

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

Series F Convertible Preferred Stock, par value $0.01 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

As of June 30, 2021 there was no established public market for the registrant's shares of common stock. The registrant’s common stock commenced trading on the facilities of the New York Stock Exchange on October 19, 2021. As of December 31, 2021, the market capitalization of the registrant's common stock (not including preferred stock that will automatically convert to common stock in 2022) was $656,850,964. 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 17, 2022 was 43,957,363 shares.

DOCUMENTS INCORPORATED BY REFERENCE

None.

FRANKLIN BSP REALTY TRUST, INC.

FORM 10-K
Year Ended December 31, 2021

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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 Franklin BSP 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. Currently, one of the most significant factors that could cause actual outcomes to differ materially from our forward-looking statements is the continuing adverse effect of the current pandemic of the novel coronavirus, or COVID-19, on the financial condition, operating results and cash flows of the Company, its borrowers, the real estate market, the global economy and the financial markets. The extent to which the COVID-19 pandemic continues to impact us and our borrowers 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 resurgences of the virus and its variants, including the Delta and Omicron variants, the speed, effectiveness and adoption of vaccine (including boosters) and treatment developments and the direct and indirect economic effects of the pandemic and containment measures, among others.

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;
- 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;
- our ability to successfully and in a timely matter reinvest the dividend, interest, principal and sales proceeds from the assets acquired in the merger with Capstead Mortgage Corporation in a manner consistent with our investment strategies;
- adverse changes in the value of the assets acquired in the merger with Capstead Mortgage Corporation prior to the time such assets are monetized and reinvested in in a manner consistent with our investment strategies;
- 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.

Risk Factor Summary

We are providing the following summary of the risk factors contained in this Annual Report on Form 10-K to enhance the readability and accessibility of our risk factor disclosures. We encourage our stockholders to carefully review the full risk factors contained in this Annual Report on Form 10-K in their entirety.

Risks Related to an Investment in Franklin BSP Realty Trust, Inc.

- The COVID-19 pandemic continues to adversely impact our business and the business of many of our borrowers.
- Because we have a large number of stockholders subject to lock-up restrictions which expire in April 2022, there may be significant pent-up demand to sell shares of our common stock once applicable lock-up restrictions expire.
- 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.

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

Risks Related to Our Corporate Structure

- The limit on the number of shares a person may own may discourage a takeover.
- Certain provisions of Maryland law could inhibit a change in control of our Company.

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.
- Lenders may require us to enter into restrictive covenants relating to our operations, which could limit our ability to make 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.
- 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 use short-term borrowings 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.

Risks Related to our Investments

- Our commercial real estate debt investments are subject to the risks typically associated with commercial real estate.
- Our success depends on the availability of attractive investment opportunities and the Advisor’s ability to identify, structure, consummate, leverage, manage and realize returns on our investments.
- There can be no assurances that the U.S. or global financial systems will remain stable.
- We may have difficulty in redeploying the proceeds from repayments of our existing loans and other investments.
- Delays in liquidating defaulted commercial real estate debt investments could reduce our investment returns.
- Subordinate commercial real estate debt that we originate or acquire exposes us to greater losses.
- We may be subject to risks associated with construction lending, such as declining real estate values, cost overruns and delays in completion.
- Investments in non-conforming or non-investment grade rated loans or securities involve greater risk of loss.
- Insurance may not cover all potential losses on the properties underlying our investments.
- We invest in CMBS, which may include subordinate securities, which entails certain risks.
- 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.
- We invest in collateralized debt obligations ("CDOs") and such investments involve significant risks.
- Adjustable-rate commercial real estate loans may entail greater risks of default to us than fixed-rate commercial real estate loans.

- 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.
- 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.
- Most 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.
- 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.
- Provision for credit losses is difficult to estimate.
- Any credit ratings assigned to our investments will be subject to ongoing evaluations and revisions and we cannot assure you that those ratings will not be downgraded.
- Changes to, or the elimination of, LIBOR may adversely affect our interest income, interest expense, or both.

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 directly or indirectly utilize non-recourse securitizations, and such structures expose us to risks that could result in losses to us.
- The securitization market is subject to a regulatory environment that may affect certain aspects of these activities.

Risks Related to our merger with Capstead Mortgage Corporation

- We may not be able to realize the anticipated benefits of the merger on the anticipated timeframe or at all.
- Changes in interest rates, whether increases or decreases, may adversely affect yields on the securities acquired in the merger.
- An increase in prepayments may adversely affect the fair value of the Capstead portfolio.
- Periods of illiquidity in the mortgage markets may reduce amounts available under secured borrowing arrangements due to declines in the perceived value of related collateral and may reduce the number of counterparties willing to lend to us and/or the amounts individual counterparties are willing to lend.
- We incurred direct and indirect costs as a result of the merger with Capstead.
- We have a significant amount of indebtedness and may need to incur more in the future.

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.
- The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability 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.
- The failure of assets subject to repurchase agreements to qualify as real estate assets could adversely affect our ability 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.
- 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.
- Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.
- Liquidation of assets may jeopardize our REIT qualification.
- 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.

PART I

Item 1. Business

Franklin BSP Realty Trust, Inc. (the “Company”), formerly known as Benefit Street Partners Realty Trust, Inc., 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 is a Maryland corporation and has made tax elections to be treated as a real estate investment trust (a "REIT") for U.S. federal income tax purposes since 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 one or more subsidiaries which are each treated as a taxable REIT subsidiary (a “TRS”), is indirectly subject to U.S. federal, state and local income taxes.

The Company has no employees. Benefit Street Partners L.L.C. serves as our advisor ("Advisor") pursuant to an advisory agreement, as amended on August 18, 2021 (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 primarily 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. 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.

On October 19, 2021, the Company completed a merger with Capstead Mortgage Corporation (“Capstead”) pursuant to which Capstead merged into a wholly-owned subsidiary of the Company, and the Company’s common stock commenced trading on the New York Stock Exchange ("NYSE") under the ticker “FBRT”. The Capstead assets acquired in the merger consist primarily of cash and residential adjustable-rate mortgage pass-through securities issued and guaranteed by government-sponsored enterprises or by an agency of the federal government. The Company intends to reinvest the cash and proceeds from dividends, interest, repayments and sales of the assets acquired in the merger into its own investment strategies.

Investment Objectives

We plan to implement policies and strategies to provide our common shareholders attractive, risk-adjusted returns through a stable divided and capital growth.

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.

As noted above, we also acquired a significant portfolio of residential adjustable-rate mortgage pass-through securities issued and guaranteed by government-sponsored enterprises or by an agency of the federal government in our merger with Capstead. We intend to reinvest the cash and proceeds from dividends, interest, repayments and sales of these assets into our four investment strategies.

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, RMBS, 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.

Ownership of Properties and Other Possible Investments

Although we expect that most of our investments will be of the types described above, we may make other investments. For example, we own and expect in the future to own real estate acquired by the Company through foreclosure and deed in lieu of foreclosure, or from purchases of real estate that generally are, or will be, subject to a triple net lease. We may also invest in whatever other 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 of 1986, as amended (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. 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 entities. 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, 2021, we had no 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.

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.fbrtreit.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 Franklin BSP Realty Trust, Inc.

The COVID-19 pandemic continues to adversely impact our business and the business of many of our borrowers.

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 COVID-19 pandemic resulted in many governmental authorities, including state and local governments in regions in which our borrowers own properties, reacting by instituting government restrictions, border closings, quarantines, “shelter-in-place” orders and “social distancing” guidelines which forced many of our borrowers to suspend or significantly restrict their business activities. The recent resurgences driven by variants, such as Delta and Omicron, have resulted in some of these restrictions, which had been lifted, being reimposed. The economic consequences of the pandemic and government and individual responses to it resulted challenging operating conditions for many businesses, particularly in the retail (including restaurants) and hospitality sectors.

The COVID-19 pandemic has adversely affected our business in a number of respects, including:

- at the onset of the pandemic in March and April of 2020, the financial markets for the assets we then held in our real estate securities portfolio were significantly disrupted, resulting in significant decreases in market values for these assets and significant market volatility. This resulted in margin calls from our lenders, which we satisfied, but similar disruptions in the future could result in additional margin calls, including with respect to the assets we acquired in the Capstead merger, which, if not satisfied, could result in the liquidation of some of our assets at significant losses.
- declines in the value of commercial real estate generally, and significant declines in certain assets classes, including office, hospitality and retail, which negatively impacted the value of our commercial mortgage loan portfolio, and could continue to negatively impact the value in the future, potentially materially.
- adverse impacts on the financial stability of many of our borrowers, which has and will continue to increase the prospects of borrower delinquencies, defaults, or requests for loan modifications.
- periodic increases in the cost and decreases in the availability of debt capital, including as a result of dislocations in the commercial mortgage-backed securities market, and as a result of lenders permitting significantly lower advance rates on our repurchase agreements.
- increases in the risk that we may not meet certain interest coverage tests, over-collateralization coverage tests or other tests related to our securitized debt 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.
- periodic declines 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 due to variants, such as the Delta and Omicron variants, the effectiveness of vaccines against variants such as the Delta and Omicron variants, the speed of vaccine (including booster) distribution, 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 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 our securities.

Because we have a large number of stockholders subject to lock-up restrictions which expire six months after the effective time of the merger, there may be significant pent-up demand to sell shares of our common stock once applicable lock-up restrictions expire. Significant sales of shares of our common stock, or the perception that significant sales of such shares could occur, may adversely impact the price of shares of our common stock.

Pursuant to certain lock-up agreements and the restructuring of our equity prior to the effective time of the merger with Capstead, approximately 94% of the shares of our common stock (including shares of common stock underlying preferred shares that will automatically convert to common stock) which were outstanding prior to the effective time of the merger are prohibited from being publicly traded for six months following the merger (i.e., until April 19, 2022). Prior to its listing in connection with the closing of the merger on October 19, 2021, our common stock had never been listed on any national securities exchange and the ability of stockholders to liquidate their investments was limited. As a result, there may be significant pent-up demand to sell shares of our common stock once the lock-up restrictions referenced above expire. A large volume of sales of shares of our common stock could decrease the prevailing market price of shares of our common stock and could impair our ability to raise additional capital through the sale of equity securities in the future. Even if actual sales volumes are not elevated, the mere perception of the possibility of these sales could depress the market price of shares of our common stock and have a negative effect on our ability to raise capital in the future.

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.

If we are unable to implement and maintain effective internal controls over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a newly-listed public company, beginning with the 2022 fiscal year, our independent registered public accounting firm will be required to formally attest to the effectiveness of our internal controls over financial reporting on an annual basis. The process of designing, implementing and testing the internal controls over financial reporting required to comply with this obligation is time consuming, costly and complicated. If we identify material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or to assert that our internal controls over financial reporting are effective or if the independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. We could also become subject to investigations by the SEC or other regulatory authorities, which could require additional financial and management resources.

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 and do engage in these activities. 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. In addition, we have any may in the future engage in transactions with our Advisor or affiliates of our Advisor and these transactions may not be on terms as favorable as transactions with third parties. 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.

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.

Our ability to fund our loans and investments may be impacted by our ability to secure bank credit facilities (including term loans and revolving facilities), warehouse facilities and structured financing arrangements, public and private debt issuances (including through securitizations) and derivative instruments, in addition to transaction or asset specific funding arrangements and additional repurchase agreements on acceptable terms. We may also rely on short-term financing that would be especially exposed to changes in availability. Our access to sources of financing will depend upon a number of factors, over which we have little or no control, including:

- general economic or market conditions; the market's view of the quality of our assets;
- the market's perception of our growth potential;
- our current and potential
- future earnings and cash distributions; and
- the market price of the shares of our common stock and preferred stock.

We may need to periodically access the capital markets to, among other things, raise cash to fund new loans and investments. Unfavorable economic conditions, such as those caused by the COVID-19 pandemic, or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by our potential lenders not to extend credit. An inability to successfully access the capital markets could limit our ability to grow our business and fully execute our business strategy and could decrease our earnings and liquidity. In addition, any dislocation or weakness in the capital and credit markets could adversely affect our lenders and could cause one or more of our lenders to be unwilling or unable to provide us with financing or to increase the costs of that financing. In addition, as regulatory capital requirements imposed on our lenders are increased, they may be required to limit, or increase the cost of, financing they provide to us. In general, this could potentially increase our financing costs and reduce our liquidity or require us to sell assets at an inopportune time or price. We cannot make assurances that we will be able to obtain any additional financing on favorable terms or at all.

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. These risks related to the use of repurchase agreements were significantly increased as a result of the assets acquired in, and the increase in our indebtedness resulting from, the Capstead merger and will continue to be heightened until we have completed the process of transitioning those acquired assets into our legacy investment strategies and returning to our traditional leverage levels.

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, which we expect to increase in strength and frequency due to climate change;
- acts of war or terrorism, or criminal violence, 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.

Our success depends on the availability of attractive investment opportunities and the Advisor's ability to identify, structure, consummate, leverage, manage and realize returns on our investments.

Our operating results are dependent upon the availability of, as well as the Advisor's ability to identify, structure, consummate, leverage, manage and realize returns on, our loans and other investments. In general, the availability of attractive investment opportunities and, consequently, our operating results, will be affected by the level and volatility of interest rates, conditions in the financial markets, general economic conditions, the demand for investment opportunities in our target assets and the supply of capital for such investment opportunities. We cannot assure you that the Advisor will be successful in identifying and consummating attractive investments or that such investments, once made, will perform as anticipated.

There can be no assurances that the U.S. or global financial systems will remain stable, and the occurrence of another significant credit market disruption may negatively impact our ability to execute our investment strategy, which would materially and adversely affect us.

The U.S. and global financial markets experienced significant disruptions in the past, during which times global credit markets collapsed, borrowers defaulted on their loans at historically high levels, banks and other lending institutions suffered heavy losses and the value of real estate declined. During such periods, a number of borrowers became unable to pay principal and interest on outstanding loans as the value of their real estate declined. After the 2008 Global Financial Crisis, liquidity eventually returned to the market and property values recovered to levels that exceeded those observed prior to the Global Financial Crisis. However, declining real estate values due to the COVID-19 pandemic, or other factors, could in the future reduce the level of new mortgage and other real estate-related loan originations. Instability in the U.S. and global financial markets in the future could be caused by any number of factors beyond our control, including, without limitation, terrorist attacks or other acts of war and adverse changes in national or international economic, market and political conditions or another health pandemic. Any future sustained period of increased payment delinquencies, foreclosures or losses could adversely affect both our net interest income from loans in our portfolio as well as our ability to originate and acquire loans, which would materially and adversely affect us.

Difficulty in redeploying the proceeds from repayments of our existing loans and other investments could materially and adversely affect us.

As our loans and other investments are repaid, we attempt to redeploy the proceeds we receive into new loans and investments and repay borrowings under our repurchase facilities and other financing arrangements. It is possible that we will fail to identify reinvestment options that would provide a yield and/or a risk profile that is comparable to the asset that was repaid. If we fail to redeploy the proceeds we receive from repayment of a loan or other investment in equivalent or better alternatives, we could be materially and adversely affected. If we cannot redeploy the proceeds we receive from repayments into funding loans in property types or geographic markets that the Advisor has identified as priorities for us, such repayments may cause the composition of our loan portfolio to skew towards less favored property types or geographies and prevent us from achieving our portfolio construction objectives.

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 have in the past and we may in the future 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 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 invest in collateralized debt obligations ("CDOs") and such investments involve significant risks.

We 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. When 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.

Most 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.

Most 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.

Any credit ratings assigned to our investments will be subject to ongoing evaluations and revisions and we cannot assure you that those ratings will not be downgraded.

Some of our investments may be rated by rating agencies. Any credit ratings on our investments are subject to ongoing evaluation by credit rating agencies, and we cannot assure you that any such ratings will not be downgraded or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. If rating agencies assign a lower-than-expected rating or reduce or withdraw, or indicate that they may reduce or withdraw, their ratings of FBRT's investments in the future, the value and liquidity of our investments could significantly decline, which would adversely affect the value of our investment portfolio and could result in losses upon disposition or the failure of borrowers to satisfy their debt service obligations to us.

Changes to, or the elimination of, LIBOR may adversely affect our interest income, interest expense, or both.

In July 2017, the Financial Conduct Authority of the U.K. (the "FCA") announced its intention to cease sustaining LIBOR after 2021. The FCA has statutory powers to require panel banks to contribute to LIBOR where necessary. The FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that it expects that the current panel banks will voluntarily sustain LIBOR until the end of 2021. It is possible that the ICE Benchmark Administration Limited (formerly NYSE Euronext Rate Administration Limited) (the "IBA"), the current administrator of LIBOR, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we do not currently anticipate that LIBOR will survive in its current form, or at all. Other jurisdictions have also indicated that they will implement reforms or phase-outs, which are currently scheduled to take effect at the end of calendar year 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative for LIBOR. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from LIBOR is anticipated in coming years.

As of December 31, 2021, the carrying value of our loan portfolio included $3.7 billion and $0.4 billion of floating rate loans for which the interest rate was tied to LIBOR or SOFR, respectively. Additionally, we had $3.3 billion of floating rate debt tied to LIBOR. Our financing arrangements generally provide for the adoption of a new index based upon comparable information if the current index is no longer available. There is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. In addition, any benchmark may perform differently during any phase-out period than in the past. As such, the potential effect of any such event on our cost of capital and net interest income cannot yet be determined, and any changes to benchmark interest rates could increase our financing costs, which could impact our results of operations, cash flows and the market value of investments. In addition, the elimination of LIBOR and/or changes to another index could result in mismatches with the interest rate of investments that we are financing, and the overall financial markets may be disrupted as a result of the phase-out or replacement of LIBOR; however, we cannot reasonably estimate the impact of the transition at this time. The transition from LIBOR to SOFR or other alternative reference rates may also introduce operational risks in our accounting, financial reporting, loan servicing, liability management and other aspects of its business.

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 the Capstead Merger

We may not be able to realize the anticipated benefits of the merger on the anticipated timeframe or at all.

The merger involved the combination of two companies that operated as independent public companies. We may encounter the following difficulties in integrating the acquired assets into our operations:

- we may not be able to convert Capstead's securities portfolio into cash at the prices we expected when we entered into the merger agreement, or in the timeframe we expected;
- we may not be able to successfully redeploy the capital generated from Capstead's assets into investments made pursuant to the Company's traditional investment strategies at return thresholds consistent with our historical returns, or within the expected timetable;
- we may encounter unknown liabilities and unforeseen increased expenses, delays or conditions associated with the merger; and
- we may experience performance shortfalls as a result of the diversion of management's attention caused by the merger.

These challenges could result in the distraction of the Company's management, the disruption of the Company's ongoing business or inconsistencies in our operations, services, standards, controls, policies and procedures, any of which could adversely affect the Company's ability to deliver investment returns to stockholders, to maintain relationships with our key stakeholders, to achieve the anticipated benefits of the merger, or could otherwise materially and adversely affect our business and financial results.

Changes in interest rates, whether increases or decreases, may adversely affect yields on the securities acquired in the merger.

The securities we acquired in the Capstead acquisition primarily consist of residential adjustable-rate mortgage ("ARM") pass-through securities issued and guaranteed by government-sponsored enterprises or by an agency of the federal government. Only a portion of coupon interest rates on the ARM loans underlying these securities reset each month and the terms of these ARM loans generally limit the amount of any increases during any single interest rate adjustment period and over the life of a loan. During periods of relatively low short term interest rates, declines in the indices used to determine coupon interest rate resets for ARM loans may adversely affect yields on the Capstead ARM securities as the underlying ARM loans reset at lower rates.

An increase in prepayments may adversely affect the fair value of the Capstead portfolio.

Prepayment expectations are an essential part of pricing mortgage investments in the marketplace and the speed of prepayments can vary widely from month to month and across individual investments; however, until we have liquidated the Capstead portfolio, prolonged periods of high mortgage prepayments could significantly reduce the expected life of the Capstead portfolio. Therefore, actual yields we realize can be lower due to faster amortization of investment premiums, which can adversely affect earnings. High levels of mortgage prepayments can also lead to larger than anticipated demands on our liquidity from our lending counterparties. Additionally, periods of high prepayments can adversely affect pricing for most of Capstead's mortgage investments and, as a result, book value per common share can be adversely affected due to declines in the fair value of the remaining Capstead portfolio.

Periods of illiquidity in the mortgage markets may reduce amounts available under secured borrowing arrangements due to declines in the perceived value of related collateral and may reduce the number of counterparties willing to lend to us and/or the amounts individual counterparties are willing to lend, both of which could adversely impact our liquidity, financial condition and earnings.

Capstead financed its portfolio by pledging individual securities as collateral under uncommitted secured borrowing arrangements. If the perceived market value of the pledged collateral of the Capstead portfolio as determined by the lenders under these arrangements declines, we may be subject to margin calls wherein the lender requires us to pledge additional collateral to reestablish the agreed-upon margin percentage. Because market illiquidity tends to put downward pressure on asset prices, we may be presented with substantial margin calls during such periods. If we are unable or unwilling to pledge additional collateral, lenders can liquidate the collateral or seek other remedies, potentially under adverse market conditions, resulting in losses. At such times we may determine that it is prudent to sell assets to improve our ability to pledge sufficient collateral to support our remaining secured borrowings, which could result in losses. In addition, lower pricing levels for remaining investments will lead to declines in book value per common share.

Our ability to achieve our investment objectives depends on our ability to re-establish or roll maturing secured borrowings on a continuous basis and none of our counterparties are obligated to enter into new borrowing transactions at the conclusion of existing transactions. During periods of market illiquidity or due to perceived credit deterioration of the collateral pledged or of us, a lender may require that less favorable asset pricing procedures be employed, margin requirements be increased and/or may choose to limit or completely curtail lending to us. If a counterparty chooses not to roll a maturing borrowing, we must pay off the borrowing, generally with cash available from another secured borrowing arrangement entered into with another counterparty. If we determine that we do not have sufficient borrowing capacity with our remaining counterparties, we could be forced to sell assets under potentially adverse market conditions, which could result in losses. An industry-wide reduction in the availability of secured borrowings could adversely affect pricing levels for mortgage investments leading to declines in our liquidity and book value per common share. Under these conditions, we may determine that it is prudent to sell assets to improve our ability to pledge sufficient collateral to support our remaining borrowings, which could result in losses. In addition, lower pricing levels for remaining investments will lead to declines in book value per common share.

We incurred direct and indirect costs as a result of the merger with Capstead

We incurred substantial expenses in connection with and as a result of completing the merger with Capstead and expect to incur additional expenses in connection with integrating the acquired business. Factors beyond our control could affect the total amount or timing of these expenses, many of which, by their nature, are difficult to estimate accurately.

We have a significant amount of indebtedness and may need to incur more in the future.

We have substantial indebtedness following completion of the Merger. In addition, in connection with executing our business strategies following the Merger, we expect to evaluate the possibility of originating, funding, and acquiring additional commercial real estate debt and making other strategic investments, and we may elect to finance these endeavors by incurring additional indebtedness. The amount of such indebtedness could have material adverse consequences, including:

- hindering our ability to adjust to changing market, industry or economic conditions;
- limiting our ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms or to fund acquisitions or emerging businesses;
- limiting the amount of cash flow available for future operations, acquisitions, dividends, stock repurchases or other uses;
- making us more vulnerable to economic or industry downturns, including interest rate increases; and
- placing us at a competitive disadvantage compared to less leveraged competitors.

Moreover, we may be required to raise substantial additional capital to execute our business strategy. Our ability to arrange additional financing will depend on, among other factors, our financial position and performance, as well as prevailing market conditions and other factors beyond our control. If we are unable to obtain additional financing, our credit ratings could be further adversely affected, which could further raise our borrowing costs and further limit our future access to capital and our ability to satisfy our obligations under our indebtedness.

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 Internal Revenue 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:

- Our compliance depends upon the characterization of our assets and income for REIT purposes, as well as the relative values of our assets, some of which are not susceptible to a precise determination and for which we typically do not obtain independent appraisals. Moreover, we invest in certain assets with respect to which the rules applicable to REITs may be particularly difficult to interpret or to apply, including the rules applicable to financing arrangements that are structured as sale and repurchase agreements; mezzanine loans; and investments in real estate mortgage loans that are acquired at a discount, subject to work-outs or modifications, or reasonably expected to be in default at the time of acquisition. If the IRS challenged our treatment of investments for purposes of the REIT asset and income tests, and if such a challenge were sustained, we could fail to qualify as a REIT.
- The fact that we own direct or indirect interests in an entity that will elect to be taxed as a REIT under the U.S. federal income tax laws (a “Subsidiary REIT”), further complicates the application of the REIT requirements for us. The Subsidiary REIT is subject to the various REIT qualification requirements that are applicable to us and certain other requirements. If the Subsidiary REIT were to fail to qualify as a REIT, then (i) it would become subject to regular U.S. federal corporate income tax, (ii) our interest in such Subsidiary REIT would cease to be a qualifying asset for purposes of the REIT asset tests, and (iii) it is possible that we would fail certain of the REIT asset tests, in which event we also would fail to qualify as a REIT unless we could avail ourselves of relief provisions.

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 Internal Revenue 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 Internal Revenue 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.

Securitizations in the form of bonds or notes secured principally by mortgage loans generally result in the creation of taxable mortgage pools ("TMPs") for U.S. federal income tax purposes. The debt securities issued by TMPs are sometimes referred to as "collateralized mortgage obligations" ("CMOs"). We have issued CMOs through TMPs. Unless a TMP is wholly-owned by a REIT, it is subject to taxation as a corporation. However, so long as a REIT owns 100% of the equity interests in a TMP, the TMP will not be taxed as a corporation. Instead, certain categories of the REIT's stockholders, such as foreign stockholders eligible for treaty or sovereign benefits, stockholders with net operating losses, and generally tax-exempt stockholders that are subject to unrelated business income tax, may be subject to taxation, or to increased taxes, on any portion, known as "excess inclusions", of their dividend income from the REIT that is attributable to the TMP, but only to the extent that the REIT actually distributes "excess inclusions" to them. We intend not to distribute "excess inclusions", but to pay the tax on "excess inclusions" ourselves. Notwithstanding our intention to try to avoid distributions to our stockholders of "excess inclusions", it is possible that some portion of our dividends to our stockholders may be so characterized.

In order to better control, and to attempt to avoid, the distribution of "excess inclusions" to our stockholders, as of January 1, 2022, our TMPs are wholly-owned by a Subsidiary REIT. Our Subsidiary REIT is required to satisfy, on a stand-alone basis, the REIT asset, income, organizational, distribution, stockholder ownership and other requirements described above, and if it were to fail to qualify as a REIT, then (i) our Subsidiary REIT would face adverse tax consequences similar to those described above with respect to our qualification as a REIT and (ii) such failure could have an adverse effect on our ability to comply with the REIT income and asset tests and thus could impair our ability to qualify as a REIT unless we could avail ourselves of certain relief provisions. Because our TMPs must at all times be owned by a REIT, we are restricted from selling equity interests in them, or selling any notes or bonds issued by them that might be considered to be equity for tax purposes, to other investors if doing so would subject them to taxation. These restrictions limit the liquidity of our investment in our TMPs and may prevent us from incurring greater leverage on that investment in order to maximize our returns from it.

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 Internal Revenue 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 Internal Revenue 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 Internal Revenue 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 1345 Avenue of the Americas, Suite 32A, New York, New York 10105.

As discussed in more detail in Note 11 to our consolidated financial statements included in this Annual Report on Form 10-K, we and an affiliate entered into a joint venture agreement and formed a joint venture entity to acquire a $139.5 million triple net lease industrial property in Jeffersonville, GA. We have a 79% interest in the joint venture and consolidate it on our consolidated balance sheet.

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.

Market Information

Our common stock is listed on the New York Stock Exchange ("NYSE"), under the symbol "FBRT." On February 17, 2022, the last sales price for our common stock on the NYSE was $13.44 per share.

Holders

As of February 17, 2022, we had 16,412 registered holders of our common stock. The 16,412 holders of record include Cede & Co., which holds shares as nominee for The Depository Trust Company, which itself holds shares on behalf of the beneficial owners of our common stock. Such information was obtained through our registrar and transfer agent.

Dividends

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. Dividends are declared and paid at the discretion of our board of directors and depend on cash available for distribution, financial condition, our ability to maintain our qualification as a REIT, and such other factors that the board of directors may deem relevant. See Item 1A. "Risk Factors," and Item 7. "Management’s Discussion and Analysis of Financial Condition and Results of Operations," of this Annual Report on Form 10-K, for information regarding the sources of funds used for dividends and for a discussion of factors, if any, which may adversely affect our ability to pay dividends.

Stockholder Return Performance

Our common stock began trading on the NYSE under the symbol “FBRT” as of October 19, 2021. The following graph is a comparison of the cumulative total stockholder return on shares of our common stock, the Standard & Poor's [1500] (the "S&P 1500"), and the Bloomberg REIT Mortgage Index (the "BBREMTG Index"), a published industry index, from October 19, 2021 to December 31, 2021. The graph assumes that $100 was invested on October 19, 2021 in our common stock, the S&P 1500 and the BBREMTG Index and that all dividends were reinvested without the payment of any commissions. There can be no assurance that the performance of our shares will continue in line with the same or similar trends depicted in the graph below.



	Period Ending	
Index	**10/19/2021**	**12/31/2021**
FBRT	$ 100.00	$ 89.91
Bloomberg Mortgage Index	$ 100.00	$ 94.80
S&P 1500	$ 100.00	$ 105.52

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company and its affiliates did not purchase any shares of the Company's common stock during the three months ended December 31, 2021.

The Company's board of directors has authorized a $65 million share repurchase program that will become operative following the conclusion of the $35 million open market share purchase program the Advisor agreed to implement in connection with the Capstead acquisition. The Company's share repurchase program authorizes share repurchases at prices below the most recently reported book value per share as determined in accordance with GAAP. Purchases made under the Company's program may be made through open market, block, and privately negotiated transactions, including Rule 10b5-1 plans, as permitted by securities laws and other legal requirements. The timing, manner, price and amount of any purchases by the Company and the Advisor will be determined by the respective teams responsible at the Company and the Advisor, as applicable, in their reasonable business judgment and consistent with the exercise of their legal duties and will be subject to economic and market conditions, stock price, applicable legal requirements and other factors. The Company share repurchase program does not obligate the Company to acquire any particular amount of common stock. The Company's and the Advisor's share purchase programs will remain open until at least November 2022 or until the capital committed to the applicable repurchase program has been exhausted, whichever is sooner. Repurchases under the Company's share repurchase program may be suspended from time to time at the Company's discretion without prior notice.

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 Franklin BSP 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

The Company is a Maryland corporation and has made tax elections to be treated as a REIT for U.S. federal income tax purposes since 2013. The Company, through one or more subsidiaries which are each 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 employees. We are managed by our Advisor pursuant to an Advisory Agreement, as amended on August 18, 2021 (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, which event did not impact the terms of the Advisory Agreement or 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, RMBS and 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.

Impact of the Capstead Acquisition

As further described in Note 18 - Merger with Capstead, on October 19, 2021, the Company completed a merger with Capstead Mortgage Corporation ("Capstead") pursuant to which Capstead merged into a wholly-owned subsidiary of the Company, and the Company's common stock commenced trading on the NYSE under the ticker "FBRT". The Capstead assets acquired in the merger consist primarily of cash and residential adjustable-rate mortgage pass-through securities issued and guaranteed by government-sponsored enterprises or by an agency of the federal government ("ARM Agency Securities"). The Company intends to reinvest the cash and proceeds from dividends, interest, repayments and sales of the assets acquired in the merger into its own investment strategies.

The Capstead acquisition resulted in the following material impacts on our financial results for the year and quarter ended December 31, 2021:

- *Impairment of acquired assets:* Pursuant to Accounting Standards Codification Topic 805, “Business Combinations,” the Company accounted for the transaction as an asset acquisition since substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets, a portfolio of agency mortgage-backed securities. The Company measured the cost of the net identifiable assets acquired on the basis of the fair value of the consideration given, inclusive of transaction costs, which was determined to be more reliably measurable. As the cost of the acquisition exceeded the fair value of the net identifiable assets acquired, the Company allocated the difference on the basis of relative fair values to certain assets which were not carried at fair value. The amount of excess consideration, including the Company's transaction costs, was capitalized on the balance sheet as a long-lived asset at the time of acquisition. In the fourth quarter of 2021, the Company concluded the long-lived asset had no potential value to the generation of future cash flows and fully impaired the asset, recognizing an expense totaling $88.3 million in the consolidated statements of operations .
- *Trading losses:* Since the Company does not intend to hold the ARM Agency Securities acquired in the Capstead merger for long-term investment, the assets are treated as “classified as trading” for accounting purposes. As a result, these assets are recorded at fair value on the balance sheet with trading gains and losses on the paydowns and sales of these securities recorded in the Company's consolidated statements of operations. For the quarter ended December 31, 2021, the Company recognized a trading loss of $34.8 million related to these assets.

As long as the Company holds a significant amount of the ARM Agency Securities acquired in the Capstead merger, the Company’s future results of operations will continue to be impacted by trading gains and losses related to this portfolio, and such impacts could be adverse and material. As of December 31, 2021, the value of the Company’s ARM Agency Securities portfolio was $4.6 billion. As of February 18, 2022, the value of the Company's ARM Agency Securities portfolio was $2.4 billion. The reduction in the value of the ARM Agency Securities portfolio from January 1, 2022 to February 18, 2022 is due in part to (i) $265 million of principal payments and (ii) $1.8 billion of sales. From January 1, 2022 to February 18, 2022, the Company experienced losses of $38 million related to the ARM Agency Securities portfolio as a result of net trading losses totaling $59.5 million related to principal paydowns, changes in market price and losses on sales of securities, net of portfolio-related derivative gains of $21.5 million.

Book Value Per Share

The following table calculates our book value per share as of December 31, 2021 ($ in thousands, except per share data):

	December 31, 2021	December 31, 2020
Stockholders' equity applicable to common stock	$ 736,464	$ 798,444
Shares		
Common stock	43,951,382	44,494,496
Restricted stock	14,546	15,555
Total outstanding	43,965,928	44,510,051
Book value per share	$ 16.75	$ 17.94

The following table calculates our fully-converted book value per share as of December 31, 2021 ($ in thousands, except per share data):

	December 31, 2021	December 31, 2020
Stockholders' equity applicable to convertible common stock	$ 1,543,550	$ 1,007,698
Shares		
Common stock	43,951,382	44,494,496
Restricted stock	14,546	15,555
Series A convertible preferred stock	—	12,122,088
Series C convertible preferred stock	418,880	418,880
Series D convertible preferred stock	5,370,640	—
Series F convertible preferred stock	39,733,299	—
Total outstanding	89,488,747	57,051,019
Fully-converted book value per share	$ 17.25	$ 17.66

Critical Accounting Estimates

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 estimates are those that require the application of management's most difficult, subjective or complex judgments on 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.

Set forth below is a summary of the critical accounting estimates and critical accounting policies that management believes are important to the preparation of our financial statements. The Company's significant accounting policies, including recently issued accounting pronouncements, are more fully described in Note 2 – Summary of Critical Accounting Policies to the accompanying consolidated financial statements included in this Annual Report on Form 10-K.

Credit Losses - Estimating 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. The cost recovery method will no longer apply if collection of all principal and interest is reasonably assured. A loan may be placed back on accrual status if we determine it is probable that we will collect all payments which are contractually due.

Real Estate Owned - Estimating Fair Value and Holding Period

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 are measured at the lower of its carrying amount or fair value less cost to sell. Real estate owned assets are not depreciated or amortized while classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale 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.

Real Estate Securities - Estimating Fair Value

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 are not evaluated for other-than-temporary impairment as changes in fair value are recorded in our consolidated statement of operations.

Real Estate Securities - Classified As Trading - Estimating Fair Value

In the merger with Capstead, we acquired a portfolio of ARM Agency Securities classified as trading and recorded at fair value on the balance sheet with trading gains and losses on the paydowns and sales of these securities recorded in the Company's consolidated statements of operations. Fair values fluctuate with current and projected changes in interest rates, prepayment expectations and other factors such as market liquidity conditions and the perceived credit quality of agency securities. Judgment is required to interpret market data and develop estimated fair values, particularly in circumstances of deteriorating credit quality and market liquidity.

Results of Operations

Comparison of the Year Ended December 31, 2021 to the Year Ended December 31, 2020

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 real estate securities. Historically this business has focused primarily on CMBS, unsecured REIT debt, CDO notes and other securities. As a result of the October 2021 acquisition of Capstead, the Company acquired and continues to hold a significant portfolio of Residential Mortgage Backed Securities ("RMBS") in the form of the ARM Agency Securities. The Company intends to reinvest the cash and proceeds from dividends, interest, repayments and sales of these assets into its other segments and does not intend to continue to invest in ARM Agency Securities or RMBS in general. As of December 31, 2021, all of the real estate securities in this segment were ARM Agency Securities acquired in the Capstead acquisition.
- 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.

In addition, as described above in "Impact of the Capstead Acquisition", the Company's results of operations were materially impacted by the asset impairment related to the Capstead merger and trading losses and decreases in the values of the assets acquired in the transaction from acquisition date to December 31, 2021.

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, 2021 and 2020 (dollars in thousands):

	Year Ended December 31,					
	2021			2020		
	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	$ 3,156,492	$ 189,090	6.0 %	$ 2,606,081	$ 165,907	6.4 %
Real estate conduit	75,633	3,060	4.0 %	83,618	3,111	3.7 %
Real estate securities	899,033	24,740	2.8 %	351,859	10,854	3.1 %
Total	**$ 4,131,158**	**$ 216,890**	**5.3 %**	**$ 3,041,558**	**$ 179,872**	**5.9 %**
Interest-bearing Liabilities:						
Repurchase agreements - commercial mortgage loans	$ 477,138	$ 17,299	3.6 %	$ 249,289	$ 10,908	4.4 %
Other financing and loan participation-commercial mortgage loans	36,045	1,874	5.2 %	16,704	916	5.5 %
Repurchase agreements - real estate securities	871,466	3,639	0.4 %	313,227	13,637	4.4 %
Collateralized loan obligations	1,821,993	35,920	2.0 %	1,706,207	41,095	2.4 %
Unsecured debt	35,268	2,103	6.0 %	—	—	— %
Total	**$ 3,241,910**	**$ 60,835**	**1.9 %**	**$ 2,285,427**	**$ 66,556**	**2.9 %**
Net interest income/spread		**$ 156,055**	**3.4 %**		**$ 113,316**	**3.0 %**
Average leverage % [4]	78.5 %			75.1 %		
Weighted average levered yield [5]			17.5 %			15.0 %

[1] Based on amortized cost for real estate debt and real estate securities and principal amount for interest-bearing liabilities. Amounts are calculated based on daily averages for the years ended December 31, 2021 and 2020, respectively.

[2] Includes the effect of amortization of premium or accretion of discount and deferred fees. The RMBS securities acquired in the Capstead merger are classified as trading and use the simple interest method to calculate interest income therefore no premium amortization is recognized on these securities.

[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, 2021 and 2020 totaled $216.9 million and $179.9 million, respectively. As of December 31, 2021, our portfolio consisted of 165 commercial mortgage loans, one commercial mortgage loan, held for sale, measured at fair value, RMBS securities acquired in the merger with Capstead and no investments in CMBS. The main driver in the increase in interest income was due to the higher average carrying value of interest-earning assets during the year ended December 31, 2021.

Interest expense

Interest expense for the year ended December 31, 2021 decreased to $60.8 million compared to interest expense for the year ended December 31, 2020 of $66.6 million. 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, 2021 was $24.2 million compared to $15.9 million for the year ended December 31, 2020. The $8.3 million increase in realized gain was due to higher sales volumes in our conduit business segment with total proceeds of $478.3 million from the sale of fixed-rate commercial real estate loans into the CMBS securitization market during the year ended December 31, 2021 compared to transactions with total proceeds of $328.1 million for the year ended December 31, 2020.

Realized Gain/Loss on Real Estate Securities Available for Sale

For the year ended December 31, 2021 sales of our real estate securities, available for sale, measured at fair value resulted in a net realized loss of $1.4 million included within the consolidated statements of operations. The loss is attributable to nine CMBS securities sold during the year ended December 31, 2021. For the year ended December 31, 2020 sales of our real estate securities, available for sale, measured at fair value resulted in a net realized loss of $10.1 million included within the consolidated statements of operations. The loss was 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.

Unrealized Gain/Loss on Real Estate Securities Available for Sale

For the year ended December 31, 2021 our real estate securities, available for sale, measured at fair value had an unrealized gain of $8.3 million included within the consolidated statements of comprehensive income. The increase in fair value of real estate securities can be attributed to the reversal of the unrealized losses on the nine CMBS sales during the year ended December 31, 2021.

Trading Gain/Loss

For the year ended December 31, 2021 we had a realized trading loss of $34.8 million included within the consolidated statements of operations. The loss is attributable to $20.9 million of losses due to change in market values of the ARM Agency Securities and $14.0 million of losses due to mortgage prepayments, net of $0.1 million in realized gains on sales of securities.

Expenses from operations

Expenses from operations for the years ended December 31, 2021 and 2020 were made up of the following (dollars in thousands):

	Year Ended December 31,	
	2021	**2020**
Asset management and subordinated performance fee	$ 28,110	$ 15,178
Acquisition expenses	1,203	696
Administrative services expenses	7,658	13,120
Impairment of acquired assets	88,282	—
Professional fees	11,650	10,964
Real estate owned operating expenses	—	3,653
Depreciation and amortization	2,107	2,233
Other expenses	3,946	3,312
Total expenses from operations	**$ 142,956**	**$ 49,156**

The increase in our expenses from operations was primarily related to impairment of acquired assets and higher asset management and subordinated performance fees. The increase in impairment of acquired assets and asset management and subordinated performance fees were all due to the merger with Capstead during the year ended December 31, 2021. Refer to "Impact of the Capstead Acquisition" above for a discussion of the impairment of acquired assets. The decrease in administrative services expenses was primarily driven by a greater amount of originations during the year and therefore higher acquisition fees paid to our Advisor, which reduced the administrative services expenses for the year ended December 31, 2021, compared to the year ended December 31, 2020. The decrease of $3.7 million in real estate owned operating expenses was due to the sale of an owned office property during the year ended December 31, 2020 and the fact our remaining owned property, an industrial property, is leased on a triple-net basis.

Comparison of the Three Months Ended December 31, 2021 to the Three Months Ended September 30, 2021

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 three months ended December 31, 2021 and September 30, 2021 (dollars in thousands):

	Three Months Ended					
	December 31, 2021			September 30, 2021		
	Average Carrying Value [1]	Interest Income / Expense [2]	WA Yield / Financing Cost [3] [4]	Average Carrying Value [1]	Interest Income / Expense [2]	WA Yield / Financing Cost [3] [4]
Interest-earning assets:						
Real estate debt	$ 3,631,346	$ 53,145	5.9 %	$ 3,118,201	$ 47,166	6.1 %
Real estate conduit	36,447	497	5.5 %	61,157	581	3.8 %
Real estate securities	3,482,245	24,279	2.8 %	—	—	N/A
Total	**$ 7,150,038**	**$ 77,921**	**4.4 %**	**$ 3,179,358**	**$ 47,747**	**6.0 %**
Interest-bearing Liabilities:						
Repurchase agreements - commercial mortgage loans	$ 959,729	$ 9,069	3.8 %	$ 331,871	$ 3,095	3.7 %
Other financing and loan participation-commercial mortgage loans	37,770	386	4.1 %	49,145	350	2.8 %
Repurchase agreements - real estate securities	3,233,599	1,361	0.2 %	46,527	148	1.3 %
Collateralized loan obligations	1,714,736	11,922	2.8 %	1,906,402	8,395	1.8 %
Unsecured debt	101,064	2,103	8.3 %	—	—	— %
Total	**$ 6,046,898**	**$ 24,841**	**1.6 %**	**$ 2,333,945**	**$ 11,988**	**2.1 %**
Net interest income/spread		**$ 53,080**	**2.8 %**		**$ 35,759**	**3.9 %**
Average leverage % [5]	84.6 %			73.4 %		
Weighted average levered yield [6]			19.2 %			16.9 %

[1] Based on amortized cost for real estate debt and real estate securities and principal amount for interest-bearing liabilities. Amounts are calculated based on daily averages for the three months ended December 31, 2021 and September 30, 2021, respectively.

[2] Includes the effect of amortization of premium or accretion of discount and deferred fees. The RMBS securities acquired in the Capstead merger are classified as trading and use the simple interest method to calculate interest income therefore no premium amortization is recognized on these securities.

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

[4] Annualized.

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

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

Interest income

Interest income for the three months ended December 31, 2021 and September 30, 2021 totaled $77.9 million and $47.7 million, respectively. As of December 31, 2021, our portfolio consisted of 165 commercial mortgage loans, one commercial mortgage loan, held for sale, measured at fair value, RMBS securities acquired in the merger with Capstead and no investments in CMBS. The main driver in the increase in interest income was due to the higher average carrying value of interest-earning assets during the three months ended December 31, 2021, directly related to the merger with Capstead.

Interest expense

Interest expense for the three months ended December 31, 2021 increased to $24.8 million compared to interest expense for the three months ended September 30, 2021 of $12.0 million. The increase in interest expense was due to the increase of $627.9 million in repurchase agreements on commercial mortgage loans and an increase of $3,187.1 million in repurchase agreements on real estate securities during the three months ended December 31, 2021, compared to the three months ended September 30, 2021.

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 three months ended December 31, 2021 was $2.0 million compared to $9.1 million for the three months ended September 30, 2021. The $7.1 million decrease in realized gain was due to the fact that there had been one sale of fixed-rate commercial real estate loans into the CMBS securitization market during the three months ended December 31, 2021 compared to two sales during the three months ended September 30, 2021. Proceeds from sale were $67.1 million for the three months ended December 31, 2021 compared to $154.0 million for the three months ended September 30, 2021.

Trading Gain/Loss

For the three months ended December 31, 2021 we had a realized trading loss of $34.8 million included within the consolidated statements of operations. The loss is attributable to $20.9 million of losses due to change in market values of the ARM Agency Securities and $14.0 million of losses due to mortgage prepayments, net of $0.1 million in realized gains on sales of securities.

Expenses from operations

Expenses from operations for the three months ended December 31, 2021 and September 30, 2021 were made up of the following (dollars in thousands):

	Three Months Ended	
	December 31, 2021	**September 31, 2021**
Asset management and subordinated performance fee	$ 8,428	$ 8,265
Acquisition expenses	191	690
Administrative services expenses	(1,874)	2,980
Impairment of acquired assets	88,282	—
Professional fees	4,388	2,488
Depreciation and amortization	1,295	—
Other expenses	1,831	709
Total expenses from operations	**$ 102,541**	**$ 15,132**

The increase in our expenses from operations was primarily related to impairment of acquired assets and higher asset management and subordinated performance fees. The increase in impairment of acquired assets and asset management and subordinated performance fees were all due to the merger with Capstead during the three months ended December 31, 2021. Refer to “Impact of the Capstead Acquisition” above for a discussion of the impairment of acquired assets. The decrease in administrative services expenses was primarily driven by the year-end adjustment to such expenses during the three months ended December 31, 2021, compared to the three months ended September 30, 2021. The increase in depreciation and amortization expense was due to $1.3 million of expenses incurred on one real estate owned assets during the three months ended December 31, 2021, compared to no such expenses incurred during the three months ended September 30, 2021.

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

See Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the Securities and Exchange Commission on March 11, 2021, for a discussion of the comparison of the year ended December 31, 2020 to the year ended December 31, 2019.

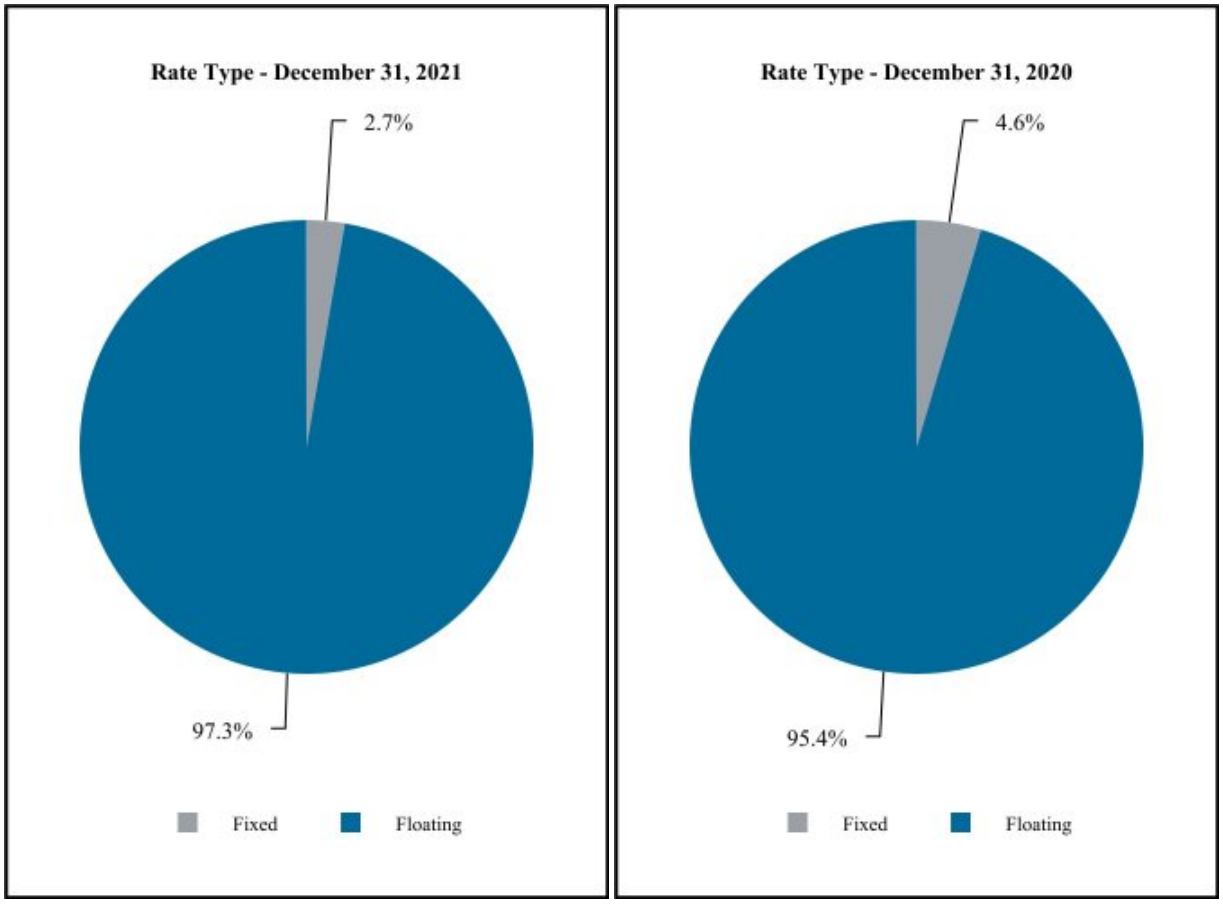
Portfolio

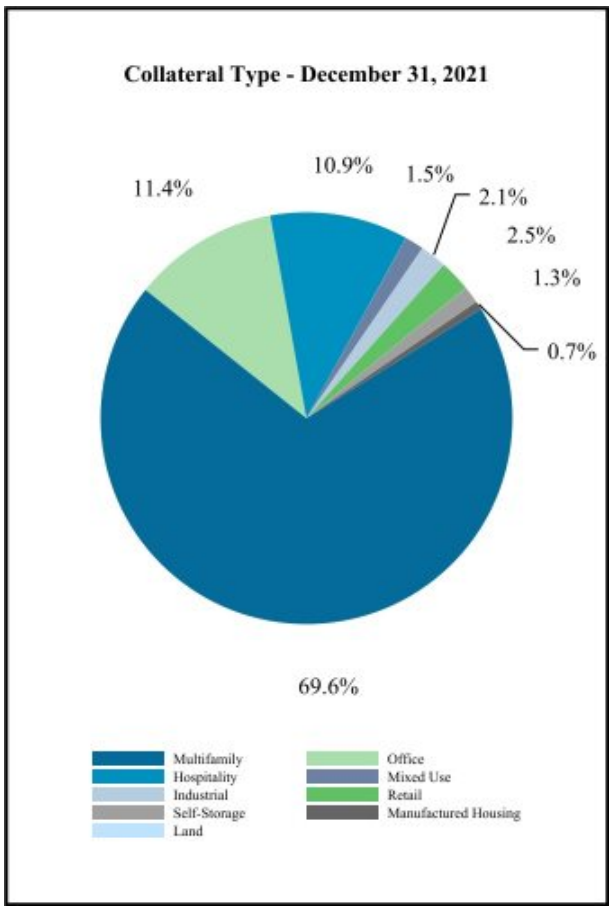
As of December 31, 2021 and 2020, our portfolio consisted of 165 and 130 commercial mortgage loans, respectively, excluding commercial mortgage loans accounted for under the fair value option. The commercial mortgage loans held for investment as of December 31, 2021 and December 31, 2020 had a total carrying value, net of allowance for credit losses, of $4,211.1 million and $2,693.8 million, respectively. As of December 31, 2021 and 2020 the Company's total commercial mortgage loans, held for sale, measured at fair value comprised of one loan with total fair value of $34.7 million and three loans with total fair value of $67.6 million, respectively. As of December 31, 2021, we had no real estate securities, available for sale, compared to real estate securities, available for sale, at fair value comprised of nine CMBS investments with total fair value of $171.1 million, as of December 31, 2020. As of December 31, 2021 and December 31, 2020, our other real estate investments, measured at fair value, were comprised one investment with a total fair value of $2.1 million and $2.5 million, respectively. As of December 31, 2021 and December 31, 2020, our real estate owned portfolio comprised one industrial property and one office property, respectively with carrying values of $90.0 million and $26.5 million, respectively.

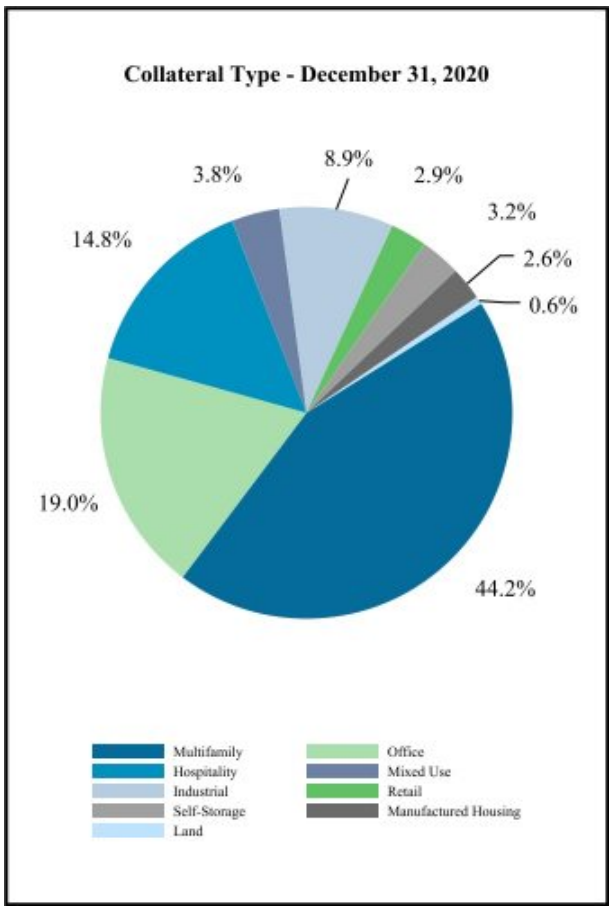
As of December 31, 2021, we had two loans with unpaid contractual principal balance for a total carrying value of $114.0 million, one with interest past due for greater than 90 days and the other which is current. We did not take any asset specific reserves for these loans. As of December 31, 2020, we 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.

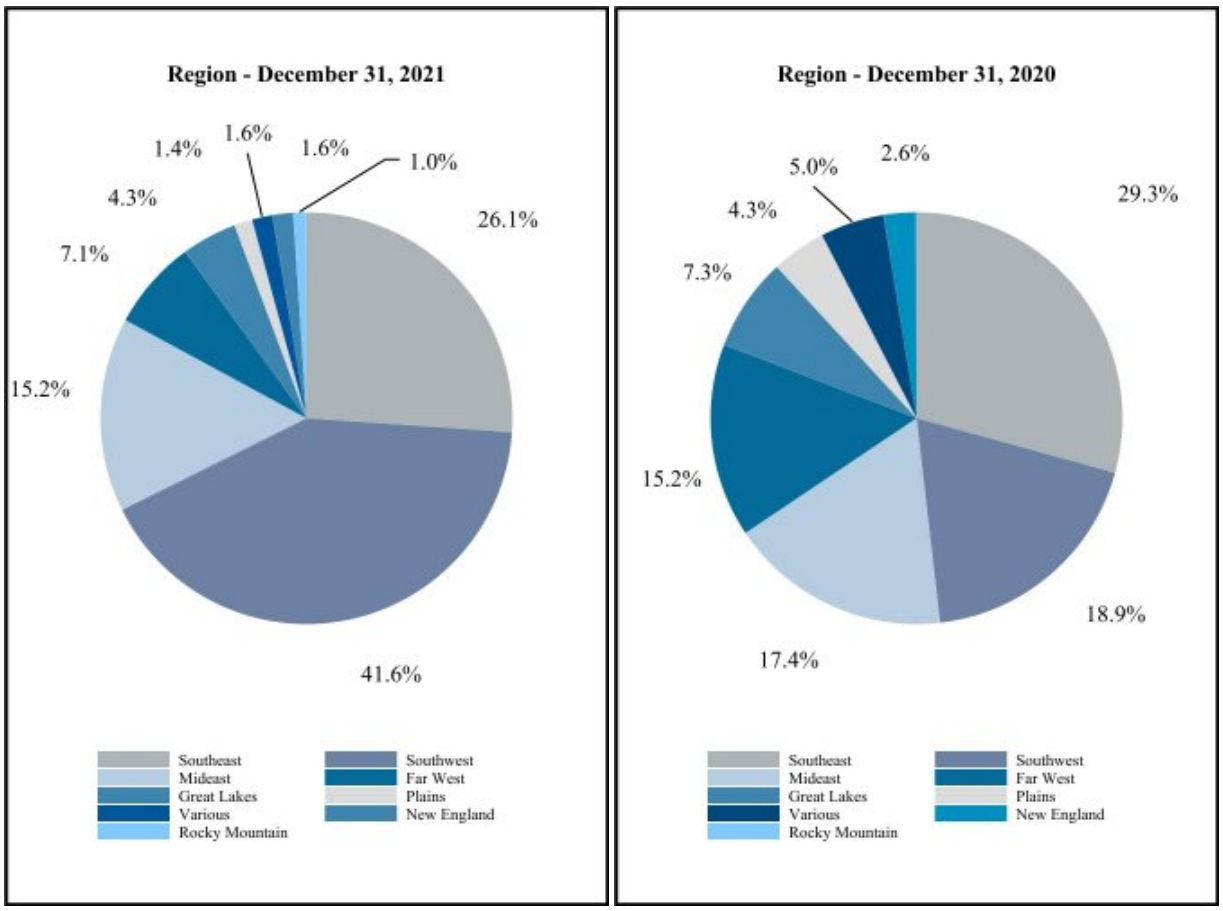
As of December 31, 2021 and 2020, our commercial mortgage loans, excluding commercial mortgage loans accounted for under the fair value option, had a weighted average coupon of 4.3% and 5.5%, and a weighted average remaining life of 2.1 years and 1.7 years, respectively. As of December 31, 2020, our CMBS investments had a weighted average coupon of 2.2%, and a weighted average remaining life of 12.8 years.

The following charts summarize our commercial mortgage loans, held for investment, by coupon rate type, collateral type and geographical region as of December 31, 2021 and 2020:

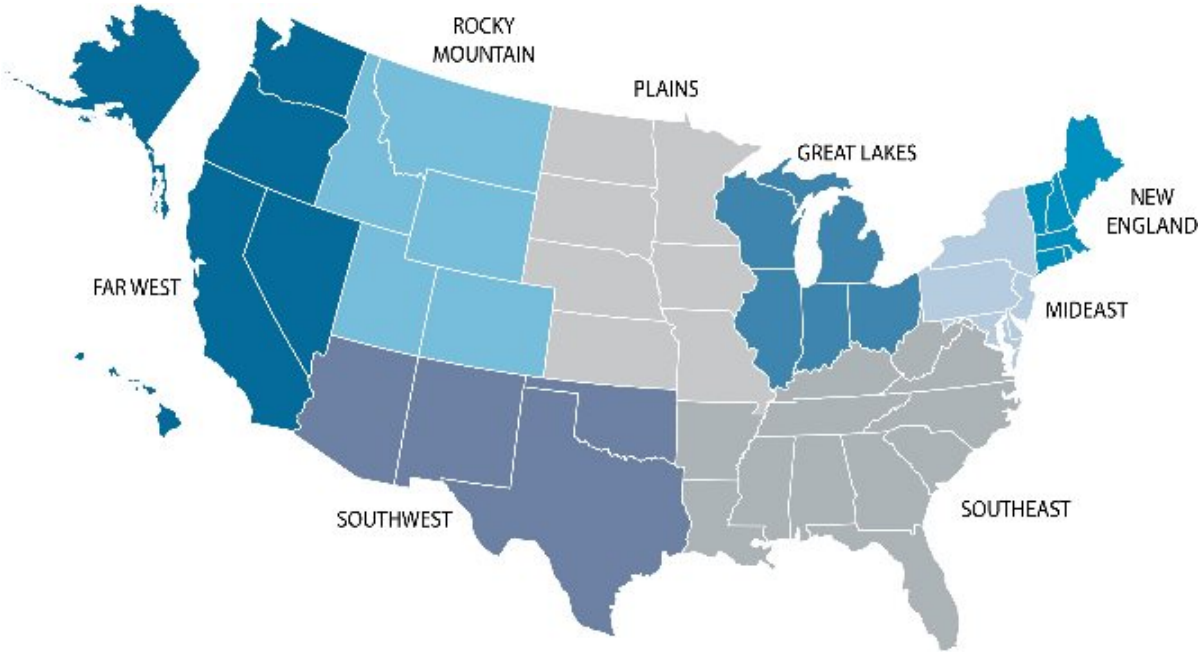



Collateral Type - December 31, 2021
11.4%
10.9%
1.5%
2.1%
2.5%
1.3%
0.7%
69.6%
Multifamily
Hospitality
Industrial
Self-Storage
Land
Office
Mixed Use
Retail
Manufactured Housing

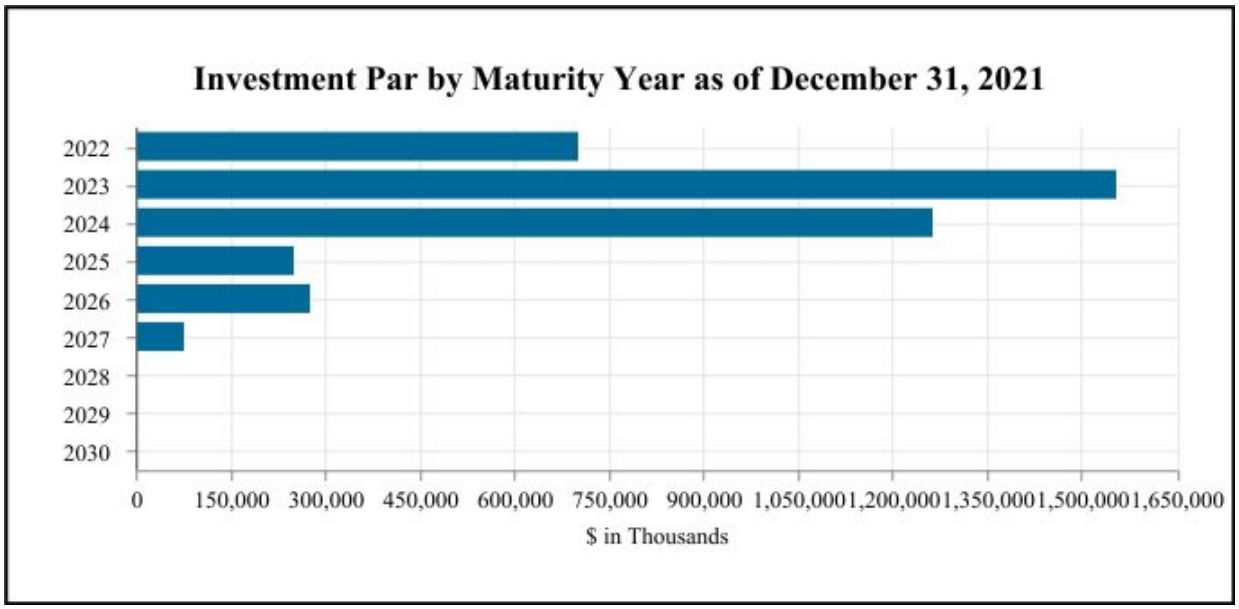

Collateral Type - December 31, 2020
3.8%
8.9%
2.9%
3.2%
14.8%
2.6%
0.6%
19.0%
44.2%
Multifamily
Hospitality
Industrial
Self-Storage
Land
Office
Mixed Use
Retail
Manufactured Housing

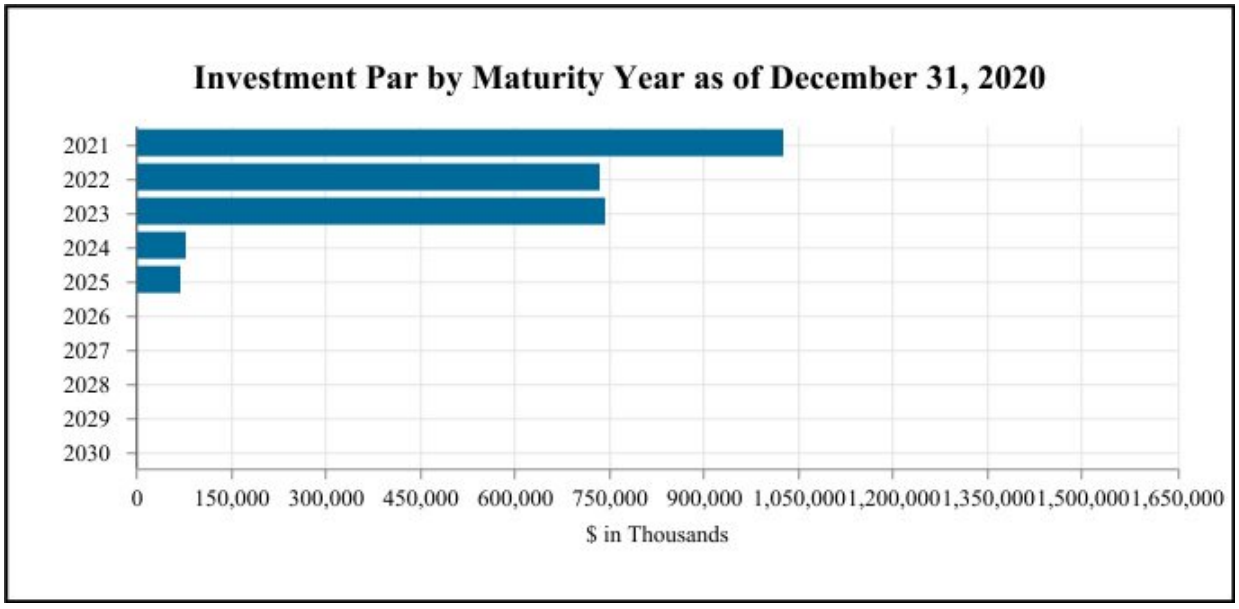


An investments region classification is defined according to the below map based on the location of investments secured property.



The following charts show the par value by contractual maturity year for the investments in our portfolio as of December 31, 2021 and 2020:





The following table shows selected data from our commercial mortgage loans, held for investment in our portfolio as of December 31, 2021 (dollars in thousands):

Loan Type	Property Type	Par Value	Interest Rate [1]	Effective Yield [5]	Loan to Value [2]
Senior Debt 1	Hospitality	$4,858	1 month LIBOR + 4.00%	5.00%	77.0%
Senior Debt 2	Hospitality	57,075	1 month LIBOR + 5.19%	6.19%	51.8%
Senior Debt 3	Multifamily	26,568	1 month LIBOR + 4.50%	5.50%	22.4%
Senior Debt 4	Hospitality	22,150	1 month LIBOR + 6.00%	6.50%	48.1%
Senior Debt 5	Office	6,901	1 month LIBOR + 5.15%	6.60%	56.4%
Senior Debt 6	Multifamily	36,822	1 month LIBOR + 3.00%	3.80%	63.7%
Senior Debt 7	Multifamily	37,025	1 month LIBOR + 3.00%	4.50%	83.6%
Senior Debt 8	Hospitality	22,355	1 month LIBOR + 3.50%	4.80%	68.8%
Senior Debt 9	Office	20,685	1 month LIBOR + 3.75%	5.80%	70.0%
Senior Debt 10	Office	15,722	1 month LIBOR + 3.40%	5.30%	67.5%
Senior Debt 11	Retail	29,500	6.50%	6.50%	68.5%
Senior Debt 12	Multifamily	27,488	1 month LIBOR + 3.35%	5.25%	73.0%
Senior Debt 13	Hospitality	8,285	1 month LIBOR + 4.85%	6.75%	62.5%
Senior Debt 14	Office	7,125	1 month LIBOR + 3.90%	5.95%	67.6%
Senior Debt 15	Hospitality	13,972	1 month LIBOR + 4.47%	6.72%	44.8%
Senior Debt 16	Retail	11,924	1 month LIBOR + 3.95%	6.45%	61.2%
Senior Debt 17	Office	42,631	1 month LIBOR + 3.50%	5.75%	71.0%
Senior Debt 18	Retail	8,203	1 month LIBOR + 8.00%	8.10%	51.6%
Senior Debt 19	Hospitality	10,580	1 month LIBOR + 4.50%	6.75%	68.7%
Senior Debt 20	Hospitality	19,900	1 month LIBOR + 4.15%	6.50%	61.8%
Senior Debt 21	Office	39,650	1 month LIBOR + 4.01%	6.26%	68.2%
Senior Debt 22	Hospitality	20,930	1 month LIBOR + 3.75%	6.10%	62.6%
Senior Debt 23	Hospitality	13,000	1 month LIBOR + 2.94%	5.44%	56.4%
Senior Debt 24	Hospitality	4,987	1 month LIBOR + 4.25%	6.50%	47.7%
Senior Debt 25	Hospitality	12,750	1 month LIBOR + 4.45%	6.85%	62.9%
Senior Debt 26	Hospitality	10,845	1 month LIBOR + 4.50%	6.85%	64.0%
Senior Debt 27	Retail	9,400	1 month LIBOR + 4.20%	6.30%	77.1%
Senior Debt 28	Hospitality	34,053	1 month LIBOR + 3.99%	5.74%	31.0%
Senior Debt 29	Industrial	56,933	1 month LIBOR + 3.75%	5.50%	59.7%
Senior Debt 30	Office	21,825	1 month LIBOR + 3.50%	5.40%	70.9%
Senior Debt 31	Hospitality	7,100	1 month LIBOR + 4.00%	5.75%	70.3%
Senior Debt 32	Multifamily	15,342	1 month LIBOR + 2.75%	4.25%	71.7%
Senior Debt 33	Multifamily	27,650	1 month LIBOR + 3.15%	4.95%	71.6%
Senior Debt 34	Multifamily	27,094	1 month LIBOR + 2.70%	2.80%	76.0%
Senior Debt 35	Multifamily	9,016	1 month LIBOR + 3.95%	5.00%	75.3%
Senior Debt 36	Multifamily	25,000	1 month LIBOR + 3.30%	4.75%	75.5%
Senior Debt 37	Office	25,802	1 month LIBOR + 4.35%	6.05%	64.9%
Senior Debt 38	Multifamily	15,150	1 month LIBOR + 3.10%	4.50%	63.7%
Senior Debt 39	Office	58,714	1 month LIBOR + 3.70%	5.00%	65.7%
Senior Debt 40	Multifamily	11,739	1 month LIBOR + 3.15%	4.75%	72.4%
Senior Debt 41	Office	28,083	1 month LIBOR + 2.70%	2.80%	71.4%
Senior Debt 42	Manufactured Housing	1,359	5.50%	5.50%	62.8%
Senior Debt 43	Multifamily	7,060	1 month LIBOR + 4.75%	5.75%	62.6%
Senior Debt 44	Industrial	17,038	1 month LIBOR + 6.25%	7.00%	61.0%
Senior Debt 45	Multifamily	4,300	1 month LIBOR + 5.50%	6.50%	87.4%
Senior Debt 46	Manufactured Housing	7,680	1 month LIBOR + 4.50%	5.00%	66.7%

Loan Type	Property Type	Par Value	Interest Rate [1]	Effective Yield [5]	Loan to Value [2]
Senior Debt 47	Mixed Use	30,465	1 month LIBOR + 5.15%	6.15%	67.0%
Senior Debt 48	Hospitality	27,000	1 month LIBOR + 6.50%	6.85%	62.7%
Senior Debt 49	Multifamily	50,000	1 month LIBOR + 6.69%	7.44%	80.0%
Senior Debt 50	Self Storage	29,895	1 month LIBOR + 5.00%	5.25%	58.8%
Senior Debt 51	Multifamily	14,183	1 month LIBOR + 4.75%	5.25%	70.0%
Senior Debt 52	Manufactured Housing	3,400	1 month LIBOR + 5.00%	5.25%	58.6%
Senior Debt 53	Multifamily	27,550	1 month LIBOR + 5.75%	6.00%	69.8%
Senior Debt 54	Manufactured Housing	5,020	1 month LIBOR + 5.25%	5.35%	65.9%
Senior Debt 55	Office	18,603	1 month LIBOR + 4.50%	5.25%	47.9%
Senior Debt 56	Office	67,651	5.15%	5.15%	52.5%
Senior Debt 57	Office	30,900	1 month LIBOR + 5.20%	5.45%	66.0%
Senior Debt 58	Self Storage	11,600	1 month LIBOR + 4.76%	5.01%	66.6%
Senior Debt 59	Manufactured Housing	5,000	1 month LIBOR + 5.90%	6.50%	58.8%
Senior Debt 60	Office	12,750	1 month LIBOR + 5.00%	5.25%	67.8%
Senior Debt 61	Multifamily	43,320	1 month LIBOR + 4.35%	4.60%	73.2%
Senior Debt 62	Multifamily	37,674	1 month LIBOR + 4.45%	4.70%	66.5%
Senior Debt 63	Multifamily	8,763	1 month LIBOR + 5.50%	5.75%	73.7%
Senior Debt 64	Retail	11,963	1 month LIBOR + 4.87%	5.12%	75.0%
Senior Debt 65	Multifamily	5,730	1 month LIBOR + 5.00%	5.25%	73.5%
Senior Debt 66	Multifamily	18,800	1 month LIBOR + 4.00%	4.10%	79.7%
Senior Debt 67	Industrial	14,985	1 month LIBOR + 4.50%	4.75%	66.3%
Senior Debt 68	Office	11,981	1 month LIBOR + 5.50%	5.75%	68.8%
Senior Debt 69	Multifamily	11,820	1 month LIBOR + 4.55%	4.75%	73.0%
Senior Debt 70	Multifamily	21,000	1 month LIBOR + 4.60%	4.75%	66.7%
Senior Debt 71	Office	26,000	1 month LIBOR + 5.00%	5.25%	63.9%
Senior Debt 72	Multifamily	54,500	1 month LIBOR + 3.80%	4.05%	77.0%
Senior Debt 73	Multifamily	11,672	1 month LIBOR + 3.50%	3.65%	60.1%
Senior Debt 74	Multifamily	21,000	1 month LIBOR + 4.95%	5.05%	84.2%
Senior Debt 75	Office	43,751	1 month LIBOR + 3.94%	4.14%	53.9%
Senior Debt 76 [3]	Multifamily	—	1 month LIBOR + 7.25%	7.50%	—%
Senior Debt 77	Multifamily	5,400	1 month LIBOR + 5.25%	5.50%	83.1%
Senior Debt 78	Hospitality	23,000	1 month LIBOR + 5.79%	5.99%	57.2%
Senior Debt 79	Multifamily	32,856	1 month LIBOR + 6.75%	7.00%	78.2%
Senior Debt 80	Multifamily	12,325	1 month LIBOR + 4.50%	4.65%	83.3%
Senior Debt 81	Multifamily	6,300	1 month LIBOR + 5.35%	5.60%	84.0%
Senior Debt 82	Multifamily	31,023	1 month LIBOR + 3.00%	3.10%	74.3%
Senior Debt 83	Multifamily	11,936	1 month LIBOR + 4.25%	4.55%	76.4%
Senior Debt 84	Multifamily	5,575	1 month LIBOR + 4.50%	4.75%	83.6%
Senior Debt 85	Multifamily	53,178	1 month LIBOR + 3.00%	3.25%	71.6%
Senior Debt 86	Multifamily	14,045	1 month LIBOR + 3.39%	3.54%	70.6%
Senior Debt 87	Multifamily	8,301	1 month LIBOR + 3.80%	3.95%	69.9%
Senior Debt 88	Multifamily	13,582	1 month LIBOR + 4.50%	4.75%	76.7%
Senior Debt 89	Multifamily	18,277	1 month LIBOR + 5.25%	5.50%	67.0%
Senior Debt 90	Multifamily	17,985	1 month LIBOR + 3.60%	3.75%	70.8%
Senior Debt 91	Multifamily	41,823	1 month LIBOR + 2.95%	3.10%	71.6%
Senior Debt 92	Hospitality	25,785	1 month LIBOR + 5.60%	5.85%	61.0%
Senior Debt 93	Mixed Use	32,500	1 month LIBOR + 3.70%	4.20%	69.7%
Senior Debt 94	Multifamily	12,688	1 month LIBOR + 3.75%	3.90%	63.2%

Loan Type	Property Type	Par Value	Interest Rate [1]	Effective Yield [5]	Loan to Value [2]
Senior Debt 95	Multifamily	70,620	1 month LIBOR + 2.95%	3.10%	72.6%
Senior Debt 96	Multifamily	20,321	1 month LIBOR + 3.35%	3.50%	67.7%
Senior Debt 97	Multifamily	28,318	1 month LIBOR + 2.95%	3.10%	70.4%
Senior Debt 98	Multifamily	34,998	1 month LIBOR + 2.95%	3.10%	71.7%
Senior Debt 99	Multifamily	32,557	1 month LIBOR + 2.95%	3.10%	72.2%
Senior Debt 100	Hospitality	25,771	1 month LIBOR + 9.00%	9.25%	74.2%
Senior Debt 101	Self Storage	15,000	1 month LIBOR + 4.26%	4.51%	74.6%
Senior Debt 102	Multifamily	24,248	1 month LIBOR + 3.25%	3.35%	70.8%
Senior Debt 103	Office	6,800	1 month LIBOR + 5.25%	5.50%	67.3%
Senior Debt 104	Multifamily	12,792	1 month LIBOR + 6.50%	7.00%	—%
Senior Debt 105	Multifamily	10,391	1 month LIBOR + 3.15%	3.25%	75.6%
Senior Debt 106	Hospitality	17,449	1 month LIBOR + 5.35%	5.75%	56.8%
Senior Debt 107	Hospitality	28,000	1 month LIBOR + 6.25%	6.50%	59.2%
Senior Debt 108	Multifamily	31,900	1 month LIBOR + 3.15%	3.25%	73.0%
Senior Debt 109	Multifamily	37,260	1 month LIBOR + 3.40%	3.55%	75.6%
Senior Debt 110 [4]	Multifamily	—	1 month LIBOR + 8.00%	8.25%	—%
Senior Debt 111	Multifamily	29,500	1 month LIBOR + 2.88%	2.98%	68.0%
Senior Debt 112	Multifamily	10,050	1 month LIBOR + 4.50%	4.65%	77.3%
Senior Debt 113	Multifamily	13,259	1 month LIBOR + 3.75%	3.85%	76.9%
Senior Debt 114	Multifamily	29,250	1 month LIBOR + 3.00%	3.10%	73.5%
Senior Debt 115	Multifamily	34,077	1 month LIBOR + 3.15%	3.25%	71.0%
Senior Debt 116	Multifamily	42,850	1 month LIBOR + 3.40%	3.50%	79.9%
Senior Debt 117	Multifamily	35,020	1 month LIBOR + 3.64%	3.74%	66.0%
Senior Debt 118	Multifamily	8,500	1 month LIBOR + 3.75%	4.00%	79.4%
Senior Debt 119	Multifamily	14,200	1 month LIBOR + 3.15%	3.25%	79.8%
Senior Debt 120	Multifamily	13,350	1 month LIBOR + 3.75%	3.85%	64.2%
Senior Debt 121	Multifamily	66,650	1 month LIBOR + 3.25%	3.35%	77.1%
Senior Debt 122	Multifamily	18,750	1 month LIBOR + 2.95%	3.05%	72.1%
Senior Debt 123	Multifamily	9,099	1 month LIBOR + 3.75%	3.95%	70.0%
Senior Debt 124	Multifamily	26,160	1 month LIBOR + 3.20%	3.30%	77.3%
Senior Debt 125	Hospitality	17,370	1 month LIBOR + 5.25%	5.35%	61.0%
Senior Debt 126	Hospitality	16,500	1 month LIBOR + 7.10%	7.20%	73.0%
Senior Debt 127	Multifamily	13,168	1 month LIBOR + 3.40%	3.50%	78.2%
Senior Debt 128	Multifamily	88,500	1 month LIBOR + 2.75%	2.85%	50.3%
Senior Debt 129	Multifamily	56,150	1 month LIBOR + 3.10%	3.20%	78.9%
Senior Debt 130	Multifamily	36,750	1 month LIBOR + 2.90%	3.00%	72.2%
Senior Debt 131	Multifamily	52,192	1 month LIBOR + 3.10%	3.20%	67.2%
Senior Debt 132	Multifamily	37,100	1 month LIBOR + 2.90%	3.00%	72.0%
Senior Debt 133	Multifamily	60,267	1 month LIBOR + 2.85%	2.95%	70.6%
Senior Debt 134	Multifamily	30,600	1 month LIBOR + 2.65%	2.75%	59.1%
Senior Debt 135	Multifamily	30,650	1 month LIBOR + 3.25%	3.35%	80.0%
Senior Debt 136	Multifamily	62,850	1 month LIBOR + 3.35%	3.45%	78.0%
Senior Debt 137	Multifamily	42,474	1 month LIBOR + 3.00%	3.10%	74.8%
Senior Debt 138	Multifamily	46,080	1 month LIBOR + 2.75%	2.85%	68.1%
Senior Debt 139	Multifamily	28,880	1 month LIBOR + 2.90%	3.00%	74.2%
Senior Debt 140	Manufactured Housing	6,700	1 month LIBOR + 4.50%	4.60%	77.9%
Senior Debt 141	Multifamily	58,680	1 month LIBOR + 3.45%	3.55%	74.8%
Senior Debt 142	Multifamily	26,600	1 month LIBOR + 2.90%	3.00%	72.1%

Loan Type	Property Type	Par Value	Interest Rate [1]	Effective Yield [5]	Loan to Value [2]
Senior Debt 143	Multifamily	12,478	1 month LIBOR + 3.20%	3.30%	62.4%
Senior Debt 144	Multifamily	35,996	1 month LIBOR + 3.00%	3.10%	73.3%
Senior Debt 145	Multifamily	32,250	1 month LIBOR + 3.20%	3.30%	74.5%
Senior Debt 146	Multifamily	38,631	1 month LIBOR + 2.90%	3.00%	71.7%
Senior Debt 147	Multifamily	64,281	1 month LIBOR + 2.88%	2.98%	74.8%
Senior Debt 148	Multifamily	62,003	1 month LIBOR + 2.88%	2.98%	75.5%
Senior Debt 149	Multifamily	16,570	1 month SOFR + 3.50%	3.55%	71.7%
Senior Debt 150	Multifamily	56,930	1 month LIBOR + 2.75%	2.85%	73.9%
Senior Debt 151	Multifamily	65,000	1 month SOFR + 5.14%	5.19%	74.7%
Senior Debt 152	Multifamily	22,240	1 month SOFR + 2.96%	3.01%	79.4%
Senior Debt 153	Multifamily	25,573	1 month SOFR + 2.96%	3.01%	72.9%
Senior Debt 154	Multifamily	31,678	1 month SOFR + 3.20%	3.25%	74.2%
Senior Debt 155	Multifamily	78,050	1 month SOFR + 3.45%	3.50%	78.8%
Senior Debt 156	Multifamily	77,870	1 month LIBOR + 3.21%	3.31%	76.1%
Senior Debt 157	Multifamily	24,000	1 month SOFR + 3.11%	3.16%	72.7%
Senior Debt 158	Retail	31,000	1 month SOFR + 3.29%	3.34%	42.5%
Senior Debt 159	Multifamily	47,444	1 month SOFR + 2.86%	2.91%	68.2%
Senior Debt 160	Multifamily	36,824	1 month SOFR + 2.86%	2.91%	69.7%
Senior Debt 161	Hospitality	17,169	5.99%	5.99%	52.9%
Mezzanine Loan 1	Multifamily	6,500	1 month LIBOR + 10.25%	11.00%	90.4%
Mezzanine Loan 2	Multifamily	3,000	1 month LIBOR + 9.20%	10.00%	62.2%
Mezzanine Loan 3	Multifamily	10,000	1 month SOFR + 15.29%	15.34%	86.2%
Mezzanine Loan 4	Retail	3,000	1 month SOFR + 12.00%	12.05%	46.6%
		$4,242,962		**4.33%**	

[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 $31.5 million, however none was funded as of December 31, 2021.

[4] The total commitment of this loan is $38.0 million, however none was funded as of December 31, 2021.

[5] Effective yield is calculated as the spread of the loan plus the higher of any applicable index or index floor.

The following table shows selected data from our commercial mortgage loans, held for sale, measured at fair value as of December 31, 2021 (dollars in thousands):

Loan Type	Property Type	Par Value	Interest Rate	Effective Yield	Loan to Value [1]
TRS Senior Debt 1	Office	$34,250	3.60%	3.60%	63.2%
		$34,250		**3.60%**	

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

We had no real estate securities, available for sale, measured at fair value as of December 31, 2021.

The following table shows selected data from our other real estate investments, measured at fair value as of December 31, 2021 (dollars in thousands):

Type	Property Type	Par Value	Preferred Return
Preferred Equity 1	Retail	$2,074	12.5%
		$2,074	

The following table shows selected data from our real estate owned assets in our portfolio as of December 31, 2021 (dollars in thousands):

Type	Property Type	Carrying Value
Real Estate Owned 1	Industrial	$90,048
		$90,048

The following is a summary of the Company's RMBS, all of which were ARM Agency Securities, classified by collateral type and interest rate characteristics as of December 31, 2021 (dollars in thousands):

Type	Carrying Amount	Average Yield [1]
Agency Securities:		
Fannie Mae/Freddie Mac ARMs	$ 4,246,803	0.02%
Ginnie Mae ARMs	320,068	0.03%
	$ 4,566,871	**0.02%**

[1] Average yield is presented for the year then ended, and is based on the cash component of interest income expressed as a percentage on average cost basis (the "cash yield").

During 2021, the Company sold trading securities using the specific identification method for proceeds totaling $1.9 billion recognizing $0.1 million in net realized gains. Subsequent to year end, until February 18, 2022, the Company sold trading securities using the same method for proceeds totaling $1.8 billion recognizing $12 million in net realized losses. The Company did not own any trading securities during 2020. As of February 18, 2022, the current market value of the Company's RMBS portfolio was $2.4 billion.

Liquidity and Capital Resources

Overview

Our expected material cash requirements for the twelve months ended December 31, 2022 and thereafter are comprised of (i) contractually obligated expenditures, including payments of principal and interest and contractually-obligated fundings on our loans; (ii) other essential expenditures, including operating and administrative expenses and dividends paid in accordance with REIT distribution requirements; and (iii) opportunistic expenditures, including new loans.

Our contractually obligated expenditures primarily consist of payment obligations under the debt financing arrangements which are set forth in the table below under "Contractual Obligations and Commitments" and which are each described in more detail below under "Repurchase Agreements, Commercial Mortgage Loans", "Other financing and loan participation - Commercial Mortgage Loans", "Mortgage Note Payable", "Unsecured Debt", "Repurchase Agreements - Real Estate Securities", and "Repurchase Agreements - Real Estate Securities Classified As Trading."

We expect to use operating cash flow, new or refinanced debt (including collateral loan and debt obligation securitizations) and equity financing as a source of capital. Since we intend to continue to qualify as a REIT for federal income tax purposes, we will be required to annually distribute to our stockholders at least 90% of our REIT taxable income and we intend to distribute 100% of REIT taxable income. This will reduce the amount of operating cash flow available to fund our operations and growth initiatives after the payment of these distributions.

The board of directors currently intends to operate at a leverage level of between one to three times book value of equity. We have used and may in the future use various forms of incurring indebtedness, including through repurchase agreements, credit facilities, securitizations, public and private, secured and unsecured debt issuances by us or our subsidiaries. We have generally relied on repurchase agreements to provide short-term debt financing for our commercial mortgage loans and utilized collateral loan and debt obligation securitizations for long-term match-funded financing.

With respect to equity, we may in the future issue common stock and/or preferred stock, including through an at-the-market offering program. We may also sell certain assets in our portfolio and reinvest the proceeds in assets with more attractive risk-adjusted returns. For example, we intend to reinvest the cash and proceeds from dividends, interest, repayments and sales of the assets acquired in the Capstead merger into our primary investment strategies.

As discussed in detail in Note 9 – Stock Transactions to the accompanying consolidated financial statements included in this Annual Report on Form 10-K, in October 2021 we closed our merger with Capstead. We intend to transition the equity invested in the assets we acquired from Capstead into our traditional investment strategies, including the origination of commercial real estate mortgages. Specifically, we intend to reinvest any dividend, interest and principal paid on such assets, and proceeds from the sale of such assets, into our current investment strategies. Until we fully transition this equity into our business, we expect that proceeds received from the sale of Capstead assets will be a significant source of capital.

We believe that our anticipated available operating cash flows, proceeds from sales of assets and debt and equity financing sources will be adequate to fund our short and long-term anticipated uses of capital.

Collateralized Loan Obligations

During 2021, the Company raised $1.3 billion of capital through the issuance of BSPRT 2021-FL6 Issuer, Ltd. and BSPRT 2021-FL7 Issuer, Ltd. Additionally, as of December 31, 2021, the Company had $46 million reinvestment capital available across all outstanding collateralized loan obligations.

Repurchase Agreements, Commercial Mortgage Loans

As of December 31, 2021, the Company has repurchase facilities with JPMorgan Chase Bank, National Association (the "JPM 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, 2021 and December 31, 2020 are as follows (dollars in thousands):

As of December 31, 2021

Repurchase Facility	Committed Financing	Amount Outstanding	Interest Expense[1]	Ending Weighted Average Interest Rate	Term Maturity
JPM Repo Facility	$ 400,000	$ 136,470	$ 5,178	2.13 %	10/6/2022
CS Repo Facility [2]	300,000	137,364	3,446	2.43 %	9/30/2022
WF Repo Facility [3]	450,000	186,734	2,090	1.64 %	11/21/2023
Barclays Revolver Facility [4]	250,000	166,700	1,976	6.12 %	9/20/2023
Barclays Repo Facility [5]	500,000	392,332	4,057	1.76 %	3/14/2025
Total	**$ 1,900,000**	**$ 1,019,600**	**$ 16,747**		

[1] For the year ended December 31, 2021. Includes amortization of deferred financing costs.

[2] On August 12, 2021, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to September 30, 2022. Additionally, on November 3, 2021 the committed financing amount was amended from $200 million to $300 million with the option to increase to $400 million at the Company's discretion.

[3] On October 15, 2021 the committed financing amount was increased from $175 million to $275 million. There are three more one-year extension options available at the Company's discretion.

[4] On September 8, 2021, the Company amended the maturity date to September 20, 2023. On December 1, 2021 the committed financing amount was increased from $100 million to $250 million. The Company may increase the total commitment amount by an amount between $100 million and $150 million for three month intervals, on an unlimited basis prior to maturity.

[5] On December 3, 2021 the Company amended the maturity date to March 14, 2025 and the committed financing amount was increased from $300 million to $500 million. There are two one-year extension options available at the Company's discretion.

As of December 31, 2020					
Repurchase Facility	**Committed Financing**	**Amount Outstanding**	**Interest Expense[1]**	**Ending Weighted Average Interest Rate**	**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 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.

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 $0.9 million of interest expense on SNB for the year ended December 31, 2021. As of December 31, 2021 and December 31, 2020 the outstanding participation balance was $37.9 million and $31.4 million, respectively. 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. The Company incurred $0.9 million of interest expense for the twelve months ended December 31, 2021. As of December 31, 2021 the loan has been assumed by the purchaser of the underlying asset and is no longer held by the Company (see Note 5 - Real Estate Owned).

On September 17, 2021, the Company, in connection with the consolidating joint venture (as discussed in Note 5 - Real Estate Owned), originated a $112.7 million mortgage note payable, of which $88.7 million is eliminated in consolidation (see Note 5 - Real Estate Owned). As of December 31, 2021 the Company incurred $0.2 million of interest expense, of which $0.2 million is eliminated in consolidation, for the twelve months ended December 31, 2021. The remaining mortgage note payable of $24 million is included in the consolidated balance sheets under the caption Mortgage note payable. As of December 31, 2021, the loan accrued interest at an annual rate of 3.1% and matures on October 9, 2024.

Unsecured Debt

In the merger with Capstead we acquired 30-year junior subordinated notes issued in 2005 and 2006 and maturing in 2035 and 2036, with a total face amount of $100.0 million. Note balances net of deferred issuance costs, and related weighted average interest rates as of the indicated dates (calculated including issuance cost amortization and adjusted for the effects of related derivatives held as cash flow hedges) were as follows (dollars in thousands):

	December 31, 2021		December 31, 2020	
	Borrowings Outstanding	Average Rate	Borrowings Outstanding	Average Rate
Junior subordinated notes maturing in:				
October 2035 ($35,000 face amount)	$ 34,470	7.86 %	$ —	— %
December 2035 ($40,000 face amount)	39,474	7.63 %	—	— %
September 2036 ($25,000 face amount)	24,650	7.67 %	—	— %
	$ 98,594	**7.72 %**	**$ —**	**— %**

The notes are currently redeemable, in whole or in part, without penalty, at the Company's option. Interest paid on unsecured debt, including related derivative cash flows, totaled $0.6 million for the twelve months ended December 31, 2021.

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 $2.0 million of interest expense on the lending agreement with SBL for the twelve months ended December 31, 2021. As of December 31, 2021 the outstanding balance was $50.0 million.

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, 2021 and 2020 (dollars in thousands):

				Weighted Average	
Counterparty	Amount Outstanding	Accrued Interest	Collateral Pledged [1]	Interest Rate	Days to Maturity
As of December 31, 2021					
JP Morgan Securities LLC	$ 19,025	$ 261	$ 24,087	1.14 %	10
Wells Fargo Securities, LLC	—	—	—	N/A	N/A
Goldman Sachs International	—	37	—	N/A	N/A
Barclays Capital Inc.	15,286	526	19,131	1.21 %	14
Credit Suisse AG	—	—	—	N/A	N/A
Citigroup Global Markets, Inc.	—	81	—	N/A	N/A
Total/Weighted Average	**$ 34,311**	**$ 905**	**$ 43,218**	**1.17 %**	**12**
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	—	29
Total/Weighted Average	**$ 186,828**	**$ 8,719**	**$ 243,373**	**1.71 %**	**33**

[1] Includes $43.2 million and $72.2 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, 2021 and December 31, 2020, respectively.

Repurchase Agreements - Real Estate Securities Classified As Trading

As a result of the Capstead merger which closed on October 19, 2021, the Company acquired a significant portfolio of residential adjustable-rate mortgage pass-through securities issued and guaranteed by government-sponsored enterprises or by an agency of the federal government which the Company accounts for as real estate securities classified as trading. The Company pledges its real estate securities classified as trading as collateral for repurchase agreements with commercial banks and other financial institutions. Repurchase arrangements entered into by the Company involve the sale and a simultaneous agreement to repurchase the transferred assets at a future date and are accounted for as financings. The Company maintains the beneficial interest in the specific securities pledged during the term of each repurchase arrangement and receives the related principal and interest payments.

The terms and conditions of repurchase agreements are negotiated on a transaction-by-transaction basis when each such agreement is initiated or renewed. The amount borrowed is generally equal to the fair value of the securities pledged, as determined by the lending counterparty, less an agreed-upon discount, referred to as a "haircut." Interest rates are generally fixed based on prevailing rates corresponding to the terms of the borrowings. Interest may be paid monthly or at the termination of an agreement at which time the Company may enter into a new agreement at prevailing haircuts and rates with the same lending counterparty or repay that counterparty and negotiate financing with a different lending counterparty. None of the Company's lending counterparties are obligated to renew or otherwise enter into new agreements at the conclusion of existing agreements. In response to declines in fair value of pledged securities due to changes in market conditions or the publishing of monthly security pay-down factors, lending counterparties typically require the Company to post additional securities as collateral, pay down borrowings or fund cash margin accounts with the counterparties in order to re-establish the agreed-upon collateral requirements. These actions are referred to as margin calls. Conversely, in response to increases in fair value of pledged securities, the Company routinely margin calls its lending counterparties in order to have previously pledged collateral returned.

Repurchase agreements (and related pledged collateral, including accrued interest receivable), classified by collateral type and remaining maturities, and related weighted average borrowing rates as of the indicated dates were as follows (dollars in thousands):

Collateral Type	Collateral Carrying Amount	Accrued Interest Receivable	Borrowings Outstanding	Average Borrowing Rates
December 31, 2021				
Repurchase arrangements secured by Agency securities with maturities of 30 days or less	$ 4,327,020	$ 8,908	$ 4,144,473	0.13 %
	$ 4,327,020	**$ 8,908**	**$ 4,144,473**	**0.13 %**
December 31, 2020				
Repurchase arrangements secured by Agency securities with maturities of 30 days or less	$ —	$ —	$ —	— %
	$ —	$ —	$ —	— %

As of December 31, 2021, the Company's repurchase agreements collateralized by RMBS totaled $4.14 billion with 13 counterparties at average rates of 0.13%, before the effects of currently-paying interest rate swap agreements. Average repurchase agreements outstanding were $3.97 billion in 2021. Average repurchase agreements outstanding differed from respective year-end balances during the indicated periods primarily due to changes in portfolio levels and differences in the timing of portfolio acquisitions relative to portfolio runoff and asset sales. Interest paid on repurchase agreements, including related Derivative cash flows, totaled $1.24 million during the twelve months ended December 31, 2021.

The Company finances its residential mortgage investments primarily by borrowing under repurchase arrangements, the terms and conditions of which are negotiated on a transaction-by-transaction basis, when each such agreement is initiated or renewed.

Future agreements are dependent upon the willingness of lenders to participate in the financing of mortgage investments, lender collateral requirements and the lenders' determination of the fair value of the investments pledged as collateral, which fluctuates with changes in interest rates and liquidity conditions within the commercial banking and mortgage finance industries. None of our repurchase agreement counterparties are obligated to renew or otherwise enter into new agreements at the conclusion of existing borrowings. Repurchase agreements averaged $3.97 billion during 2021 and ended the year at $4.14 billion, all maturing within 90 days. Average repurchase agreements can differ from period-end balances for a number of reasons including portfolio growth or contraction, as well as differences in the timing of portfolio acquisitions relative to portfolio runoff.

To help mitigate exposure to rising short-term interest rates, we economically hedge the portfolio of repurchase agreements using derivatives supplemented with longer-maturity repurchase agreements when available at attractive rates and terms. At year-end, we held $3.6 billion notional amount of portfolio financing-related interest rate swap agreements with contract expirations occurring at various dates through the Second quarter 2024 and a weighted average expiration of 18 months. At December 31, 2021, we expect to have no net cash obligations related to repurchase agreement-related interest rate swap agreements after considering the variable-rate payments owed to us under the agreements' terms based on market interest rate expectations as of year-end.

Repurchase Agreements

The following tables summarize our Repurchase Agreements, Commercial Mortgage Loans, Trading Securities and our MRAs for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 respectively:

	As of December 31, 2021							
	Amount Outstanding				Average Outstanding Balance			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Repurchase Agreements, Commercial Mortgage Loans	$ 152,925	$ 287,462	$ 550,156	$ 1,019,600	$ 340,485	$ 282,891	$ 331,871	$ 959,729
Repurchase Agreements, Real Estate Securities	$ 88,272	$ 46,510	$ 46,531	$ 34,311	$ 123,322	$ 57,301	$ 46,527	$ 37,735
Repurchase Agreements, Real Estate Securities Classified As Trading	$ —	$ —	$ —	$ 4,144,473	$ —	$ —	$ —	$ 4,266,556

	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

The use of our repurchase facilities 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, 2021 the maximum monthly average outstanding balance was $5.84 billion, of which $0.68 billion was related to repurchase agreements on our commercial mortgage loans and $0.04 billion for repurchase agreements on our real estate securities and $5.12 billion for repurchase agreements on our real estate securities held for trading.

During the twelve months ended December 31, 2020 the maximum monthly 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 monthly 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.

Cash Flows

Cash Flows for the Year Ended December 31, 2021

Net cash provided by operating activities for the year ended December 31, 2021 was $146.5 million. Cash inflows were primarily driven by net income of $25.7 million, net proceeds of $33.4 million related to originations and sales of commercial mortgage loans, measured at fair value and a non-cash adjustment of $34.8 million related to trading losses on real estate securities.

Net cash provided by investing activities for the year ended December 31, 2021 was $1,068.7 million. Cash inflows were primarily driven by proceeds from principal repayments of $1,225.6 million received on commercial mortgage loans, held for investment, proceeds received from the sale/repayment of real estate securities of $2,059.4 million, $541.3 million received from principal collateral on mortgage investments and cash acquired of $174.1 million related to the merger with Capstead. Inflows were partially offset by the origination and acquisition of $2,881.9 million of commercial mortgage loans.

Net cash used in financing activities for the year ended December 31, 2021 was $1,139.2 million. Cash outflows were primarily driven by net payment on CMBS repurchase agreements of $2,429.3 million, $68.0 million in cash distributions to stockholders and $11.4 million of stock repurchases. Outflows were offset by $6.5 million of proceeds received from borrowing on other financing and loan participation for commercial mortgage loans, $23.9 million from borrowing on mortgage note payable and net proceeds of $743.3 million and $540.3 million received from repurchase agreements on commercial mortgage loans and CLOs, respectively.

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.

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, 2021 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]	$ —	$ 149,724	$ 308,381	$ —	$ 458,105
Repurchase agreements - commercial mortgage loans	627,268	—	392,332	—	1,019,600
Repurchase agreements - real estate securities	4,178,784	—	—	—	4,178,784
CLOs [2]	—	—	—	2,179,514	2,179,514
Mortgage Note Payable	—	—	—	23,998	23,998
Unsecured debt	—	—	—	150,000	150,000
Other financing and loan participation - commercial mortgage loans	—	37,903	—	—	37,903
Total	**$ 4,806,052**	**$ 187,627**	**$ 700,713**	**$ 2,353,512**	**$ 8,047,904**

[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 $320.6 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, 2021.

In addition to its cash requirements, the Company pays a quarterly dividend and has an existing share repurchase authorization. As of December 31, 2021, the Company's quarterly cash dividend was $0.355 per share of common stock (which was paid on an as-converted basis on the Company's shares of Series C convertible preferred stock ("Series C Preferred Stock"), Series D convertible preferred stock ("Series D Preferred Stock") and Series F convertible preferred stock ("Series F Preferred Stock")), and $0.46875 per share on the Company's shares of 7.50% Series E Cumulative Redeemable Preferred Stock ("Series E Preferred Stock"). The payment of future dividends is subject to declaration by the Board of Directors. The Company's Board of Directors also has authorized a $65.0 million share repurchase program, that will be operative following the conclusion of the $35.0 million open market share purchase program the Advisor agreed to implement in connection with the Company's merger with Capstead. The authorization does not obligate the Company to acquire any specific number of shares.

Related Party Arrangements

Benefit Street Partners L.L.C.

Amended Advisory Agreement

Refer to "Note 11 - Related Party Transactions and Arrangements" for a summary of the Company's Advisory Agreement with the Advisor and amounts paid to the Advisor pursuant to the Advisory Agreement for the years ended December 31, 2021 and December 31, 2020.

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, 2022 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 Convertible Preferred Stock ("Series A 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. On October 19, 2021, each share of Series A Preferred Stock converted into 299.2 shares of common stock, pursuant to the terms of the Articles Supplementary for the Series A Preferred Stock, and no shares of Series A Preferred Stock were outstanding as of December 31, 2021.

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 the listing of the Company's common stock on the NYSE.

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.

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. The Company incurred $2.0 million and $0.2 million of interest expense on the lending agreement with SBL for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021 there was a $50.0 million outstanding balance under the lending agreement.

SBL also holds 17,950 of the Company's outstanding shares of Series D Preferred Stock. SBL acquired these shares in March 2021: 14,950 shares were acquired in exchange for an equivalent number of shares of Series A Preferred Stock and 3,000 shares of Series D Preferred Stock were purchased at the liquidation preference of $15.0 million (net of accrued and unpaid dividends on the exchanged Series A Preferred Stock) in the same transaction.

Acquisitions

In August 2021 the Company and an investment fund managed by the Advisor entered into a joint venture agreement and formed a joint venture entity, Jeffersonville Member, LLC (the "Jeffersonville JV") to acquire a $139.5 million triple net lease property in Jeffersonville, GA. The Company has a 79% interest in the Jeffersonville JV, while the affiliated fund has a 21% interest. The Company invested a total of $109.8 million, made up of $88.7 million in debt and $21.1 million in equity, representing 79% of the ownership interest in the Jeffersonville JV. The affiliated fund made up the remaining $29.8 million composed of a $24.0 million mortgage note payable and $5.7 million in equity. The Company has control of Jeffersonville JV with 79% ownership and, therefore, consolidates Jeffersonville JV on its consolidated balance sheet. The Company's $88.7 million mortgage note payable to Jeffersonville JV is eliminated in consolidation (see Note 7 - Debt).

The table below shows the costs incurred due to arrangements with our Advisor and its affiliates during the years ended December 31, 2021, 2020 and 2019 and the associated amounts payable as of December 31, 2021 and 2020 (dollars in thousands). See Note 11 - Related Party Transactions and Arrangements for further detail.

	Year Ended December 31,			Payable as of December 31,	
	2021	2020	2019	2021	2020
Acquisition expenses [1]	$ 1,203	$ 696	$ 900	$ —	$ —
Administrative services expenses	7,658	13,120	16,363	—	2,940
Asset management and subordinated performance fee	28,110	15,178	16,226	15,595	4,773
Other related party expenses [2][3]	355	703	1,610	1,943	1,812
Total related party fees and reimbursements	**$ 37,326**	**$ 29,697**	**$ 35,099**	**$ 17,538**	**$ 9,525**

[1] Total acquisition fees and expenses paid during the years ended December 31, 2021, 2020 and 2019 were $15 million, $7.1 million and $8.4 million respectively, of which $13.8 million, $6.4 million and $7.5 million were capitalized within the commercial mortgage loans, held for investment line of the consolidated balance sheets for the years ended December 31, 2021, 2020 and 2019.

[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 $1.9 million and $1.8 million, respectively, of payments made by the Advisor to third party vendors on behalf of the Company.

The amounts payable as of December 31, 2021 and 2020 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, 2021 and through the date of the filing of this Form 10-K.

Non-GAAP Financial Measures

Distributable Earnings

Beginning in the third quarter of 2021 to more appropriately reflect the principal purpose of the measure, "modified funds from operations ("MFFO")" or "funds from operations ("FFO")" was relabeled "Distributable Earnings", a non-GAAP financial measure. Distributable Earnings is a non-GAAP measure, which we define as GAAP net income (loss), adjusted for (i) non-cash CLO amortization acceleration and amortization over our expected useful life of our CLOs, (ii) unrealized gains and losses on loans, derivatives and ARMs, including CECL reserves and impairments, (iii) non-cash equity compensation expense, (iv) depreciation and amortization, (v) non-cash incentive fee accruals, (vi) certain other non-cash items, and (vii) impairments of acquisition assets related to the Capstead merger.

We believe that Distributable Earnings provides meaningful information to consider in addition to our GAAP results. We believe Distributable Earnings is a useful financial metric for existing and potential future holders of our common stock as historically, overtime, Distributable Earnings has been an indicator of our dividends per share. As a REIT, we generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments, and therefore we believe our dividends are one of the principal reasons stockholders may invest in our common stock. Further, Distributable Earnings helps us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan portfolio and operations and is one of the performance metrics we consider when declaring our dividends.

Distributable Earnings does not represent net income (loss) and should not be considered as an alternative to GAAP net income (loss). Our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies and thus may not be comparable to the Distributable Earnings reported by other companies.

The following table provides a reconciliation of GAAP net income to Distributable Earnings for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 (dollars in thousands):

	Year Ended December 31,		
	2021	**2020**	**2019**
GAAP Net Income:	$ 25,702	$ 54,746	$ 83,924
Adjustments:			
CLO amortization acceleration [1]	250	264	(2,881)
Unrealized (gain)/loss on financial instruments [2]	(1,049)	1,102	(2,081)
Unrealized gain/(loss) reversal - ARMs	13,867	—	1,989
Impairment of acquired assets	88,282	—	—
Incentive fees	9,846	—	—
Depreciation and amortization	2,107	2,234	507
Increase/(decrease) in provision for credit losses	(5,192)	13,296	—
Impairment losses on real estate owned assets	—	398	—
Distributable earnings	**$ 133,813**	**$ 72,040**	**$ 81,458**
Average Equity	$ 1,146,009	$ 974,184	$ 946,801
7.5% Cumulative Redeemable Preferred Stock, Series E Dividend	$ 4,842	$ —	$ —
GAAP Common ROE	1.8 %	5.6 %	8.9 %
Distributable Earnings ROE	11.3 %	7.4 %	8.6 %
GAAP Net Income Per Share, Fully Converted	$ 0.33	$ 0.96	$ 1.59
Distributable Earnings Per Share, Fully Converted	$ 2.02	$ 1.27	$ 1.54

[1] Adjusted for non-cash CLO amortization acceleration to effectively amortize issuance costs of our CLOs over the expected lifetime of the CLOs. We assume our CLOs will be outstanding for four years and amortized the financing costs over four years in our distributable earnings as compared to effective yield methodology in our GAAP earnings.

[2] Adjusted for unrealized gains and losses on loans and derivatives.

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.

Market Risk

As a result of the closing of the Capstead merger on October 19, 2021 we hold a significant amount of ARM securities. Changes in the level of interest rates and spreads can significantly impact the value of these assets. We may utilize a variety of financial instruments in order to limit the adverse effects of interest rates on our results.

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, 2021 and 2020, our portfolio included 161 and 133 variable rate investments, respectively, based on LIBOR and SOFR (or "indexing rates") for various terms. Borrowings under our repurchase agreements are also based on indexing rates. 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 indexing rate sensitivity range, a reduction of the indexing rates results in an increase in our portfolio return. This is driven by the indexing rates floor in place for majority of our commercial mortgage loans, held for investment. In contrast, the majority of our financing instruments do not have floors. The presence of a indexing rate floors on interest-bearing assets coupled with lack of indexing rate floors on the majority of interest bearing liabilities allows the portfolio to generate a higher return for a basis point decrease in indexing rates compared to increase in basis points for the indexing rates range presented:

	Estimated Percentage Change in Interest Income Net of Interest Expense	
Change in Indexing Rates	**December 31, 2021**	**December 31, 2020**
(-) 25 Basis Points	2.08 %	2.16 %
Base Interest Rate	— %	— %
(+) 50 Basis Points	(1.74) %	(5.87) %
(+) 100 Basis Points	(1.64) %	(9.86) %

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, 2021. 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, 2021, 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, 2021, 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.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors

The table set forth below lists the name and age of each of our current directors and the position and office that each director currently holds with the Company:

Name	Age	Position(s)
Richard J. Byrne	60	Chairman of the Board of Directors, Chief Executive Officer and President
Jamie Handwerker	60	Director, Compensation Committee Chair
Peter J. McDonough	63	Director, Nominating and Corporate Governance Committee Chair
Buford H. Ortale	60	Director, Audit Committee Chair
Elizabeth K. Tuppeny	61	Lead Independent Director
Pat Augustine	59	Director
Gary Keiser	78	Director
Michelle P. Goolsby	63	Director

Business Experience of Directors

The name, principal occupation for the last five years, selected biographical information and the period of service of our directors are set forth below.

Richard J. Byrne

Richard J. Byrne has served as Chairman of the Board of Directors, Chief Executive Officer and President of the Company since September 2016. Mr. Byrne has served as the President of the Advisor since 2013. He has also served as Chairman of the Board of Directors, Chief Executive Officer and President of the Business Development Corporation of America since November 2016, Broadtree Residential, Inc. since February 2020 and Franklin BSP Capital Corp since December 2020. Prior to joining the Advisor, Mr. Byrne was Chief Executive Officer of Deutsche Bank Securities, Inc. He was also the Co-Head of Global Capital Markets at Deutsche Bank. Before joining Deutsche Bank, Mr. Byrne was Global Co-Head of the Leveraged Finance Group and Global Head of Credit Research at Merrill Lynch & Co. He was also a perennially top-ranked credit analyst. Mr. Byrne earned an M.B.A. from the Kellogg School of Management at Northwestern University and a B.A. from Binghamton University. Mr. Byrne is a member of the Boards of Directors of Wynn Resorts, Limited (NASDAQ: WYNN) and New York Road Runners. We believe that Mr. Byrne's current and prior experience as a director and Chief Executive Officer of the Company, and his significant investment banking experience in real estate make him well qualified to serve as a member of our Board.

Pat Augustine

Pat Augustine has served as an independent director of the Company since October 2021. He previously served as a member of the Board of Directors of Capstead Mortgage Corporation (NYSE: CMO) from 2020 until its merger with the Company in 2021. Mr. Augustine spent most of his career in structured finance beginning in 1985 at Salomon Brothers during the developmental phase of the mortgage-backed securities market. From 1996 until 2007, Mr. Augustine built the securities business at NationsBank, now Bank of America, where he ran sales, trading and research for structured products. Between 2009 and 2011, Mr. Augustine served as Head of Structured Product and Credit Portfolio Management at Swiss RE Insurance Asset Management where he was primarily responsible for oversight of residential and commercial mortgage-related products. Most recently, he served as founder of Meridian Enterprises where he built, owned and operated Planet Fitness franchises before selling to a private equity firm in 2019. Mr. Augustine holds a BA in Economics from Duquesne University and an MBA from Emory University. Mr. Augustine has a depth of specialty-finance related experience.

Michelle P. Goolsby

Michelle P. Goolsby has served as an independent director of the Company since October 2021. She previously served as a member of the Board of Directors of Capstead Mortgage Corporation (NYSE: CMO) from 2012 until its merger with the Company in 2021. Ms. Goolsby was a partner and investment committee member for Greenmont Capital Partners II, a private equity firm, from 2008 to 2019. From 1998 to 2008, Ms. Goolsby served as an executive vice president of Dean Foods Company (NYSE: DF) where she was responsible for corporate development, legal, corporate governance, ethics and compliance, government relations and corporate affairs. Prior to 1998, Ms. Goolsby provided legal representation for public and privately-held entities, including real estate investment trusts, in connection with securities offerings, financings, mergers, acquisitions and divestitures. Ms. Goolsby previously served as a director of WhiteWave Foods Company (NYSE: WWAV), a consumer-packaged food and beverage company, and served as a member of the Advisory Board of the successor company, Danone North America. Ms. Goolsby serves on the board of Simply Good Foods Company (NASDAQ: SMPL) and has served as a member of the Audit Committee, the Nominating and Governance Committee and as Chair of the Corporate Responsibility and Sustainability Committee. She also serves on the board of SACHEM, Inc., a privately-held chemical science technology company. Ms. Goolsby brings a diverse background of executive leadership experience, and has worked extensively with management teams and boards on matters involving risk management, strategy, compensation and corporate governance. In addition, she has significant experience in corporate financing and other capital markets transactions, including transactions on behalf of public and privately-held real estate entities.

Jamie Handwerker

Jamie Handwerker has served as an independent director of the Company since September 2016. Ms. Handwerker is a partner of KSH Capital, providing real estate entrepreneurs with capital and expertise to seed or grow their platform. Prior to joining KSH, Ms. Handwerker was a Senior Vice President and Principal of Cramer Rosenthal McGlynn (CRM) LLC, a New York-based asset management firm, which serves as investment adviser to institutions, as well as individual and family trusts. Ms. Handwerker was the portfolio manager for the CRM Windridge Partners hedge funds since she founded the Funds in June 2000. The funds were long/short US equity hedge funds, focused on real estate and consumer companies, generating absolute returns. Prior to joining CRM in April 2002, Ms. Handwerker managed Windridge Partners, L.P, as a Managing Director and Portfolio Manager with ING Furman Selz Asset Management LLC, a New York based holding company operating as a wholly-owned subsidiary of the Dutch financial conglomerate, ING Group. Ms. Handwerker previously was a Managing Director and Senior Equity Research Analyst (Sell-Side) from 1994 to 2000 at the international corporate and investment bank ING Barings and its predecessor, Furman Selz, LLC where she exclusively focused on real estate companies, including the REIT industry. She received a B.A. in Economics from the University of Pennsylvania. Ms. Handwerker serves on the Board of Trustees of Lexington Realty Trust (NYSE: LXP). She also is a member of the University of Pennsylvania School of Arts & Sciences Board of Overseers and is the Founder and Chairperson of Penn Arts & Sciences Professional Women's Alliance, as well as being involved in other charitable endeavors. We believe Ms. Handwerker's extensive experience in real estate venture capital, asset management and portfolio management described above make her well qualified to serve as a member of our Board.

Gary Keiser

Gary Keiser has served as an independent director of the Company since October 2021. He previously served as a member of the Board of Directors of Capstead Mortgage Corporation (NYSE: CMO) from 2004 until its merger with the Company in 2021. Gary Keiser served as an audit partner at Ernst & Young LLP from 1980 until his retirement in 2000. Mr. Keiser began his career with Ernst & Young LLP in 1967. He also serves on several governmental, non-profit and private company boards. Mr. Keiser worked in the public accounting profession for his entire career, focusing a significant amount of his time on real estate and real estate finance clients, and has a wealth of accounting, mortgage banking and real estate experience.

Peter J. McDonough

Peter J. McDonough has served as an independent director of the Company since April 2016. Mr. McDonough brings innovative thinking to transform business performance from diverse experiences leading global organizations in industries such as Biotechnology, Personal Care Products, Consumer Appliances, Power Tools and Beverage Alcohol. In 2022, Peter retired from his position as Chief Executive Officer of Trait Biosciences, a Los Alamos, NM biotechnology research organization developing Intellectual Property associated with the formulation of CBD Health & Wellness Products. Before joining Trait, Peter served as President, Chief Marketing and Innovation Officer for Diageo North America ($5+ Billion Revenue) from 2009 to 2015. While in this role he was responsible for over-seeing North America's largest portfolio of premium spirits and beer brands. In his diverse career, Peter has served as a senior leader in seven different industries, gaining cultural insights while residing in the Pacific Rim, Central Europe and numerous American cities. After teaching at The University of Canterbury's Graduate School of Business in Christchurch, New Zealand, Peter was appointed to serve as Procter & Gamble's Vice President of European Marketing overseeing the brand marketing function for Duracell Batteries and Braun Appliances ($1.3 Billion Annual Revenues). Prior to his overseas roles Peter served as Gillette's Head of North American Marketing where he launched industry leading brands such as Mach3 Turbo and Venus Razors ($1.3 Billion Annual Revenues). Earlier in his career, he served as Director of North American Marketing at Black & Decker where he was involved in launching the DeWalt Power Tool Company. Mr. McDonough is an alumnus of Cornell University and holds a Master of Business Administration from the Wharton School of Business at the University of Pennsylvania. He currently serves on corporate boards including The Splash Beverage Group (NYSE: SBEV) and Copalli Spirits. He previously served on the Board of Directors for not-for-profit organizations such as The AdCouncil of America, Effies Worldwide Inc and The Children's Trust Fund of Massachusetts. We believe Mr. McDonough's extensive experience as an executive officer and/or director of the companies described above and his significant business accomplishments make him well qualified to serve as a member of our Board.

Buford H. Ortale

Buford H. Ortale has served as an independent director of the Company since September 2016. Mr. Ortale is a private equity investor based in Nashville, Tennessee. He is a partner in NTR, a private equity firm focused on the energy space as well as a partner in Armour Capital Management, LP, the external manager of a residential mortgage REIT with over $8 billion in assets. Mr. Ortale began his career with Merrill Lynch's Merchant Banking Group in New York in 1987. He was subsequently a founder and managing director of NationsBanc's (Bank of America) High Yield Bond Group. In 1996 he formed Sewanee Ventures, a private equity investment vehicle that he still manages today. Mr. Ortale's activities have included investments in startup venture backed companies, LBO's, real estate development, and real estate acquisition. He currently serves on the board of directors Waitr Holdings, Inc. (NASDAQ: WTRH), an on-demand food ordering and delivery company, and Broadtree Residential, Inc., a private multifamily REIT. He is currently a board advisor to Western Express (a privately owned $700 million trucking company) and a board member of Intrensic (a police bodycam and digital evidence management company) and Remote Care Partners (a private healthcare company in the remote health monitoring space). He received his B.A. from Sewanee: The University of the South and a Masters of Business Administration from Vanderbilt University. We believe Mr. Ortale's extensive experience as a private equity investor and banker described above make him well qualified to serve as a member of our Board of Directors.

Elizabeth K. Tuppeny

Elizabeth K. Tuppeny has served as an independent director of the Company and its predecessor since January 2013. Ms. Tuppeny has been the chief executive officer and founder of Domus, Inc. ("Domus"), a full-service marketing communications agency, since 1993. Her company works at the C-Suite level with clients such as Chevron; Citibank; ConAgra; Diageo; DuPont; Epson; Mattel; Merck; Merrill Lynch; Procter & Gamble; Ralph Lauren and Westinghouse. Real Estate clients include Ritz Carlton Residences; S&H Associates; and PMC Real Estate. Ms. Tuppeny has 30 years of experience in the branding and advertising industries, with a focus on Fortune 50 companies. Ms. Tuppeny also served for three years on the board of the Philadelphia Industrial Development Council, a public-private economic development organization, wherein she evaluated and approved 500+ industrial and commercial real estate transactions worth over a billion dollars. Ms. Tuppeny currently serves as the Lead Director of New York City REIT, Inc. (NYSE: NYC), a public real estate investment trust with a portfolio of high-quality commercial real estate located within the five boroughs of New York City, particularly in Manhattan, and Ms. Tuppeny is also an independent director and Chair of the Nominating and Governance Committee of Healthcare Trust, Inc. (Nasdaq: HTIA), a publicly registered real estate investment trust focused on acquiring a diversified portfolio of healthcare real estate, with an emphasis on seniors housing and medical office buildings, located in the United States. Ms. Tuppeny previously served as an independent Director on the board of directors of American Realty Capital Trust IV. Ms. Tuppeny has served on the boards of directors and advisory committees for the Arthur Ashe Foundation, Avenue of the Arts, Drexel Medical School, Philadelphia Hospitality Cabinet, Pennsylvania Commission for Women, Penn Relays and the Police Athletic League. Ms. Tuppeny was the recipient of the national Stevie Award as the nation's top woman entrepreneur in 2004 and was named as a "Top Woman in Philadelphia Business" in 1996, one of the "Top 50 Women in Pennsylvania" in 2004 and as the "Businessperson of the Year" in 2003 by the Greater Philadelphia Chamber of Commerce. Ms. Tuppeny has taught at New York University, University of Pennsylvania and Temple University, and received her undergraduate degree from the University of Pennsylvania, Annenberg School of Communications. We believe that Ms. Tuppeny's prior and current experience as an independent director of the companies described above, as chief executive officer and founder of Domus, and in evaluating healthcare-related real estate business development applications, make her well qualified to serve on our Board.

Executive Officers

The following table presents certain information concerning each of our executive officers serving in such capacity:

Name	Age	Position(s)
Richard J. Byrne	61	Chairman of the Board of Directors, Chief Executive Officer and President
Jerome S. Baglien	45	Chief Financial Officer, Chief Operating Officer and Treasurer

Richard J. Byrne

Please see above for biographical information about Mr. Byrne.

Jerome S. Baglien

Jerome S. Baglien has served as Chief Financial Officer and Treasurer of the Company since September 2016, and as Chief Operating Officer of the Company since December 2021. Mr. Baglien is a Managing Director and Chief Financial Officer of Real Estate of the Advisor. Prior to joining the Advisor in 2016, Mr. Baglien was director of fund finance for GTIS Partners LP ("GTIS"), where he oversaw all finance and operations for GTIS funds. Previously, he was an accounting manager at iStar Inc. with oversight of loans and special investments. Mr. Baglien received a Masters of Business Administration from Kellstadt Graduate School of Business at DePaul University and a Bachelor of Science in Accounting from the University of Oregon.

Audit Committee

The Company's Board of Directors has a standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee consists of Mr. Ortale, Ms. Handwerker, Mr. Keiser, Mr. McDonough and Ms. Tuppeny, each of whom is "independent" within the meaning of the applicable (i) provisions set forth in the Audit Committee charter, (ii) requirements set forth in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and (iii) the rules and regulations of the SEC. Mr. Ortale is the chair of our Audit Committee. The Board has determined that Mr. Ortale, Ms. Handwerker and Mr. Keiser are each qualified as an "Audit Committee financial expert" as defined in Item 407(d)(5) of Regulation S-K and the rules and regulations of the SEC.

Code of Ethics

The Board of Directors maintains a Code of Ethics is applicable to our directors, officers, our Advisor and employees of the Advisor performing substantial services for the Company. It covers topics including, but not limited to, conflicts of interest, confidentiality of information, full and fair disclosure, reporting of violations and compliance with laws and regulations.

The Code of Ethics is available on the Company's website at *www.fbrtreit.com* by clicking on "Governance – Governance Documents – Code of Ethics." We intend to disclose on this website any amendment to, or waiver of, any provision of this Code of Ethics applicable to our directors and executive officers that would otherwise be required to be disclosed under the rules of the SEC. You may also obtain a copy of the Code of Ethics by writing to our secretary at: Franklin BSP Realty Trust, Inc., 1345 Avenue of the Americas, Suite 32A, New York, New York 10105, Attention: Micah Goodman, Secretary. A waiver of the Code of Ethics for our Chief Executive Officer may be made only by the Board of Directors or the appropriate committee of the Board and will be promptly disclosed to the extent required by law. A waiver of the Code of Ethics for all other person may be made only by our Chief Executive Officer and shall be discussed with the Board or a committee of the Board as appropriate.

Item 11. Executive Compensation.

2021 Executive Officer Compensation

We currently have no employees. Our Advisor, through its employees, performs our day-to-day management functions. Our current non-employee executive officers, Richard J. Byrne and Jerome S. Baglien, are each employees of our Advisor and in 2021 did not receive any compensation directly from the Company for the performance of their duties as executive officers of the Company. As a result of our not paying any compensation directly to our executive officers in 2021, we have not included in this Annual Report on Form 10-K a "Compensation Discussion and Analysis" section or a report of the Compensation Committee.

Director Compensation

The following table sets forth information regarding compensation of our independent directors during the fiscal year ended December 31, 2021. Mr. Byrne received no additional compensation for serving as a director.

Name	Fees Paid in Cash*	Stock Awards	Total
Elizabeth K. Tuppeny	$ 190,000	$ 50,000	$ 240,000
Buford H. Ortale	$ 190,000	$ 50,000	$ 240,000
Peter J. McDonough	$ 190,000	$ 50,000	$ 240,000
Jamie Handwerker	$ 190,000	$ 50,000	$ 240,000
Pat Augustine**	$ 22,120	$ —	$ 22,120
Michelle P. Goolsby**	$ 22,120	$ —	$ 22,120
Gary Keiser**	$ 22,120	$ —	$ 22,120

* Includes a special, one-time supplemental director fee of $50,000 to Ms. Tuppeny, Mr. Ortale, Mr. McDonough and Ms. Handwerker in recognition of the significant incremental work required of the Board and its committees during the Company's merger with Capstead and the listing of the Company's common stock on the NYSE.

** Messrs, Augustine, Keiser and Ms. Goolsby joined the Board in October 2021, and received an annual cash retainer prorated for the amount of time they served on the Board during 2021.

We currently pay to each of our independent directors the fees described in the table below. All directors also receive reimbursement of reasonable out of pocket expenses incurred in connection with attendance at meetings of our Board of Directors. If a director also is our employee or an employee of our Advisor or any of its affiliates, or is otherwise not independent, we do not pay compensation for services rendered as a director.

Name	Fees Earned or Paid in Cash ($)	Restricted Shares
Independent Directors	A yearly retainer of $110,000 for each independent director; $20,000 for the Lead Independent Director and the chairs of the Audit Committee, Nominating and Corporate Governance Committee and Compensation Committee; and $5,000 for each member of a committee who is not serving as a chair.	On the date of the annual meeting of stockholders, each independent director receives an annual grant of $50,000 in restricted shares of Common Stock based on the lower of the most recent GAAP book value or net asset value per share. The restricted shares vest on the anniversary of the grant date. Now that the Company's common stock is listed on the NYSE, commencing in 2022, the annual grant will be valued on the basis of the closing price of our common stock on the date of grant.

Equity Compensation Plan Information

The following table provides information about our common stock that may be issued under our equity compensation plans as of December 31, 2021:

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 [1]	—	—	9,443,936
Total	—	—	**9,443,936**

[1] The number of securities remaining available for future issuance consists of an aggregate of 3,943,936 shares issuable under our employee and director incentive restricted share plan ("RSP") and 5,500,000 shares issuable under the Franklin BSP Realty Trust, Inc. 2021 Equity Incentive Plan. Each of our equity compensation plans were adopted and approved by our Board of Directors prior to the listing of our common stock on the NYSE. The RSP will expire on February 7, 2023.

Compensation Committee Interlocks and Insider Participation

The Board of Directors has a standing Compensation Committee, which is currently comprised of Ms. Handwerker, Mr. Augustine, Mr. McDonough, Mr. Ortale and Ms. Tuppeny, with Ms. Handwerker serving as the committee's chairperson. All Compensation Committee members meet the independence criteria set forth in the listing standards of the NYSE. No current or former employee of the Company serves on the Compensation Committee. The Committee members have no interlocking relationships as defined by the SEC.

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

The following table sets forth information regarding the beneficial ownership of our Common Stock and our Series F Preferred Stock, including shares which may be acquired by such persons within 60 days, by:

- each of our executive officers and directors; and
- all of our executive officers and directors as a group.

The percentage ownership set forth below is based on 43,957,363 shares of Common Stock and 39,733,299 shares of Series F Preferred Stock outstanding as of February 17, 2022. Each share of Series F Preferred Stock votes on an as-converted basis with the Common Stock, voting as a single class. Each share of Series F Preferred Stock will automatically convert into one share of Common Stock on April 19, 2022.

Beneficial Owner [1]	Number of Shares of Common Stock Beneficially Owned	Percent of Class	Number of Shares of Series F Preferred Stock Beneficially Owned	Percent of Class
Pat Augustine	7,653 [2]	*	—	—
Jerome S. Baglien	283	*	2,506	*
Richard J. Byrne	13,330	*	117,770	
Michelle P. Goolsby	26,305 [2]	*	—	—
Jamie Handwerker	4,399 [3]	*	14,430	*
Gary Keiser	33,187 [2]	*	—	—
Peter J. McDonough	4,399 [3]	*	14,429	*
Buford H. Ortale	4,398 [3]	*	14,416	*
Elizabeth K. Tuppeny	4,650 [3]	*	16,684	*
All directors and executive officers as a group (9 persons)	98,604 [4]	*	180,235	*

* Less than 1%.

[1] The business address of each individual or entity listed in the table 1345 Avenue of the Americas, Suite 32A, New York, New York 10105.

[2] Includes 2,403 unvested restricted shares scheduled to vest on June 3, 2022.

[3] Includes 2,796 unvested restricted shares scheduled to vest on June 3, 2022.

[4] Includes 18,393 unvested restricted shares scheduled to vest on June 3, 2022.

The following table sets forth information regarding the beneficial ownership of our Common Stock and our Series C Preferred Stock, Series D Preferred Stock and Series F Preferred Stock (such preferred stock collectively, the "Voting Preferred Stock"), which votes as a single class with Common Stock on an as-converted basis, in each case including shares which may be acquired by such persons within 60 days, by each person known by us to be the beneficial owner of more than 5% of the outstanding shares of Common Stock or any class of the Voting Preferred Stock.

Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class	Number of Shares of Series C Preferred Stock Beneficially Owned	Percent of Class	Number of Shares of Series D Preferred Stock Beneficially Owned	Percent of Class	Number of Shares of Series F Preferred Stock Beneficially Owned	Percent of Class
BlackRock, Inc. [1]	7,002,427	15.9 %	—	—	—	—	—	—
The Vanguard Group [2]	3,588,587	8.2 %						
Security Benefit Life Insurance Company [3]	—	—	—	—	17,950	100.0 %	—	—
Penn Mutual Life Insurance Company [4]	—	*	1,000	71.5 %	—	—	—	—
Vesta Global Stability Fund LP [5]	—	—	400	28.5 %	—	—	—	—
Howard University Endowment Fund [6]	—	*	—	—	—	—	2,179,465	5.5 %

* Less than 1%.

(1) This information is based on a Schedule 13G/A filed with the SEC on January 27, 2022, by BlackRock, Inc. ("Blackrock"). Blackrock reported that it has sole voting power with respect to 6,965,313 shares, shared voting power with respect to 0 shares, sole dispositive power with respect to 7,002,427 shares and shared dispositive power with respect to 0 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(2) This information is based on a Schedule 13G filed with the SEC on February 9, 2022 by The Vanguard Group ("Vanguard"). Vanguard reported that it has sole voting power with respect to 0 shares, shared voting power with respect to 28,577 shares, sole dispositive power with respect to 3,527,307 shares and shared dispositive power with respect to 61,280 shares. The address of Vanguard is 100 Vanguard Blvd. Malvern, PA 19355.

(3) The business address of Security Benefit Life Insurance Company is One SW Security Benefit Place, Topeka, KS 66636.

(4) The business address of Penn Mutual Life Insurance Company is 600 Dresher Road, Suite 100, Horsham, PA 19044.

(5) The business address of Vesta Global Stability Fund LP is 330 5th Ave SW, Suite 640, Calgary, AB T2P 0L4, Canada.

(6) The business address of Howard University Endowment Fund is 2244 10th St NW Suite 302, Washington DC 20001-4012.

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

Certain Relationships and Related Transactions

Executive Officers

Richard J. Byrne our Chief Executive Officer and President, is the president of our Advisor. Jerome S. Baglien, our Chief Financial Officer, Chief Operating Officer and Treasurer, is the chief financial officer and chief operating officer of the Advisor's commercial real estate group. Our Advisor is an affiliate of Franklin Templeton.

Advisor

The Advisor manages our day to day operations pursuant to the Amended and Restated Advisory Agreement, dated January 19, 2018, as amended August 18, 2021 (the "Advisory Agreement"). Our Advisor is responsible for identifying, originating, acquiring and asset managing investments on our behalf. Under the Advisory Agreement, the Advisor is entitled to an asset management fee equal to one and one-half percent (1.5%) of Equity (as defined in the Advisory Agreement) and an annual subordinated performance fee equal to fifteen percent (15%) of the Total Return (as defined in the Advisory Agreement) over a six percent (6%) per annum hurdle, subject to certain limitations. The Company or the Operating Partnership continues to pay directly or reimburse the Advisor for all the expenses paid or actually incurred by the Advisor in connection with the services it provides to the Company and the Operating Partnership pursuant to the Advisory Agreement, subject to certain limitations.

For the year ended December 31, 2021, pursuant to the terms of the Amended Advisory Agreement, the Company paid total asset management fees of $28.1 million, acquisition expenses of approximately $1.2 million, reimbursements for administrative expenses and personnel costs of approximately $7.7 million, and other related party expenses, primarily related to reimbursable costs incurred for the increase in loan origination activities, of approximately $0.4 million.

Indemnification Agreements

We have entered into an indemnification agreement with each of our directors and officers providing for indemnification of such directors and officers consistent with the provisions of our Charter. No amounts have been paid by us pursuant to these indemnification agreements.

Certain Conflict Resolution Procedures

Every transaction that we enter into with our Advisor or its affiliates will be subject to an inherent conflict of interest. Our Board of Directors may encounter conflicts of interest in enforcing our rights against any affiliate in the event of a default by or disagreement with an affiliate or in invoking powers, rights or options pursuant to any agreement between us and our Advisor or any of its affiliates.

In order to reduce or eliminate certain potential conflicts of interest, our Nominating and Corporate Governance Committee charter contains a number of requirements, including that:

- the committee shall review and evaluate the terms and conditions of, and determine the advisability of, any related party transaction;
- unless the Board appoints a special committee of independent directors to negotiate any related party transaction, the committee shall negotiate the terms and conditions of any related party transaction, and if the committee deems appropriate, but subject to the limitations of applicable law, shall recommend to the Board the execution and delivery of documents in connection with any related party transaction on behalf of the Company;
- the committee shall determine whether any related party transaction is fair to, and in the best interest of the Company;
- the committee shall recommend to the Board what action, if any should be taken by the Board with respect to any related party transaction pursuant to the Company's Charter;

- the committee shall review, evaluate and approve of any potential conflicts brought to its attention and shall report the results of its consideration of any such conflict to the Board; and
- the committee shall review, on a quarterly basis, the services provided by the Advisor, the reasonableness of the Advisor's or its affiliates' fees and expenses, the reasonableness of the Company's expenses and the allocation of expenses among the Company and its affiliates and among accounting categories, and report its findings to the Board.

These responsibilities have also been codified in the Related Party Transactions Policy adopted by our Nominating and Corporate Governance Committee. Pursuant to the Related Party Transactions Policy, all related party transactions (as defined by Item 404(a) of Regulation S-K) must be approved by either the Nominating and Corporate Governance Committee or a majority of the disinterested members of the Board. As a general rule, any director who has a direct or indirect material interest in such related party transaction should not participate in the Nominating and Corporate Governance Committee or Board action regarding whether to approve the transaction. Any payment of fees and reimbursements to the Advisor pursuant to and in accordance with the Advisory Agreement are deemed to have been approved in accordance with the Related Party Transactions Policy.

Our independent directors have determined that all our transactions and relationships with our Advisor and their respective affiliates during the year ended December 31, 2021 were fair and were approved in accordance with the applicable Company policies.

Director Independence

Under our Corporate Governance Guidelines and NYSE rules, a majority of our directors must be "independent." A director is not independent unless the Board affirmatively determines that he or she does not have a "material relationship" with us and the director must meet the bright-line test for independence set forth by the NYSE rules. A relationship with the Advisor or an affiliate thereof (other than service as an independent director or trustee for another company managed by the Advisor) is treated as a relationship with the Company. Our Corporate Governance Guidelines also require all members of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee to be "independent" directors. Based upon its review, the Board has affirmatively determined that each of Messrs. Augustine, Keiser, McDonough and Ortale, and each of Mses. Goolsby, Handwerker and Tuppeny is independent under all applicable criteria for independence set forth in the listing standards of the NYSE, including with respect to committee service. In making its independence determinations, the Board considered and reviewed all information known to it, including information identified through directors' questionnaires. There are no familial relationships between any of our directors and executive officers.

Item 14. Principal Accounting Fees and Services.

The Audit Committee of the Board of Directors has selected and appointed Ernst and Young LLP ("EY") as our independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2022. EY has been our independent registered accounting firm since 2017.

The following table shows the fees billed by EY for the years ended December 31, 2021 and December 31, 2020 for each of the following categories of services:

	2021	2020
Audit Fees [1]	$ 2,435,000	$ 1,357,600
Audit-Related Fees [2]	911,901	20,000
Tax Fees [3]	713,762	408,328
Total	$ 4,060,663	$ 1,785,928

[1] Audit fees relate to audits of the Company's annual consolidated financial statements and reviews of the Company's quarterly consolidated financial statements, comfort letters, and consents related to SEC registration statements.

[2] Audit-Related fees relate to assurance and related services that are traditionally performed by the independent registered public accounting firm and includes due diligence and debt compliance reporting.

[3] Tax fees primarily relate to preparation of tax returns, assistance with federal and state income tax filing calendar, compliance services, tax planning and modeling services, assistance with tax audits, tax advice related to mergers, and routine on-call tax services concerning issues, as requested by the Company, when such projects are not covered by a separate agreement and do not involve any significant tax planning or projects.

Pre-Approval Policies and Procedures

In accordance with our Audit Committee's Audit and Non-Audit Services Pre-Approval Policy, all audit and non-audit services performed for us by our independent registered public accounting firm were pre-approved by the Audit Committee of our board of directors, which concluded that the provision of such services by EY was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

The Audit and Non-Audit Services Pre-Approval Policy provides for categorical pre-approval of specified audit and permissible non-audit services. Services to be provided by the independent registered public accounting firm that are not within the category of pre-approved services must be approved by the Audit Committee prior to engagement, regardless of the service being requested or the dollar amount involved.

The Audit Committee must provide separate pre-approval of engagements for the performance of audit and non-audit services if (i) the type of service to be provided by the independent auditor has not received pre-approval as specifically set forth in the Audit and Non-Audit Services Pre-Approval Policy or (ii) the performance of such service would cause the aggregate annual fee, as applicable, to exceed the maximum fee level established for such type of service by the Audit Committee; provided that the Audit Committee determines that the provision of such services will not impair the auditors' independence.

The Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate to management its responsibilities to pre-approve services to be performed by the independent registered public accounting firm.

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, 2021 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of July 25, 2021, by and among Benefit Street Partners Realty Trust, Inc., Rodeo Sub I, LLC, Capstead Mortgage Corporation and Benefit Street Partners L.L.C. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on July 26, 2021).
2.2	First Amendment to Agreement and Plan of Merger, dated September 22, 2021, by and among Benefit Street Partners Realty Trust, Inc., Rodeo Sub I, LLC, Capstead Mortgage Corporation and Benefit Street Partners L.L.C. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on September 22, 2021).
3.1	Articles of Amendment and Restatement, effective March 10, 2021 (incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 11, 2021).
3.2	Articles of Amendment to the Articles of Amendment and Restatement of Benefit Street Partners Realty Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on October 8, 2021).
3.3	Articles Supplementary dated October 18, 2019, relating to Series C Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 18, 2019).
3.4	Articles Supplementary dated March 17, 2021, relating to Series D Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 19, 2021).
3.5	Articles Supplementary of Franklin BSP Realty Trust, Inc., effective October 19, 2021, relating to Series E Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on October 21, 2021).
3.6	Articles Supplementary of Franklin BSP Realty Trust, Inc., effective October 12, 2021, relating to Series F Convertible Preferred Stock (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed with the SEC on October 8, 2021).
3.7	Amended and Restated Bylaws of Franklin BSP Realty Trust, Inc. (incorporated by reference to Exhibit 3.3 to the Current Report on Form 8-K filed with the SEC on October 8, 2021).
4.1	Amended and Restated Agreement of Limited Partnership of Benefit Street Partners Realty Operating Partnership, L.P., dated as of December 31, 2014 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 6, 2015).
4.2	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 (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 29, 2017).
4.3*	Description of Securities of the Registrant
10.1†	Amended and Restated Employee and Director Incentive Restricted Share Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 29, 2017).
10.2†	Form of Director Restricted Share Award Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on March 29, 2017).
10.3	Uncommitted Master Repurchase Agreement, dated as of June 18, 2014, between the Company JPM Loan, LLC and JPMorgan Chase Bank, National Association. (incorporated by reference to Exhibit 10.9 to the 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).
10.4	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 (incorporated by reference to Exhibit 10.11 to the 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).
10.5	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 (incorporated by reference to Exhibit 10.12 to the Pre-Effective Amendment No. 1 to Post-Effective Amendment No. 13 filed with the SEC on October 8, 2015).

10.6	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 (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on March 11, 2016).
10.7	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 12, 2016).
10.8	Guarantee Agreement, dated as of June 18, 2014, between the Company and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.10 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).
10.9	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 filed with the SEC on November 14, 2016).
10.10	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 (incorporated by reference to Exhibit 10.2 to Amendment No. 1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed with the SEC on August 23, 2017).
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 (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 11, 2021).
10.12	Amended and Restated Guarantee Agreement, dated as of June 12, 2017, by and between the Company and JPMorgan Chase Bank, National Association.
10.13	Master Repurchase and Securities Contract, dated as of June 15, 2017, between BSPRT USB Loan, LLC and U.S. Bank National Association (incorporated by reference to Exhibit 10.4 to Amendment No. 1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed with the SEC on August 23, 2017).
10.14	Payment Guaranty, dated as of June 15, 2017, by and between the Company and U.S. Bank National Association (incorporated by reference to Exhibit 10.5 to Amendment No. 1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 filed with the SEC on August 23, 2017.
10.15	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 7, 2017).
10.16	Guaranty, dated as of August 31, 2017, by and between the Company and Column Financial, Inc (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 7, 2017).
10.17	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on September 25, 2017)..
10.18	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 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on September 25, 2017).
10.19	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 5, 2017).
10.20	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on January 23, 2018).
10.21	.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 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 filed with the SEC on November 9, 2018).
10.22	Master Repurchase and Securities Contract, dated November 21, 2018, among the Company, BSPRT WFB LOAN, LLC and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 29, 2019).
10.23	Guarantee Agreement, dated November 21, 2018, between the Company and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.30 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 29, 2019).
10.24	Master Repurchase and Securities Contract, dated March 15, 2019, among the Company, BSPRT BB FLOAT, LLC, BSPRT BB Fixed, LLC and BARCLAYS BANK PLC (incorporated by reference to Exhibit 10.31 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 29, 2019).
10.25	Guarantee Agreement, dated March 15, 2019, between the Company and BARCLAYS BANK PLC (incorporated by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 29, 2019).

10.26	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 5, 2019).
10.27	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 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed with the SEC on May 15, 2020).
10.28	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 (incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC on March 11, 2021).
10.29	Purchase and Exchange Agreement, dated March 15, 2021, by and between Benefit Street Partners Realty Trust, Inc. and Security Benefit Life Insurance Company (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 19, 2021).
10.30	Indenture, dated as of March 25, 2021, by and among BSPRT 2021-FL6 Issuer, Ltd., BSPRT 2021-FL6 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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2021).
10.31	Amendment No. 1 to Amended and Restated Advisory Agreement, dated August 18, 2021, by and among Benefit Street Partners Realty Trust, Inc., Benefit Street Partners Realty Operating Partnership, L.P. and Benefit Street Partners L.L.C. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 18, 2021).
10.32	Third Amendment to Credit Agreement, dated as of September 8, 2021, among the Company, BSPRT BB Loan, LLC and Barclays Bank PLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, filed with the SEC on November 10, 2021).
10.33†	Franklin BSP Realty Trust, Inc. 2021 Equity Incentive Plan (incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8 filed with the SEC on November 12, 2021).
10.34*	First Amendment to Fee Letter and Second Amendment to Master Repurchase Agreement, dated November 23, 2021, by and among BSPRT BB FLOAT, LLC, and BSPRT BB FIXED, LLC, and Barclays Bank PLC.
10.35*	Second Amendment to Fee Letter and Third Amendment to Master Repurchase Agreement, dated December 3, 2021, by and among BSPRT BB FLOAT, LLC, BSPRT BB FIXED, LLC, and Barclays Bank PLC.
10.36	Indenture, dated as of December 21, 2021, by and among BSPRT 2021-FL7 Issuer, Ltd., BSPRT 2021-FL7 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 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on December 21, 2021.
10.37*	Fourth Amendment to Credit Agreement, dated December 1, 2021, among BSPRT BB LOAN, LLC, BSPRT FINANCE SUB-LENDER II, LLC, FRANKLIN BSP REALTY TRUST, INC., and Barclays Bank PLC.
10.38*	Amendment No. 10 To Pricing Side Letter, dated as of November 3, 2021, among Column Financial, Inc., Credit Suisse AG, Alpine Securitization LTD, BSPRT FINANCE SUB-LENDER I, LLC, BSPRT CS LOAN, LLC, and Franklin BSP Realty Trust, Inc.
10.39*	First Amendment to Guarantee Agreement, entered into as of September 30, 2021, by Benefit Street Partners Realty Trust, Inc., and Wells Fargo Bank, National Association.
10.40*	Master Repurchase and Securities Contract, dated as of October 18, 2021 between BSPRT WF Loan, LLC and Wells Fargo Bank National Association.
10.41*	Amendment No. 2 to Master Repurchase and Securities Contract, dated as of November 19, 2021, between BSPRT WFB Loan, LLC and Wells Fargo Bank, National Association.
10.42*	Amendment No. 1 to Amended and Restated Guarantee Agreement, entered into as of September 29, 2021 between Benefit Street Partners Realty Trust, Inc., and JPMorgan Chase Bank, National Association.
10.43*	Amendment No. 7 to Amended and Restated Uncommitted Master Repurchase Agreement, entered into as of September 29, 2021 between BSPRT JPM Loan, LLC, and JPMorgan Chase Bank, National Association.
10.44*	Amendment No. 8 to Amended and Restated Uncommitted Master Repurchase Agreement, entered into as of October 20, 2021 between BSPRT JPM Loan, LLC, and JPMorgan Chase Bank, National Association.
10.45*†	Form of Restricted Share Unit Award Agreement pursuant to the Franklin BSP Realty Trust, Inc. 2021 Equity Incentive Plan.
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, 2021 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.

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.

Franklin BSP Realty Trust, Inc.

Date: February 25, 2022

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	Chairman, Chief Executive Officer and President (Principal Executive Officer)	February 25, 2022
/s/ Jerome S. Baglien Jerome S. Baglien	Chief Financial Officer, Chief Operating Officer and Treasurer (Principal Financial and Accounting Officer)	February 25, 2022
/s/ Elizabeth K. Tuppeny Elizabeth K. Tuppeny	Lead Independent Director	February 25, 2022
/s/ Pat Augustine Pat Augustine	Director	February 25, 2022
/s/ Michelle Goolsby Michelle Goolsby	Director	February 25, 2022
/s/ Jamie Handwerker Jamie Handwerker	Director	February 25, 2022
/s/ Gary Keiser Gary Keiser	Director	February 25, 2022
/s/ Peter McDonough Peter McDonough	Director	February 25, 2022
/s/ Buford Ortale Buford Ortale	Director	February 25, 2022

FRANKLIN BSP REALTY TRUST, INC.
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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Franklin BSP Realty Trust, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Franklin BSP Realty Trust, Inc. (formerly Benefit Street Partners Realty Trust, Inc.) (the "Company") as of December 31, 2021 and 2020, 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, 2021, 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, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, 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 the Company's allowance for credit losses – commercial mortgage loans held for investment 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 Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

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 $15.8 million as of December 31, 2021. 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. 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 modeled results are then evaluated to determine if adjustments are needed for certain qualitative factors.

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 qualitative factors.

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, qualitative factors, 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.

Accounting for the Company's acquisition of Capstead Mortgage Corporation and subsequent impairment of certain acquired assets

Description of the Matter	On October 19, 2021, the Company completed its merger with Capstead Mortgage Corporation ("CMO"). As disclosed in Note 18 to the consolidated financial statements, the transaction was accounted for as an asset acquisition based on the Company's qualitative evaluation that substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets. Accordingly, the acquired net assets were fair valued and the Company determined that the consideration paid exceeded the fair value of the net assets acquired resulting in a premium. The premium paid by the Company was allocated to the basis of qualifying assets acquired by the Company. The qualifying assets were subsequently tested for recoverability and determined to be impaired at December 31, 2021 resulting in the recognition of impairment expense by the Company. Auditing the Company's accounting for its asset acquisition was complex due to the qualitative factors considered by the Company in determining that substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets and the determination that no material intangible assets were acquired. Further, the determination of the appropriate grouping of acquired long-lived assets for the subsequent impairment review required a significant amount of judgment. Auditing the fair value of the net assets acquired, the allocation of the premium to qualifying assets, and the determination of the grouping of long-lived assets for the subsequent impairment review related to certain acquired long-lived assets was complex.
How We Addressed the Matter in Our Audit	To test the Company's accounting for its acquisition of CMO, we performed audit procedures that included, among others, inspecting minutes of board of directors' meetings, executed transaction agreements, and transfer agent documentation to test the authorization and execution of the transaction and the consideration paid. We evaluated management's determination that substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets and the determination that no material intangible assets were acquired. Additionally, we evaluated the Company's measurement of the acquired assets, at fair value, at the acquisition date, the allocation of the related purchase premium to qualifying assets and the determination of the grouping of the acquired assets for purposes of the subsequent impairment review of certain acquired long-lived assets.

/s/ Ernst & Young LLP

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

New York, New York
February 25, 2022

FRANKLIN BSP REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ 154,929	$ 82,071
Restricted cash	13,270	10,070
Commercial mortgage loans, held for investment, net of allowance of $15,827 and $20,886 as of December 31, 2021 and December 31, 2020, respectively	4,211,061	2,693,848
Commercial mortgage loans, held for sale, measured at fair value	34,718	67,649
Real estate securities, trading, measured at fair value	4,566,871	—
Real estate securities, available for sale, measured at fair value, amortized cost of $— and $179,392 as of December 31, 2021 and December 31, 2020, respectively	—	171,136
Derivative instruments, measured at fair value	436	25
Other real estate investments, measured at fair value	2,074	2,522
Receivable for loan repayment [1]	252,351	98,551
Accrued interest receivable	30,109	15,295
Prepaid expenses and other assets	13,595	8,538
Intangible lease asset, net of amortization	48,472	13,546
Real estate owned, net of depreciation	90,048	26,510
Cash collateral receivable from derivative counterparties	56,767	—
Total assets	**$ 9,474,701**	**$ 3,189,761**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Collateralized loan obligations	$ 2,162,190	$ 1,625,498
Repurchase agreements - commercial mortgage loans	1,019,600	276,340
Repurchase agreements - real estate securities	4,178,784	186,828
Mortgage note payable	23,998	29,167
Other financing and loan participation - commercial mortgage loans	37,903	31,379
Unsecured debt	148,594	—
Derivative instruments, measured at fair value	32,295	403
Interest payable	2,692	2,110
Distributions payable	30,346	15,688
Accounts payable and accrued expenses	12,705	5,125
Due to affiliates	17,538	9,525
Total liabilities	**$ 7,666,645**	**$ 2,182,063**
Redeemable convertible preferred stock Series A, $0.01 par value, 60,000 authorized and none issued or outstanding as of December 31, 2021 and 40,515 issued and outstanding as of December 31, 2020	$ —	$ 202,292
Redeemable convertible preferred stock Series C, $0.01 par value, 20,000 authorized and 1,400 issued and outstanding as of December 31, 2021 and December 31, 2020	6,971	6,962
Redeemable convertible preferred stock Series D, $0.01 par value, 20,000 authorized and 17,950 issued and outstanding as of December 31, 2021 and none issued or outstanding as of December 31, 2020	89,684	—
Equity:		
Preferred stock, $0.01 par value, 10,000,000 authorized, none issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	—	—
Preferred stock, $0.01 par value; 100,000,000 shares authorized, 7.5% Cumulative Redeemable Preferred Stock, Series E, 10,329,039 shares issued and outstanding as of December 31, 2021 and none issued or outstanding as of December 31, 2020	258,742	—
Series F Preferred stock, $0.01 par value, 40,000,000 authorized and 39,733,299 issued and outstanding as of December 31, 2021 and none issued or outstanding as of December 31, 2020	710,431	—
Common stock, $0.01 par value, 900,000,000 shares authorized, 43,965,928 and 44,510,051 issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	441	446
Additional paid-in capital	903,264	912,725
Accumulated other comprehensive income (loss)	(62)	(8,256)
Accumulated deficit	(167,179)	(106,471)
Total stockholders' equity	**$ 1,705,637**	**$ 798,444**
Non-controlling interest	**$ 5,764**	**$ —**
Total equity	**$ 1,711,401**	**$ 798,444**
Total liabilities, redeemable convertible preferred stock and equity	**$ 9,474,701**	**$ 3,189,761**

(1) Includes $187.0 million and $98.6 million of cash held by the servicer related to CLO loan payoffs as of December 31, 2021 and December 31, 2020, as well as $65.3 million of RMBS principal paydowns receivable as of December 31, 2021.

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

FRANKLIN BSP REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Year Ended December 31,		
	2021	**2020**	**2019**
Interest Income:			
Interest income	$ 216,890	$ 179,872	$ 195,299
Less: Interest expense	60,835	66,556	90,418
Net interest income	156,055	113,316	104,881
Revenue from real estate owned	4,759	4,299	3,169
Total Income	**$ 160,814**	**$ 117,615**	**$ 108,050**
Expenses:			
Asset management and subordinated performance fee	28,110	15,178	16,226
Acquisition expenses	1,203	696	900
Administrative services expenses	7,658	13,120	16,363
Impairment of acquired assets	88,282	—	—
Professional fees	11,650	10,964	11,631
Real estate owned operating expenses	—	3,653	2,802
Depreciation and amortization	2,107	2,233	507
Other expenses	3,946	3,312	3,771
Total expenses	**$ 142,956**	**$ 49,156**	**$ 52,200**
Other (income)/loss:			
Provision/(benefit) for credit losses	(5,192)	13,296	3,007
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	1,376	10,137	0
Realized (gain)/loss on sale of commercial mortgage loans, held for sale	(26)	(184)	25
Realized (gain)/loss on sale of real estate owned assets, held for sale	(9,809)	(1,851)	—
Realized (gain)/loss on sale of commercial mortgage loans, held for sale, measured at fair value	(24,208)	(15,931)	(37,832)
Unrealized (gain)/loss on commercial mortgage loans, held for sale, measured at fair value	(469)	75	(312)
Unrealized (gain)/loss on other real estate investments, measured at fair value	19	32	(47)
Trading (gain)/loss	34,752	—	—
Unrealized (gain)/loss on derivatives	(7,402)	995	(1,722)
Realized (gain)/loss on derivatives	(484)	12,486	4,324
Total other (income)/loss	**$ (11,443)**	**$ 15,775**	**$ (32,557)**
Income before taxes	29,301	52,684	88,407
Provision/(benefit) for income tax	3,599	(2,062)	$ 4,483
Net income	**$ 25,702**	**$ 54,746**	**$ 83,924**
Net income/(loss) applicable to common stock	**$ (7,885)**	**$ 39,826**	**$ 66,914**
Basic net income per share	$ (0.18)	$ 0.90	$ 1.60
Diluted net income per share	$ (0.18)	$ 0.90	$ 1.60
Basic weighted average shares outstanding	43,419,209	44,384,813	41,859,142
Diluted weighted average shares outstanding	43,434,731	44,398,879	41,871,646

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

FRANKLIN BSP REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars In thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net income	$ 25,702	$ 54,746	$ 83,924
Unrealized gain/(loss) on available for sale securities	8,256	(7,278)	(978)
Amounts related to cash flow hedges:			
Change in net unrealized gain or loss	(852)	—	—
Reclassification adjustment for amounts included in net income/(loss)	790	—	—
	$ 8,194	$ (7,278)	$ (978)
Comprehensive income attributable to Franklin BSP Realty Trust, Inc.	**$ 33,896**	**$ 47,468**	**$ 82,946**

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

FRANKLIN BSP 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	Preferred E	Preferred F	Total Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance, December 31, 2018	**39,303,710**	**$ 395**	**$ 827,558**	**$ (459)**	**$ (94,266)**	**$ —**	**$ —**	**$ 733,228**	**$ —**	**$ 733,228**
Issuance of common stock	4,601,904	46	76,846	—	—	—	—	76,892	—	76,892
Common stock repurchases	(741,853)	(7)	(13,806)	—	—	—	—	(13,813)	—	(13,813)
Common stock issued through distribution reinvestment plan	746,654	7	13,903	—	—	—	—	13,910	—	13,910
Share-based compensation	6,400	—	156	—	—	—	—	156	—	156
Offering costs	—	—	(1,347)	—	—	—	—	(1,347)	—	(1,347)
Net income	—	—	—	—	83,924	—	—	83,924	—	83,924
Distributions declared	—	—	—	—	(75,626)	—	—	(75,626)	—	(75,626)
Other comprehensive income	—	—	—	(519)	—	—	—	(519)	—	(519)
Balance, December 31, 2019	**43,916,815**	**$ 441**	**$ 903,310**	**$ (978)**	**$ (85,968)**	**$ —**	**$ —**	**$ 816,805**	**$ —**	**$ 816,805**
Issuance of common stock	650,034	6	10,880	—	—	—	—	10,886	—	10,886
Common stock repurchases	(579,467)	(6)	(10,253)	—	—	—	—	(10,259)	—	(10,259)
Common stock issued through distribution reinvestment plan	511,899	5	8,809	—	—	—	—	8,814	—	8,814
Share-based compensation	10,770	—	193	—	—	—	—	193	—	193
Offering costs	—	—	(214)	—	—	—	—	(214)	—	(214)
Net income	—	—	—	—	54,746	—	—	54,746	—	54,746
Distributions declared	—	—	—	—	(67,488)	—	—	(67,488)	—	(67,488)
Cumulative-effect adjustment upon adoption of ASU 2016-13 (Note 2)	—	—	—	—	(7,761)	—	—	(7,761)	—	(7,761)
Other comprehensive income	—	—	—	(7,278)	—	—	—	(7,278)	—	(7,278)
Balance, December 31, 2020	**44,510,051**	**$ 446**	**$ 912,725**	**$ (8,256)**	**$ (106,471)**	**$ —**	**$ —**	**$ 798,444**	**$ —**	**$ 798,444**
Issuance of preferred stock	—	—	—	—	—	258,742	710,431	969,173	—	969,173
Issuance of common stock	31,887,442	319	579,207	—	—	—	—	579,526	—	579,526
Common stock repurchases	(648,837)	(6)	(11,411)	—	—	—	—	(11,417)	—	(11,417)
Common stock issued through distribution reinvestment plan	289,755	3	5,107	—	—	—	—	5,110	—	5,110
Share-based compensation	11,184	—	211	—	—	—	—	211	—	211
Offering costs	—	—	(68)	—	—	—	—	(68)	—	(68)
Exchanged for series F preferred stock	(39,733,299)	(397)	(710,034)	—	—	—	—	(710,431)	—	(710,431)
Preferred A conversion to common stock	7,649,632	76	127,527	—	—	—	—	127,603		127,603
Net income	—	—	—	—	25,702	—	—	25,702	—	25,702
Distributions declared	—	—	—	—	(86,410)	—	—	(86,410)	—	(86,410)
Other comprehensive income	—	—	—	8,194	—	—	—	8,194	—	8,194
Non-controlling interest	—	—	—	—	—	—	—	—	5,764	5,764
Balance, December 31, 2021	**43,965,928**	**$ 441**	**$ 903,264**	**$ (62)**	**$ (167,179)**	**$ 258,742**	**$ 710,431**	**$ 1,705,637**	**$ 5,764**	**$ 1,711,401**

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

FRANKLIN BSP REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For the Years Ended December 31,		
	2021	**2020**	**2019**
Cash flows from operating activities:			
Net income	$ 25,702	$ 54,746	$ 83,924
Adjustments to reconcile net income to net cash provided by operating activities:			
Premium amortization and (discount accretion), net	(7,035)	(5,999)	(6,144)
Accretion of deferred commitment fees	(10,139)	(6,410)	(2,754)
Amortization of deferred financing costs	9,203	9,585	9,584
Share-based compensation	211	193	156
Realized (gain)/loss from sale of real estate securities	1,376	10,137	—
Realized (gain)/loss from sale of real estate owned, held for sale	(9,809)	(1,851)	—
Realized (gain)/loss from extinguishment of debt	—	(3,678)	—
Realized (gain)/loss on swap terminations	(616)	—	—
Unrealized (gain)/loss on commercial mortgage loans held for sale	(469)	75	(359)
Unrealized (gain)/losses on derivative instruments	(7,402)	995	(1,722)
Unrealized loss on other real estate securities	19	32	—
Realized and unrealized gain/loss on real estate securities, trading	34,752	—	—
Depreciation and amortization	2,107	2,233	—
Recognition of deferred rent revenue	—	(150)	—
Increase/(decrease) for credit losses	(5,192)	13,296	3,007
Impairment losses on real estate owned assets	—	398	—
Origination of commercial mortgage loans, held for sale	(420,673)	(267,553)	(1,020,702)
Proceeds from sale of commercial mortgage loans, held for sale	454,073	312,206	975,243
Severance and deferred compensation	(22,168)	—	—
Changes in assets and liabilities:			
Accrued interest receivable	(4,675)	7,423	(765)
Prepaid expenses and other assets	94,864	(7,079)	(4,020)
Accounts payable and accrued expenses	3,640	(5,837)	6,428
Due to affiliates	8,013	4,736	1,560
Interest payable	715	(2,164)	1,933
Net cash (used in)/provided by operating activities	**$ 146,497**	**$ 115,334**	**$ 45,369**
Cash flows from investing activities:			
Cash acquired through merger	$ 174,083	$ —	$ —
Origination and purchase of commercial mortgage loans, held for investment	(2,881,852)	(1,281,158)	(1,321,644)
Principal repayments received on commercial mortgage loans, held for investment	1,225,645	1,228,225	756,141
Purchase/repayment of other real estate investments	426	—	(2,511)
Purchase of real estate owned and capital expenditures	(134,052)	(2,824)	(42,018)
Proceeds from sale of real estate owned, held for sale	29,912	22,472	—
Proceeds from sale of commercial mortgage loans, held for sale	52,615	77,164	—
Purchase of real estate securities	—	(148,580)	(369,911)
Principal repayments received on real estate securities		—	—
Proceeds from sale/repayment of real estate securities	2,059,418	346,201	9,369
Principal collateral on mortgage investments	541,313	—	—
Purchase of derivative instruments	1,239	(813)	1,333
Net cash (used in)/provided by investing activities	**$ 1,068,747**	**$ 240,687**	**$ (969,241)**
Cash flows from financing activities:			
Cash consideration paid in merger	$ (20,485)	$ —	$ —

FRANKLIN BSP REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

Proceeds from issuance of common stock	—	10,672	75,545
Proceeds from issuances of convertible preferred stock	15,000	47	63,197
Common stock repurchases	(11,417)	(10,259)	(13,813)
Borrowings under collateralized loan obligation	1,410,173	—	639,899
Repayments of collateralized loan obligation	(869,887)	(182,680)	(343,191)
Borrowings on repurchase agreements - commercial mortgage loans	1,874,694	682,970	1,035,524
Repayments of repurchase agreements - commercial mortgage loans	(1,131,434)	(659,173)	(932,420)
Borrowings on repurchase agreements - real estate securities	13,553,886	2,675,218	1,570,331
Repayments of repurchase agreements - real estate securities	(15,983,193)	(2,882,749)	(1,220,511)
Proceeds from other financing and loan participation - commercial mortgage loans	6,524	31,379	—
Repayments on other financing and loan participation - commercial mortgage loans	—	—	(10,000)
Borrowings on unsecured debt	210,000	—	—
Repayments on unsecured debt	(160,000)	—	—
Borrowing on mortgage note payable	23,940	11,712	29,167
Payments of deferred financing costs	(9,285)	(349)	(4,540)
Cash collateral received on interest rate swaps	11,138	—	—
Proceeds from interest rate swap settlements	9,115	—	—
Distributions paid	(67,955)	(49,790)	(60,613)
Net cash (used in)/provided by financing activities:	**$ (1,139,186)**	**$ (373,002)**	**$ 828,575**
Net change in cash, cash equivalents and restricted cash	$ 76,058	$ (16,981)	$ (95,297)
Cash, cash equivalents and restricted cash, beginning of period	92,141	109,122	204,419
Cash, cash equivalents and restricted cash, end of period	**$ 168,199**	**$ 92,141**	**$ 109,122**
Supplemental disclosures of cash flow information:			
Taxes paid	$ 140	$ 4,400	$ —
Interest paid	51,050	59,819	78,901
Supplemental disclosures of non-cash flow information:			
Common stock issued through distribution reinvestment plan	$ 5,110	$ 8,814	$ 13,903
Commercial mortgage loans transferred from held for investment to held for sale	52,615	76,979	—
Distribution payable	30,346	15,688	6,912
Commercial mortgage loans transferred from held for sale to held for investment	—	—	10,072
Real estate owned received in foreclosure	—	35,411	8,110
Issuances of common stock due to merger	579,526	—	—
Issuances of Series E preferred stock due to merger	258,742	—	—
Unsecured debt assumed due to merger	98,574	—	—
Exchanged for Series F preferred stock	710,431	—	—
Conversion of Preferred A stock to common stock	(127,603)	—	—
Reconciliation of cash, cash equivalents and restricted cash at end of period:			
Cash and cash equivalents	$ 154,929	$ 82,071	$ 87,246
Restricted cash	13,270	10,070	21,876
Cash, cash equivalents and restricted cash, end of period	**$ 168,199**	**$ 92,141**	**$ 109,122**

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

FRANKLIN BSP REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

Note 1 - Organization and Business Operations

Franklin BSP Realty Trust, Inc., formerly known as 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 is a Maryland corporation and has made tax elections to be treated as a real estate investment trust (a "REIT") for U.S. federal income tax purposes since 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. Substantially all 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. In addition, the Company, through one or more subsidiaries which are treated as a taxable REIT subsidiary (a "TRS"), is indirectly subject to U.S. federal, state and local income taxes.

The Company has no employees. Benefit Street Partners L.L.C. serves as the Company's advisor (the "Advisor") pursuant to an advisory agreement, as amended on August 18, 2021 (the "Advisory Agreement"). The Advisor, an investment adviser registered with the 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 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. Historically this business has focused primarily on CMBS, unsecured REIT debt, collateralized debt obligations ("CDOs") and other securities. As a result of the October 2021 acquisition of Capstead, the Company acquired and continues to hold a significant portfolio of Residential Mortgage Backed Securities ("RMBS") in the form of the ARM Agency Securities. 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.

On October 19, 2021, the Company completed a merger with Capstead Mortgage Corporation ("Capstead") pursuant to which Capstead merged into a wholly-owned subsidiary of the Company, and the Company's common stock commenced trading on the NYSE under the ticker "FBRT". The Capstead assets acquired in the merger consist primarily of cash and residential adjustable-rate mortgage pass-through securities ("ARM Agency Securities") issued and guaranteed by government-sponsored enterprises or by an agency of the federal government. The Company intends to reinvest the cash and proceeds from dividends, interest, repayments and sales of the assets acquired in the merger into its own investment strategies. Refer to Note 18 - Merger with Capstead for additional information.

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.

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 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 or accretion 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 irrevocably 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

The Company classifies its real estate owned as long-lived assets held for investment or as long-lived assets held for sale. Held for investment assets are stated at cost, as adjusted for any impairment loss, less accumulated depreciation.

Real estate owned is classified as held for sale in the period in which the six criteria under ASC Topic 360, "Property, Plant, and Equipment" are met: (1) we commit to a plan and have the authority to sell the asset; (2) the asset is available for sale in its current condition; (3) we have initiated an active marketing plan to locate a buyer for the asset; (4) the sale of the asset is both probable and expected to qualify for full sales recognition within a period of 12 months; (5) the asset is being actively marketed for sale at a price that is reflective of its current fair value; and (6) we do not anticipate changes to our plan to sell the asset. Held for sale assets are carried at the lower of depreciated cost or estimated fair value, less estimated costs to sell.

Amounts capitalized to real estate owned consist of the cost of acquisition or construction, any tenant improvements or major improvements, betterments that extend the useful life of the related asset, and transaction costs associated with the acquisition of an individual asset that does not qualify as a business combination. All repairs and maintenance are expensed as incurred. Additionally, the Company capitalizes interest while the development, or redevelopment, of a real estate owned asset is in progress. No development or redevelopments of real estate owned assets are in progress as of December 31, 2021.

The Company’s real estate owned assets are depreciated or amortized using the straight-line method over the following useful lives:

Building	40 years
Furniture, fixtures, and equipment	15 years
Site Improvements	5 - 25 years
Intangible Lease Assets	Lease Term

The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of the real estate and related intangible assets of either operating properties or properties under construction in which the Company has an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present, management assesses whether the respective carrying values will be recovered from the undiscounted future operating cash flows expected from the use of the asset and its eventual disposition for assets held for use, or from the estimated fair values, less costs to sell, for assets held for sale. In the event that the expected undiscounted future cash flows for assets held for use or the estimated fair value, less costs to sell, for assets held for sale do not exceed the respective asset carrying value, management adjusts such assets to the respective estimated fair values and recognizes an impairment loss. Estimated fair values are calculated based on the following information, depending upon availability, in order of preference: (i) recently quoted market prices, (ii) market prices for comparable properties, or (iii) the present value of undiscounted cash flows, including estimated sales value (which is based on key assumptions such as estimated market rents, lease-up periods, estimated lease terms, and capitalization and discount rates) less estimated selling costs.

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 are measured at the lower of its carrying amount or fair value less cost to sell. Real estate owned assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale 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.

Fair Value of Assets and Liabilities of Acquired Properties

Upon the acquisition of real properties, the Company records the fair value of properties (plus any related acquisition costs) allocated based on relative fair value as tangible assets, consisting of land and building, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases and the value of in-place leases, based on their estimated fair values. Substantially all of the Company's property acquisitions qualify as asset acquisitions under Accounting Standards Codification ("ASC") 805, Business Combinations.

The estimated fair values of the tangible assets of an acquired property are determined by valuing the property as if it were vacant, and the "as-if-vacant" value is then allocated to land and building based on management's determination of the estimated fair value of these assets. Management relies on a sales comparison approach using closed land sales and listings in determining the land value, and determines the as-if-vacant estimated fair value of a property using methods similar to those used by independent appraisers. Factors considered by management in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, management includes real estate taxes, insurance, and other operating expenses and estimates of lost rental revenue during the expected lease-up periods based on current market demand. Management also estimates the cost to execute similar leases including leasing commissions, legal, and other related costs.

The estimated fair values of above-market and below-market in-place leases are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of market rates for the corresponding in-place leases, measured over a period equal to the remaining terms of the leases, taking into consideration the probability of renewals for any below-market leases. The capitalized above-market and below-market lease values are recorded as intangible lease assets or liabilities and amortized as an adjustment to rental revenues over the remaining terms of the respective leases.

The estimated fair values of in-place leases include an estimate of the direct costs associated with obtaining the acquired or "in place" tenant and estimates of opportunity costs associated with lost rentals that are avoided by acquiring an in-place lease. The amount capitalized as direct costs associated with obtaining a tenant include commissions, tenant improvements, and other direct costs and are estimated based on management's consideration of current market costs to execute a similar lease. These direct lease origination costs are included in deferred lease costs in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases. The value of opportunity costs is calculated using the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. These lease intangibles are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

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.

The allowance for credit losses required under ASU 2016-13 is deducted from the respective loans' amortized cost basis on the Company's consolidated balance sheets. The allowance for credit losses attributed to unfunded loan commitments is included in Accounts payable and accrued expenses on the consolidated balance sheets. As reflected in the consolidated statements of changes in stockholders' equity and Note 3 - Commercial Mortgage Loans, the guidance also required a cumulative-effect adjustment to retained earnings as of the beginning of the reporting period of adoption.

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. The modeled results are then evaluated to determine if adjustments are needed for certain qualitative factors. 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

Available For Sale

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 or accreted over the life of the investment using the effective interest method. Amortization and accretion 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 real estate securities 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.

Trading

In the merger with Capstead, the Company acquired a portfolio of ARM Agency Securities classified as trading and recorded at fair value on the balance sheet with trading gains and losses on the paydowns and sales of these securities recorded in the Company's consolidated statements of operations. Fair values fluctuate with current and projected changes in interest rates, prepayment expectations and other factors such as market liquidity conditions and the perceived credit quality of agency securities. Judgment is required to interpret market data and develop estimated fair values, particularly in circumstances of deteriorating credit quality and market liquidity.

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

Until the merger with Capstead, the Company had a Share Repurchase Program (the "SRP") that enabled stockholders to sell their shares to the Company, subject to certain conditions. Refer to Note 9 - Stock Transactions for a description of the SRP. Under the SRP, when a stockholder requested a redemption and the redemption was approved by the board of directors, the Company reclassified such obligation from equity to a liability based on the settlement value of the obligation. Shares repurchased under the SRP 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, including its Series A convertible preferred stock (“Series A Preferred Stock”), Series C convertible preferred stock (the “Series C Preferred Stock,”) and Series D convertible preferred stock ("Series D 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, Series C Preferred Stock and Series D Preferred Stock, respectively, on the Company’s consolidated balance sheets.

Distribution Reinvestment Plan

Pursuant to the terms of the Company's distribution reinvestment plan ("DRIP") in effect until December 17, 2021, stockholders had the option to elect to reinvest distributions by purchasing shares of common stock in lieu of receiving cash. No dealer manager fees or selling commissions were paid with respect to shares purchased pursuant to the DRIP. The purchase price for shares purchased through the DRIP was the lesser of (i) the Company’s most recent estimated per share NAV, and (ii) the Company’s GAAP book value per share. The Company had the right to amend any aspect of the DRIP or terminate the DRIP with ten days’ notice to participants. Shares issued under the DRIP were recorded to equity in the consolidated balance sheets in the period distributions are declared.

On December 17, 2021, the Company amended and restated the DRIP (the “Amended DRIP”) in recognition of the listing of the Company’s common stock on the New York Stock Exchange (“NYSE”). Shares of common stock purchased through the Amended DRIP for dividend reinvestments will be supplied either directly by the Company as newly issued shares or via purchases by the Amended DRIP administrator of shares of common stock on the open market, at the Company’s option. If the shares are purchased in the open market, the purchase price will be the average price per share of shares purchased; if the shares are purchased directly from the Company, the purchase price will generally be the average of the daily high and low sales prices for a share of common stock reported by the NYSE on the dividend payment date authorized by the Company’s board of directors. The Company may suspend, modify or terminate the Amended DRIP at any time in its sole discretion.

Share-Based Compensation

The Company has share-based incentive plans 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 are 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 TRSs, is indirectly subject to U.S. federal, state and local income taxes. The Company's TRSs are not consolidated for U.S. federal income tax purposes, but is instead taxed as a C corporations. For financial reporting purposes, the TRSs are 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 TRSs. Total income tax provision/(benefit) for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 were $3.6 million, $(2.1) million and $4.5 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 TRSs 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. With the exception of the Company's unsecured debt-related interest rate swap agreements, the Company does not designate its 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. For the derivatives that are designated as an accounting hedge, the Company must document at inception that the hedge relationship is highly effective and must continue to monitor ongoing effectiveness on at least a quarterly basis. As long as the hedge relationship remains highly effective, changes in fair value are recorded in accumulated other comprehensive income. 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 and cash collateral receivable from derivative counterparties on the Company's consolidated balance sheets. The Company's interest rate swaps hedging repurchase agreements acquired in the merger with Capstead are recorded net of variation margin and accrued interest per the legal definition of these cleared swaps as settling on a daily basis. 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 A Preferred Stock, Series C Preferred Stock and Series D Preferred Stock are each 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 Series A Preferred Stock, Series C Preferred Stock and Series D 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 focuses on investing in and asset managing real estate securities. Historically this business has focused primarily on CMBS, unsecured REIT debt, CDO notes and other securities. As a result of the October 2021 acquisition of Capstead, the Company acquired and continues to hold a significant portfolio of Residential Mortgage Backed Securities ("RMBS") in the form of the ARM Agency Securities. The Company intends to reinvest the cash and proceeds from dividends, interest, repayments and sales of these assets into its other segments and does not intend to continue to invest in ARM Agency Securities or RMBS in general. As of December 31, 2021, all of the real estate securities in this segment were ARM Agency Securities acquired in the Capstead acquisition.
- 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 classes of redeemable convertible preferred stock are classified outside of permanent equity in the consolidated balance sheets.

Series A Preferred Stock

The Series A Preferred Stock ranked senior to the Common Stock and the Company's Series F Convertible Preferred Stock ("Series F Preferred Stock"), and on parity with all other outstanding classes of preferred stock of the Company (including the Series C and Series D Preferred Stock) with respect to priority in dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company. The liquidation preference of each share of Series A Preferred Stock was the greater of (i) $5,000 plus accrued and unpaid dividends, and (ii) the amount that would be received upon a conversion of the Series A Preferred Stock into Common Stock.

Dividends on the Series A Preferred Stock, which were typically declared and paid quarterly, accrued at a rate equal to the greater of (i) an annual amount equal to 4.0% of the liquidation preference per share (subject to a 1.0% increase in the event of the ratings for the Series A Preferred Stock decreases below a certain threshold) and (ii) the dividends that would have been paid had such share of Series A Preferred Stock been converted into a share of Common Stock on the first day of such quarter, subject to proration in the event the share of Series A Preferred Stock is not outstanding for the full quarter. Dividends are paid in arrears.

On October 19, 2021, each share of Series A Preferred Stock converted into 299.2 shares of common stock, pursuant to the terms of the Articles Supplementary for the Series A Preferred Stock, and no shares of Series A Preferred Stock were outstanding as of December 31, 2021.

Series C Preferred Stock

The Series C Preferred Stock ranks senior to the Common Stock and Series F Preferred Stock and on parity with the Series D Preferred Stock and the Company's 7.50% Series E Cumulative Redeemable Preferred Stock ("Series E Preferred Stock") with respect to priority in dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company. The liquidation preference of each share of Series C Preferred Stock is the greater of (i) $5,000 plus accrued and unpaid dividends, and (ii) the amount that would be received upon a conversion of the Series C Preferred Stock into the Common Stock.

Dividends on the Series C Preferred Stock, which are typically declared and paid quarterly, accrue at a rate equal to the greater of (i) an annual amount equal to 4.0% of the liquidation preference per share and (ii) the dividends that would have been paid had such share of Series C Preferred Stock been converted into a share of common stock on the first day of such quarter, subject to proration in the event the share of Series C preferred stock is not outstanding for the full quarter. Dividends are paid in arrears. Dividends will accumulate and be cumulative from the most recent date to which dividends had been paid.

Each outstanding share of Series C Preferred Stock will convert into 299.2 shares of common stock, subject to anti-dilution adjustments described in the Articles Supplementary for the Series C Preferred Stock, on October 19, 2022 or, upon the election of the Company upon 10 days' notice to the holders, on or after April 19, 2022.

In the event of the sale of all or substantially all of the business or assets of the Company (by sale, merger, consolidation or otherwise) or the acquisition by any person of more than 50% of the total economic interests or voting power of all securities of the Company (a " Change of Control"), in each case prior to the automatic conversion dates set forth above, each holder of Series C Preferred Stock will have the right, prior to consummation of such transaction, to convert its Series C Preferred Stock into common stock at the Conversion Rate. In addition, in the event of a change of control (as defined in the Articles Supplementary of the Series C Preferred Stock) of the Advisor or a Change of Control that is not a "Liquidity Event" and that is related to the removal of the Advisor, both the Company and the holder shall have the right, prior to consummation of the transaction, to require the redemption of the Series C Preferred Stock for the liquidation preference. 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 of 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 exchanged for cash or securities which are listed on a national securities exchange or quoted on an electronic inter-dealer quotation system.

Holders of the Series C Preferred Stock (voting as a single class with holders of common 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. The number of votes applicable to a share of outstanding Series C Preferred Stock will be equal to the number of shares of common stock a share of Series C 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 Series C Preferred Stock, voting as a single class with other shares of parity preferred stock, is required to approve the issuance of any equity securities senior to the Series C Preferred Stock and to take certain actions materially adverse to the holders of the Series C Preferred Stock.

Series D Preferred Stock

The Series D Preferred Stock is on parity with the Series C Preferred Stock and Series E Preferred Stock with respect to preference on liquidation and dividend rights. The terms of the Series D Preferred Stock are substantially the same as the terms of the Series C Preferred Stock, except that the holders of the Series D Preferred Stock have the option to accelerate the mandatory conversion date, which is October 19, 2022, to a date no earlier than April 19, 2022.

Convertible Preferred Stock

Series F Preferred Stock

On October 12, 2021, as contemplated by the Merger Agreement with Capstead, the Company completed its previously-announced stock dividend on the outstanding shares of Common Stock, which stock dividend was paid at a rate of nine shares of the Company's newly issued Series F Convertible Preferred Stock ("Series F Preferred Stock") for each share of Common Stock issued and outstanding.

The Series F Preferred Stock ranks junior to all other outstanding classes of the Company's preferred stock with respect to priority in dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company. The liquidation preference of each share of Series F Preferred Stock is $2.00.

Dividends on the Series F Preferred Stock are equal to, and will be paid at the same time as, dividends that are authorized and declared on the Company's common stock. The Series F Preferred Stock ranks senior to the Company's Common Stock with respect to the distribution of assets upon any liquidation, dissolution or winding up of the Company (other than a liquidation, dissolution or winding up of the Company that results in the automatic conversion of such Series F Preferred Stock into Common Stock).

Each share (or fractional share) of Series F Preferred Stock shall automatically convert into one share of Common Stock (or equivalent fractional share, as applicable) upon the earlier of (i) April 19, 2022, (ii) three business days prior to a liquidation, dissolution or winding up of the Company in the event that the Company's board of directors determines (which determination will be conclusive) that the liquidating distribution per share in respect of such converted share of Series F Preferred Stock (or fractional share) would be in an amount in excess of the liquidation preference of $2.00 per share or (iii) immediately prior to the effective time of a qualifying change of control, provided that the consideration per share payable in connection with such change in control in respect of such converted share of Series F Preferred Stock (or fractional share) is an amount in excess of the liquidation preference of $2.00.

The Series F Preferred Stock has no stated maturity and is not redeemable.

Holders of Series F Preferred Stock (voting as a single class with holders of Common Stock and other series of Company equity securities entitled to vote with the common stockholders) 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. The number of votes applicable to a share of outstanding Series F Preferred Stock will be equal to the number of shares of Common Stock a share of Series F 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 Series F Preferred Stock is required to take certain actions materially adverse to the holders of the Series F Preferred Stock.

The complete terms of the Series A Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock are set forth in the Articles Supplementary applicable to each class, which have been filed as exhibits to the Company's periodic reports filed pursuant to the Securities Exchange Act of 1934, as amended.

The below table summarizes the timing of the conversion of the Company's outstanding classes of convertible preferred stock into common stock:

Series/Shares Outstanding at 12/31/21	Conversion Date	Conversion Amount Per One Share of Preferred*
Redeemable Convertible Series C Preferred Stock / 1,400 shares outstanding	October 19, 2022, subject to the Company's right to accelerate the conversion to April 19, 2022	299.2 shares of Common Stock
Redeemable Convertible Series D Preferred Stock / 17,950 shares outstanding	October 19, 2022, subject to the holder's right to accelerate the conversion to April 19, 2022	299.2 shares of Common Stock
Series F Preferred Stock/ 39,733,299 shares outstanding	April 19, 2022	1 share of Common Stock

*Subject to anti-dilution adjustments as set forth in Articles Supplementary.

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, 2021, but will continue to evaluate the possible adoption of any such expedients or exceptions during the effective period as circumstances evolve.

FRANKLIN BSP REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

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, 2021	December 31, 2020
Senior loans	$ 4,204,464	$ 2,698,823
Mezzanine loans	22,424	15,911
Total gross carrying value of loans	4,226,888	2,714,734
Less: Allowance for credit losses [1]	15,827	20,886
Total commercial mortgage loans, held for investment, net	**$ 4,211,061**	**$ 2,693,848**

[1] As of December 31, 2021 and 2020, there have been no specific reserves for loans in non-performing status.

As of December 31, 2021 and December 31, 2020, the Company's total commercial mortgage loan portfolio, excluding commercial mortgage loans accounted for under the fair value option, was comprised of 165 and 130 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, 2021 and 2020 (dollars in thousands):

	Year Ended December 31, 2021								
	MultiFamily	Retail	Office	Industrial	Mixed Use	Hospitality	Self Storage	Manufactured Housing	Total
Beginning Balance	**$ 3,095**	**$ 404**	**$ 1,575**	**$ 3,795**	**$ 132**	**$ 11,646**	**$ 117**	**$ 122**	**$ 20,886**
Current Period:									
Provision/(benefit) for credit losses	6,875	(116)	(799)	(3,709)	37	(7,049)	35	(44)	(4,770)
Write offs	(289)	—	—	—	—	—	—	—	(289)
Ending Balance	**$ 9,681**	**$ 288**	**$ 776**	**$ 86**	**$ 169**	**$ 4,597**	**$ 152**	**$ 78**	**$ 15,827**

	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 a decrease in its allowance for credit losses during the year ended December 31, 2021 of $4.8 million. The primary driver for the improvement in the reserve balance is the positive economic outlook since the end of the prior year.

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The following table presents the activity in the Company's allowance for credit losses for the unfunded loan commitments, which is presented in accounts payable and accrued expenses in the consolidated balance sheets as of December 31, 2021 and 2020 (dollars in thousands):

	Year Ended December 31, 2021								
	MultiFamily	Retail	Office	Industrial	Mixed Use	Hospitality	Self Storage	Manufactured Housing	Total
Beginning Balance	**$ 85**	**$ —**	**$ 47**	**$ 418**	**$ 14**	**$ 101**	**$ —**	**$ —**	**$ 665**
Current Period:									
Provision/(benefit) for credit losses	52	1	(34)	(415)	(4)	(22)	—	—	(422)
Ending Balance	**$ 137**	**$ 1**	**$ 13**	**$ 3**	**$ 10**	**$ 79**	**$ —**	**$ —**	**$ 243**

	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, 2021		December 31, 2020	
Loan Type	**Par Value**	**Percentage**	**Par Value**	**Percentage**
Multifamily	$ 2,953,938	69.6 %	$ 1,202,694	44.2 %
Office	485,575	11.4 %	517,464	19.0 %
Hospitality	460,884	10.9 %	403,908	14.8 %
Retail	104,990	2.5 %	78,550	2.9 %
Industrial	88,956	2.1 %	243,404	8.9 %
Mixed Use	62,965	1.5 %	102,756	3.8 %
Self Storage	56,495	1.3 %	86,424	3.2 %
Manufactured Housing	29,159	0.7 %	71,263	2.6 %
Land	—	— %	16,400	0.6 %
Total	**$ 4,242,962**	**100.0 %**	**$ 2,722,863**	**100.0 %**

	December 31, 2021		December 31, 2020	
Loan Region	**Par Value**	**Percentage**	**Par Value**	**Percentage**
Southwest	$ 1,764,905	41.6 %	$ 515,392	18.9 %
Southeast	1,106,439	26.2 %	796,908	29.3 %
Mideast	646,125	15.2 %	473,514	17.4 %
Far West	301,040	7.1 %	415,173	15.2 %
Great Lakes	183,930	4.3 %	199,203	7.3 %
Various	68,896	1.6 %	136,855	5.0 %
New England	67,651	1.6 %	69,675	2.6 %
Plains	60,225	1.4 %	116,143	4.3 %
Rocky Mountain	43,751	1.0 %	—	— %
Total	**$ 4,242,962**	**100.0 %**	**$ 2,722,863**	**100.0 %**

As of December 31, 2021 and 2020, the Company's total commercial mortgage loans, held for sale, measured at fair value was comprised of one and three loans, respectively. As of December 31, 2021 and 2020, the contractual principal outstanding of commercial mortgage loans, held for sale, measured at fair value was $34.3 million and $67.6 million, respectively. As of December 31, 2021 and 2020, 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, 2021		December 31, 2020	
Loan Type	Par Value	Percentage	Par Value	Percentage
Office	$ 34,250	100.0 %	$ —	— %
Industrial	—	— %	67,550	99.9 %
Multifamily	—	— %	100	0.1 %
Total	**$ 34,250**	**100.0 %**	**$ 67,650**	**100.0 %**

	December 31, 2021		December 31, 2020	
Loan Region	**Par Value**	**Percentage**	**Par Value**	**Percentage**
Southeast	$ 34,250	100.0 %	$ —	— %
Far West	—	— %	58,500	86.5 %
Great Lakes	—	— %	9,150	13.5 %
Total	**$ 34,250**	**100.0 %**	**$ 67,650**	**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, 2021 and 2020, by loan type, year of origination and the Company’s internal risk rating at the corresponding balance sheet date.

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	2021	2020	2019	2018	2017	Prior	Total
Multifamily:							
Risk Rating:							
1-2 internal grade	$ 2,438,376	$ 270,953	$ 103,989	$ 90,877	$ —	$ —	$ 2,904,195
3-4 internal grade	—	—	—	37,025	—	—	37,025
Total Multifamily Loans	**$ 2,438,376**	**$ 270,953**	**$ 103,989**	**$ 127,902**	**$ —**	**$ —**	**$ 2,941,220**
Retail:							
Risk Rating:							
1-2 internal grade	$ 33,830	$ 11,928	$ 29,515	$ 29,452	$ —	$ —	$ 104,725
3-4 internal grade	—	—	—	—	—	—	—
Total Retail Loans	**$ 33,830**	**$ 11,928**	**$ 29,515**	**$ 29,452**	**$ —**	**$ —**	**$ 104,725**
Office:							
Risk Rating:							
1-2 internal grade	$ 50,291	$ 253,759	$ 136,800	$ 43,308	$ —	$ —	$ 484,158
3-4 internal grade	—	—	—	—	—	—	—
Total Office Loans	**$ 50,291**	**$ 253,759**	**$ 136,800**	**$ 43,308**	**$ —**	**$ —**	**$ 484,158**
Industrial:							
Risk Rating:							
1-2 internal grade	$ —	$ 31,906	$ —	$ —	$ —	$ —	$ 31,906
3-4 internal grade	—	—	56,933	—	—	—	56,933
Total Industrial Loans	**$ —**	**$ 31,906**	**$ 56,933**	**$ —**	**$ —**	**$ —**	**$ 88,839**
Mixed Use:							
Risk Rating:							
1-2 internal grade	$ 32,395	$ 30,325	$ —	$ —	$ —	$ —	$ 62,720
3-4 internal grade	—	—	—	—	—	—	—
Total Mixed Use Loans	**$ 32,395**	**$ 30,325**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 62,720**
Hospitality:							
Risk Rating:							
1-2 internal grade	$ 153,032	$ 26,920	$ 34,054	$ —	$ —	$ —	$ 214,006
3-4 internal grade	—	—	113,961	52,790	79,102	—	245,853
Total Hospitality Loans	**$ 153,032**	**$ 26,920**	**$ 148,015**	**$ 52,790**	**$ 79,102**	**$ —**	**$ 459,859**
Self Storage:							
Risk Rating:							
1-2 internal grade	$ 14,948	$ 41,382	$ —	$ —	$ —	$ —	$ 56,330
3-4 internal grade	—	—	—	—	—	—	—
Total Self Storage Loans	**$ 14,948**	**$ 41,382**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 56,330**
Manufactured Housing:							
Risk Rating:							
1-2 internal grade	$ 6,665	$ 22,372	$ —	$ —	$ —	$ —	$ 29,037
3-4 internal grade	—	—	—	—	—	—	—
Total Manufactured Housing Loans	**$ 6,665**	**$ 22,372**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 29,037**
Total	**$ 2,729,537**	**$ 689,545**	**$ 475,252**	**$ 253,452**	**$ 79,102**	**$ —**	**$ 4,226,888**

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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, 2021 (dollars in thousands):

	Multifamily	Retail	Office	Industrial	Mixed Use	Hospitality	Self Storage	Manufactured Housing	Total
Status:									
Current	$ 2,941,220	$ 104,725	$ 484,158	$ 31,906	$ 62,720	$ 402,784	$ 56,330	$ 29,037	$ 4,112,880
1-29 days past due [1]	—	—	—	56,933	—	—	—	—	56,933
30-59 days past due	—	—	—	—	—	—	—	—	—
60-89 days past due	—	—	—	—	—	—	—	—	—
90-119 days past due	—	—	—	—	—	—	—	—	—
120+ days past due [2]	—	—	—	—	—	57,075	—	—	57,075
Total	**$ 2,941,220**	**$ 104,725**	**$ 484,158**	**$ 88,839**	**$ 62,720**	**$ 459,859**	**$ 56,330**	**$ 29,037**	**$ 4,226,888**

[1] For the year ended December 31, 2021, interest income recognized on this loan was $3.1 million.

[2] For the year ended December 31, 2021, there was no interest income recognized on this loan.

As of December 31, 2021, the Company had one loan on non-accrual status with a total cost basis of $57.1 million for which there was no related allowance for credit losses. 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.

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	*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.

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. As of December 31, 2021 and 2020, the weighted average risk ratings of loans were 2.1 and 2.2, respectively.

The following table represents the allocation by risk rating for the Company's commercial mortgage loans, held for investment, (dollars in thousands):

December 31, 2021			December 31, 2020		
Risk Rating	**Number of Loans**	**Par Value**	**Risk Rating**	**Number of Loans**	**Par Value**
1	—	$ —	1	—	$ —
2	148	3,903,047	2	104	2,232,045
3	16	282,840	3	22	384,040
4	1	57,075	4	4	106,778
5	—	—	5	—	—
	165	**$ 4,242,962**		**130**	**$ 2,722,863**

For the years ended December 31, 2021 and December 31, 2020, the activity in the Company's commercial mortgage loans, held for investment portfolio, net of allowance, was as follows (dollars in thousands):

	Year Ended December 31,	
	2021	**2020**
Balance at Beginning of Year	$ 2,693,848	$ 2,762,042
Cumulative-effect adjustment upon adoption of ASU 2016-13	—	(7,211)
Acquisitions and originations	2,897,002	1,287,720
Principal repayments	(1,286,598)	(1,223,490)
Discount accretion/premium amortization	7,038	6,146
Loans transferred from/(to) commercial real estate loans, held for sale	(52,615)	(76,979)
Net fees capitalized into carrying value of loans	(15,150)	(6,562)
(Provision)/benefit for credit losses	4,770	(13,181)
Charge-off from allowance	289	427
Transfer to real estate owned	(37,523)	(35,064)
Balance at End of Year	**$ 4,211,061**	**$ 2,693,848**

During the year ended December 31, 2021, the Company wrote off a commercial mortgage loan, held for investment, with a carrying value of $37.8 million in exchange for the possession of a REO investment at a fair value of $37.5 million, comprised of $33.0 million of real property (land, building and improvements) and $4.5 million of personal property (furniture, fixture, and equipment) at the time of transfer. The transfer occurred when the Company took possession of the property by completing a foreclosure transaction in January 2021, resulting in a $0.3 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 accounted for the REO acquired during the year ended December 31, 2021 as an asset acquisition. The Company subsequently sold this REO asset during the year ended December 31, 2021 for a $0.8 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.

Note 4 - Real Estate Securities

As of December 31, 2021 the Company did not hold any real estate securities, available for sale, measured at fair value. The following is a summary of the Company's real estate securities, available for sale, measures at fair value as of December 31, 2020 (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

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

As of December 31, 2021 the Company did not hold any real estate securities, CMBS. As of December 31, 2020, the Company held 9 CMBS positions with an amortized cost basis of $179.4 million and an unrealized loss of $8.3 million of which 7 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, in each case as of December 31, 2020 (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)**

As of December 31, 2021 the Company did not hold any real estate securities, CMBS. As of December 31, 2020, there were seven 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, recorded in other comprehensive income (dollars in thousands):

	Year Ended December 31,		
	2021	2020	2019
Unrealized gain/(loss) available for sale securities	$ —	$ (8,026)	$ (978)
Reclassification of net (gain)/loss on available for sale securities included in net income (loss)	8,256	748	—
Unrealized gain/(loss) available for sale securities, net of reclassification adjustment	**$ 8,256**	**$ (7,278)**	**$ (978)**

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.

Real Estate Securities Classified As Trading

The following is a summary of the Company's real estate mortgage backed securities ("RMBS") classified by collateral type and interest rate characteristics (dollars in thousands):

	Carrying Amount	Average Yield [1]
December 31, 2021		
Agency Securities:		
Fannie Mae/Freddie Mac ARMs	$ 4,246,803	2.23 %
Ginnie Mae ARMs	320,068	2.72 %
	$ 4,566,871	**2.26 %**
December 31, 2020		
Agency Securities:		
Fannie Mae/Freddie Mac ARMs	$ —	— %
Ginnie Mae ARMs	—	— %
	$ —	**— %**

[1] Average yield is presented for the year then ended, and is based on the cash component of interest income expressed as a percentage on average cost basis (the "cash yield").

On October 19, 2021, the Company completed the Capstead merger pursuant to which the Company acquired a portfolio of adjustable-rate mortgage ("ARM") securities issued and guaranteed by government sponsored enterprises, either Fannie Mae or Freddie Mac, or by an agency of the federal government, Ginnie Mae. Together, these securities are referred to as "Agency Securities," and are considered to have limited, if any, credit risk because the timely payment of principal and interest is guaranteed. The maturity of Agency Securities is directly affected by prepayments of principal on the underlying mortgage loans. Consequently, actual maturities will be significantly shorter than the portfolio's weighted average contractual maturity of 310 months.

The Company's ARM Agency Securities are backed by residential mortgage loans that have coupon interest rates that adjust at least annually to more current interest rates or begin doing so after an initial fixed-rate period. After the initial fixed-rate period, if applicable, mortgage loans underlying ARM securities typically either (i) adjust annually based on specified margins over the one-year London interbank offered rate ("LIBOR") or the one-year Constant Maturity U.S. Treasury Note Rate ("CMT"), (ii) adjust semiannually based on specified margins over six-month LIBOR or the six-month Secured Overnight Financing Rate ("SOFR"), or (iii) adjust monthly based on specified margins over indices such as one-month LIBOR, the Eleventh District Federal Reserve Bank Cost of Funds Index, or over a rolling twelve month average of the one-year CMT index, usually subject to periodic and lifetime limits, or caps, on the amount of such adjustments during any single interest rate adjustment period and over the contractual term of the underlying loans.

During 2021, the Company sold trading securities using the specific identification method for proceeds totaling $1.9 billion recognizing $0.1 million in net realized gains. Subsequent to year end, the Company sold trading securities using the same method for proceeds totaling $1.8 billion recognizing $12 million in net realized losses. The Company did not own any trading securities during 2020 or 2019.

Note 5 - Real Estate Owned

The following table summarizes the Company's real estate owned assets as of December 31, 2021 (dollars in thousands):

As of December 31, 2021

Acquisition Date	Property Type	Primary Location(s)	Land	Building and Improvements	Furniture, Fixtures and Equipment	Accumulated Depreciation	Real Estate Owned, net
September 2021 [1]	Industrial	Jeffersonville, GA	$ 3,436	$ 84,259	$ 2,928	$ (575)	$ 90,048
			$ 3,436	**$ 84,259**	**$ 2,928**	**$ (575)**	**$ 90,048**

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

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 asset.

Depreciation expense for the years ended December 31, 2021 and 2020 totaled $1.0 million.

During the year ended December 31, 2021, the Company sold the real estate owned asset in Jeffersonville, IN to a third party, resulting in a $8.6 million gain recognized within Realized gain/loss on sale of real estate owned assets, held for sale in the consolidated statements of operations.

In August 2021 the Company and an investment fund managed by the Advisor entered into a joint venture agreement and formed a joint venture entity, Jeffersonville Member, LLC (the "Jeffersonville JV") to acquire a $139.5 million triple net lease property in Jeffersonville, GA. The Company has a 79% interest in the Jeffersonville JV, while the affiliated fund has a 21% interest. The Company invested a total of $109.8 million, made up of $88.7 million in debt and $21.1 million in equity, representing 79% of the ownership interest in the Jeffersonville JV. The affiliated fund made up the remaining $29.8 million composed of a $24.0 million mortgage note payable and $5.7 million in equity. The Company has control of Jeffersonville JV with 79% ownership and, therefore, consolidates Jeffersonville JV on its consolidated balance sheet. The Company's $88.7 million mortgage note payable to Jeffersonville JV is eliminated in consolidation (see Note 7 - Debt).

Note 6 - Leases

Intangible Lease Asset

The following table summarizes the Company's intangible lease asset recognized in the consolidated balance sheets as of December 31, 2021 (dollars in thousands):

Acquisition Date	Property Type	Primary Location(s)	Intangible Lease Asset, Gross	Accumulated Amortization	Intangible Lease Asset, Net of Amortization
September 2021	Industrial	Jeffersonville, GA	$ 49,192	$ (720)	$ 48,472
			$ 49,192	**$ (720)**	**$ 48,472**

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**

Rental Income

On September 17, 2021, the Company purchased an industrial facility that was subject to an existing triple net lease. The minimum rental amount due under the lease is subject to annual increases of 2.0%. The initial term of the lease expires in 2038 and contains renewal options for four consecutive five-year terms. The remaining lease term is 16.8 years. Rental income for this operating lease for the year ended December 31, 2021 totaled $2.6 million and is included in Revenue from real estate owned in the consolidated statements of operations.

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 was subject to annual increases of 1.5%. The initial term of the lease expires in 2037 and contained renewal options for four consecutive five-year terms. The Company sold the real estate owned asset during the year ended December 31, 2021 (see Note 5 - Real Estate Owned). Rental income for this lease for the years ended December 31, 2021 and 2020 totaled $2.1 million and $2.9 million, respectively. Rental income 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, 2021
2022	$ 9,248
2023	9,248
2024	9,248
2025	9,248
2026 and beyond	118,683
Total minimum rent	**$ 155,675**

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 the intangible asset as of December 31, 2021 is approximately 16.8 years. Amortization expense for the years ended December 31, 2021 and 2020 totaled $1.1 million and $0.8 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):

	December 31, 2021
2022	$ (2,880)
2023	(2,880)
2024	(2,880)
2025	(2,880)
2026	(2,880)

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"), 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 details of the Company's Repo Facilities at December 31, 2021 and December 31, 2020 are as follows (dollars in thousands):

As of December 31, 2021

Repurchase Facility	Committed Financing	Amount Outstanding	Interest Expense[1]	Ending Weighted Average Interest Rate	Term Maturity
JPM Repo Facility	$ 400,000	$ 136,470	$ 5,178	2.13 %	10/6/2022
CS Repo Facility [2]	300,000	137,364	3,446	2.43 %	9/30/2022
WF Repo Facility [3]	450,000	186,734	2,090	1.64 %	11/21/2023
Barclays Revolver Facility [4]	250,000	166,700	1,976	6.12 %	9/20/2023
Barclays Repo Facility [5]	500,000	392,332	4,057	1.76 %	3/14/2025
Total	**$ 1,900,000**	**$ 1,019,600**	**$ 16,747**		

[1] For the year ended December 31, 2021. Includes amortization of deferred financing costs.

[2] On August 12, 2021, the Company exercised the extension option upon the satisfaction of certain conditions, and extended the term maturity to September 30, 2022. Additionally, on November 3, 2021 the committed financing amount was amended from $200 million to $300 million with the option to increase to $400 million at the Company's discretion.

[3] On November 19, 2021 the committed financing amount was increased from $275 million to $450 million. There are three more one-year extension options available at the Company's discretion.

[4] On September 8, 2021, the Company amended the maturity date to September 20, 2023. On December 1, 2021 the committed financing amount was increased from $100 million to $250 million. The Company may increase the total commitment amount by an amount between $100 million and $150 million for three month intervals, on an unlimited basis prior to maturity.

[5] On December 3, 2021 the Company amended the maturity date to March 14, 2025 and the committed financing amount was increased from $300 million to $500 million. There are two one-year extension options available at the Company's discretion.

As of December 31, 2020					
Repurchase Facility	Committed Financing	Amount Outstanding	Interest Expense[1]	Ending Weighted Average Interest Rate	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 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.

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, 2021 and December 31, 2020, 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. Since origination, the Company's outstanding loan increased resultant of future fundings, leading to an increase in amount outstanding via the participation agreement. The Company incurred $0.9 million of interest expense on SNB for the year ended December 31, 2021. As of December 31, 2021 and December 31, 2020 the outstanding participation balance was $37.9 million and $31.4 million, respectively. 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. The Company incurred $0.9 million of interest expense for the twelve months ended December 31, 2021. As of December 31, 2021 the loan has been assumed by the purchaser of the underlying asset and is no longer held by the Company (see Note 5 - Real Estate Owned).

On September 17, 2021, the Company, in connection with the consolidating joint venture (as discussed in Note 5 - Real Estate Owned), originated a $112.7 million mortgage note payable, of which $88.7 million is eliminated in consolidation (see Note 5 - Real Estate Owned). As of December 31, 2021 the Company incurred $0.2 million of interest expense, of which $0.2 million is eliminated in consolidation, for the twelve months ended December 31, 2021. The remaining mortgage note payable of $24 million is included in the consolidated balance sheets under the caption Mortgage note payable. As of December 31, 2021, the loan accrued interest at an annual rate of 3.1% and matures on October 9, 2024.

Unsecured Debt

In the merger with Capstead, we acquired 30-year junior subordinated notes issued in 2005 and 2006 and maturing in 2035 and 2036, with a total face amount of $100 million. Note balances net of deferred issuance costs, and related weighted average interest rates as of the indicated dates (calculated including issuance cost amortization and adjusted for the effects of related derivatives held as cash flow hedges) were as follows (dollars in thousands):

	December 31, 2021		December 31, 2020	
	Borrowings Outstanding	Average Rate	Borrowings Outstanding	Average Rate
Junior subordinated notes maturing in:				
October 2035 ($35,000 face amount)	$ 34,470	7.86 %	$ —	— %
December 2035 ($40,000 face amount)	39,474	7.63 %	—	— %
September 2036 ($25,000 face amount)	24,650	7.67 %	—	— %
	$ 98,594	7.72 %	$ —	— %

The notes are currently redeemable, in whole or in part, without penalty, at the Company's option.

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 $2.0 million of interest expense on the lending agreement with SBL for the twelve months ended December 31, 2021. As of December 31, 2021 the outstanding balance was $50.0 million.

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, 2021 and 2020 (dollars in thousands):

				Weighted Average	
Counterparty	Amount Outstanding	Accrued Interest	Collateral Pledged [1]	Interest Rate	Days to Maturity
As of December 31, 2021					
JP Morgan Securities LLC	$ 19,025	$ 261	$ 24,087	1.14 %	10
Wells Fargo Securities, LLC	—	—	—	N/A	N/A
Goldman Sachs International	—	37	—	N/A	N/A
Barclays Capital Inc.	15,286	526	19,131	1.21 %	14
Credit Suisse AG	—	—	—	N/A	N/A
Citigroup Global Markets, Inc.	—	81	—	N/A	N/A
Total/Weighted Average	**$ 34,311**	**$ 905**	**$ 43,218**	**1.17 %**	**12**
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	—	29
Total/Weighted Average	**$ 186,828**	**$ 8,719**	**$ 243,373**	**1.71 %**	**33**

(1) Includes $43.2 million and $72.2 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, 2021 and December 31, 2020, respectively.

Repurchase Agreements - Real Estate Securities Classified As Trading

In the merger with Capstead, we acquired repurchase agreements - real estate securities classified as trading. The Company pledges its Real estate securities classified as trading as collateral for repurchase agreements with commercial banks and other financial institutions. Repurchase arrangements entered into by the Company involve the sale and a simultaneous agreement to repurchase the transferred assets at a future date and are accounted for as financings. The Company maintains the beneficial interest in the specific securities pledged during the term of each repurchase arrangement and receives the related principal and interest payments.

The terms and conditions of repurchase agreements are negotiated on a transaction-by-transaction basis when each such agreement is initiated or renewed. The amount borrowed is generally equal to the fair value of the securities pledged, as determined by the lending counterparty, less an agreed-upon discount, referred to as a "haircut." Interest rates are generally fixed based on prevailing rates corresponding to the terms of the borrowings. Interest may be paid monthly or at the termination of an agreement at which time the Company may enter into a new agreement at prevailing haircuts and rates with the same lending counterparty or repay that counterparty and negotiate financing with a different lending counterparty. None of the Company's lending counterparties are obligated to renew or otherwise enter into new agreements at the conclusion of existing agreements. In response to declines in fair value of pledged securities due to changes in market conditions or the publishing of monthly security pay-down factors, lending counterparties typically require the Company to post additional securities as collateral, pay down borrowings or fund cash margin accounts with the counterparties in order to re-establish the agreed-upon collateral requirements. These actions are referred to as margin calls. Conversely, in response to increases in fair value of pledged securities, the Company routinely margin calls its lending counterparties in order to have previously pledged collateral returned.

Repurchase agreements (and related pledged collateral, including accrued interest receivable), classified by collateral type and remaining maturities, and related weighted average borrowing rates as of the indicated dates were as follows (dollars in thousands):

Collateral Type	Collateral Carrying Amount	Accrued Interest Receivable	Borrowings Outstanding	Average Borrowing Rates
December 31, 2021				
Repurchase arrangements secured by Agency securities with maturities of 30 days or less	$ 4,327,020	$ 8,908	$ 4,144,473	0.13 %
	$ 4,327,020	**$ 8,908**	**$ 4,144,473**	**0.13 %**
December 31, 2020				
Repurchase arrangements secured by Agency securities with maturities of 30 days or less	$ —	$ —	$ —	— %
	$ —	**$ —**	**$ —**	**—**

Average repurchase agreements outstanding were $3.97 billion in 2021. Average repurchase agreements outstanding differed from respective year-end balances during the indicated periods primarily due to changes in portfolio levels and differences in the timing of portfolio acquisitions relative to portfolio runoff and asset sales.

Collateralized Loan Obligation

On December 14, 2021, the Company called all of the outstanding notes issued by BSPRT 2018-FL3 Issuer, Ltd., a wholly owned indirect subsidiary of the Company. The outstanding principal of the notes on the date of the call was $99.3 million. The Company recognized all the remaining unamortized deferred financing costs of $4.6 million recorded within the Interest expense line of the consolidated statements of operations, which was a non-cash charge.

As of December 31, 2021 and December 31, 2020 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 31 and 59 mortgage assets having a principal balance of $503.3 million and $852.09 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, 2021 and December 31, 2020, 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 48 and 54 mortgage assets having a principal balance of $589.0 million and $799.77 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.

On March 25, 2021, BSPRT 2021-FL6 Issuer, Ltd. and BSPRT 2021-FL6 Co-Issuer, LLC, both wholly owned indirect subsidiaries of the Company entered into an indenture with the OP, as advancing agent and U.S. Bank National Association, as note administrator and trustee, which governs the issuance of approximately $645.8 million principal balance secured floating rate notes, of which $573.1 million were purchased by third party investors and $72.6 million were purchased by a wholly owned subsidiary of the OP. In addition, concurrently with the issuance of these notes, BSPRT 2021-FL6 Issuer, Ltd. also issued 54,250 Preferred Shares, par value of $0.001 per share and with an aggregate liquidation preference and notional amount equal to $1,000 per share, which were not offered as part of closing the indenture. For U.S. federal income tax purposes, BSPRT 2021-FL6 Issuer, Ltd. and BSPRT 2021-FL6 Co-Issuer, LLC are disregarded entities.

As of December 31, 2021, the notes issued by BSPRT 2021-FL6 Issuer, Ltd. and BSPRT 2021-FL6 Co-Issuer, LLC, are collateralized by interests in a pool of 44 mortgage assets having a principal balance of $682.3 million (the "2021-FL6 Mortgage Assets"). The sale of the 2021-FL6 Mortgage Assets to BSPRT 2021-FL6 Issuer, Ltd. is governed by a Collateral Interest Purchase Agreement dated as of March 25, 2021, between the Company and BSPRT 2021-FL6 Issuer, Ltd.

On December 21, 2021, BSPRT 2021-FL7 Issuer, Ltd. and BSPRT 2021-FL7 Co-Issuer, LLC, both wholly owned indirect subsidiaries of the Company entered into an indenture with the OP, as advancing agent and U.S. Bank National Association, as note administrator and trustee, which governs the issuance of approximately $817.9 million principal balance secured floating rate notes, of which $722.3 million were purchased by third party investors and $95.6 million were purchased by a wholly owned subsidiary of the OP. In addition, concurrently with the issuance of the notes, BSPRT 2021-FL7 Issuer, Ltd. also issued 82,125 Preferred Shares, par value of $0.001 per share and with an aggregate liquidation preference and notional amount equal to $1,000 per share, which were not offered as part of closing the indenture. For U.S. federal income tax purposes, BSPRT 2021-FL7 Issuer, Ltd. and BSPRT 2021-FL7 Co-Issuer, LLC are disregarded entities.

As of December 31, 2021, the notes issued by BSPRT 2021-FL7 Issuer, Ltd. and BSPRT 2021-FL7 Co-Issuer, LLC, are collateralized by interests in a pool of 47 mortgage assets having a principal balance of $871.4 million (the "2021-FL7 Mortgage Assets"). The sale of the 2021-FL7 Mortgage Assets to BSPRT 2021-FL7 Issuer, Ltd. is governed by a Collateral Interest Purchase Agreement dated as of December 21, 2021, between the Company and BSPRT 2021-FL7 Issuer, Ltd.

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The Company, through its wholly-owned subsidiaries, holds the preferred equity tranches of the above CLOs of approximately $329.2 million and $256.9 million as of December 31, 2021 and December 31, 2020, respectively. The following table represents the terms of the notes issued by 2018-FL4 Issuer, 2019-FL5 Issuer, 2021-FL6 Issuer, and 2021-FL7 Issuer (the "CLOs), respectively, as of December 31, 2021 (dollars in thousands):

CLO Facility	Tranche	Par Value Issued	Par Value Outstanding [1]	Interest Rate	Maturity Date
2018-FL4 Issuer	Tranche A	$ 416,827	$ 75,263	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
2018-FL4 Issuer	Tranche E	28,223	28,223	1M LIBOR + 305	9/15/2035
2019-FL5 Issuer	Tranche A	407,025	299,529	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	5,000	1M LIBOR + 240	5/15/2029
2019-FL5 Issuer	Tranche E	20,250	20,250	1M LIBOR + 285	5/15/2029
2021-FL6 Issuer	Tranche A	367,500	367,500	1M LIBOR + 110	3/15/2036
2021-FL6 Issuer	Tranche A-S	86,625	86,625	1M LIBOR + 130	3/15/2036
2021-FL6 Issuer	Tranche B	33,250	33,250	1M LIBOR + 160	3/15/2036
2021-FL6 Issuer	Tranche C	41,125	41,125	1M LIBOR + 205	3/15/2036
2021-FL6 Issuer	Tranche D	44,625	44,625	1M LIBOR + 300	3/15/2036
2021-FL6 Issuer	Tranche E	11,375	11,375	1M LIBOR + 350	3/15/2036
2021-FL7 Issuer	Tranche A	508,500	508,500	1M LIBOR + 132	12/21/2038
2021-FL7 Issuer	Tranche A-S	13,500	13,500	1M LIBOR + 165	12/21/2038
2021-FL7 Issuer	Tranche B	52,875	52,875	1M LIBOR + 205	12/21/2038
2021-FL7 Issuer	Tranche C	66,375	66,375	1M LIBOR + 230	12/21/2038
2021-FL7 Issuer	Tranche D	67,500	67,500	1M LIBOR + 275	12/21/2038
2021-FL7 Issuer	Tranche E	13,500	13,500	1M LIBOR + 340	12/21/2038
		$ 2,672,174	**$ 2,179,514**		

[1] Excludes $320.6 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, 2021.

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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, 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.

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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, 2021 and December 31, 2020 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. The VIE's are non-recourse to the Company.

Assets (dollars in thousands)	**December 31, 2021**	**December 31, 2020**
Cash and cash equivalents [1]	$ 187,668	$ 99,025
Commercial mortgage loans, held for investment, net [2]	2,629,431	2,044,956
Accrued interest receivable	5,918	5,626
Total Assets	**$ 2,823,017**	**$ 2,149,607**
Liabilities		
Notes payable [3][4]	$ 2,482,762	$ 1,892,616
Accrued interest payable	1,598	1,240
Total Liabilities	**$ 2,484,360**	**$ 1,893,856**

[1] Includes $187.0 million and $98.6 million of cash held by the servicer related to CLO loan payoffs as of December 31, 2021 and December 31, 2020.

[2] The balance is presented net of allowance for credit losses of $8.7 million and $19.4 million as of December 31, 2021 and December 31, 2020, respectively.

[3] Includes $320.6 million and $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, 2021 and December 31, 2020.

[4] The balance is presented net of deferred financing cost and discount of $17.3 million and $13.7 million as of December 31, 2021 and December 31, 2020, 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, 2021, 2020 and 2019, respectively (dollars in thousands, except share amounts):

	Year Ended December 31,		
Numerator	**2021**	**2020**	**2019**
Net income	$ 25,702	$ 54,746	$ 83,924
Less: Preferred stock dividends	33,587	14,920	15,337
Less: Undistributed earnings allocated to preferred stock	—	—	1,673
Net income/(loss) attributable to common shareholders (for basic and diluted earnings per share)	**$ (7,885)**	**$ 39,826**	**$ 66,914**
Denominator			
Weighted-average common shares outstanding for basic earnings per share	43,419,209	44,384,813	41,859,142
Effect of dilutive shares:			
Unvested restricted shares	15,521	14,066	12,504
Weighted-average common shares outstanding for diluted earnings per share	43,434,731	44,398,879	41,871,646
Basic earnings per share	$ (0.18)	$ 0.90	$ 1.60
Diluted earnings per share	$ (0.18)	$ 0.90	$ 1.60

Note 9 - Stock Transactions

As of December 31, 2021 and December 31, 2020, the Company had 43,965,928 and 44,510,051 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 each of December 31, 2021 and December 31, 2020, the Company had 1,400 shares of Series C Preferred Stock outstanding. Additionally, as of December 31, 2021, the Company had 17,950 shares of Series D Preferred Stock, 39,733,299 shares of Series F Preferred Stock and 10,329,039 shares of Series E Preferred Stock outstanding. As of December 31, 2020 the Company had 0 shares of Series D Preferred Stock, Series F Preferred Stock, and Series E Preferred Stock outstanding. As of December 31, 2021 the Company had 0 shares of Series A Preferred Stock outstanding.

The following tables present the activity in the Company's Series A Preferred Stock for the periods ended December 31, 2021 and December 31, 2020, (dollars in thousands, except share amounts). In March 2021, we exchanged 14,949 shares of Series A Preferred Stock for an equivalent amount of shares of Series D Preferred Stock and sold 3,000 new shares of Series D Preferred Stock for total proceeds of $14.0 million, representing the $15.0 million aggregate liquidation preference per share of the 3,000 shares of Series D Preferred Stock sold less the accrued and unpaid dividends on the surrendered shares of Series A Preferred Stock:

FRANKLIN BSP REALTY TRUST, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

Series A Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2020	40,515	$ 202,292
Surrender of Series A Preferred Stock in exchange for Series D Preferred Stock	(14,950)	(74,748)
Conversion of Preferred Stock [(1)]	(25,567)	(127,603)
Dividends paid in Preferred Stock	2	5
Offering costs	—	(14)
Amortization of offering costs	—	68
Ending Balance, December 31, 2021	—	**$** —

[(1)] In connection with the listing of the Common Stock on the NYSE, on October 19, 2021 immediately prior to the closing of the Capstead merger, each outstanding share of Series A Preferred Stock automatically converted into 299.2 shares of Common Stock, pursuant to the terms of the Series A Preferred Stock, resulting in the issuance of 7,649,632 shares of Common Stock.

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**

The following tables present the activity in the Company's Series C Preferred Stock for the periods ended December 31, 2021 and December 31, 2020, (dollars in thousands, except share amounts):

Series C Preferred Stock	Shares	Amount
Beginning Balance, December 31, 2020	1,400	$ 6,962
Issuance of Preferred Stock	—	—
Dividends paid in Preferred Stock	—	—
Offering costs	—	—
Amortization of offering costs	—	9
Ending Balance, December 31, 2021	**1,400**	**$ 6,971**

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**

The following table presents the activity in the Company's Series D Preferred Stock for the period ended December 31, 2021 (dollars in thousands, except share amounts):

Series D Preferred Stock	Shares	Amount
Balance, December 31, 2020	—	$ —
Issuance of Preferred Stock	17,950	89,748
Dividends paid in Preferred Stock	—	—
Offering Costs	—	(82)
Amortization of offering costs	—	18
Ending Balance, December 31, 2021	**17,950**	**$ 89,684**

As of December 31, 2020 the Company did not have any Series D Preferred Stock outstanding.

Common Stock and Series F Preferred Stock Recapitalization

In accordance with the terms of the Merger Agreement (as defined below), on October 6, 2021, the Company filed Articles of Amendment to the Company's Charter (the "Articles of Amendment") with the State Department of Assessments and Taxation of Maryland (the "SDAT") to effect (a) a Company name change and (b) a one-for-ten reverse stock split (the "Reverse Stock Split"). Pursuant to the Articles of Amendment, effective as of 9:00 a.m. eastern time on October 12, 2021, the Company's name changed to "Franklin BSP Realty Trust, Inc.," and effective as of the close of business on October 12, 2021, each outstanding share of the Company's Common Stock, automatically combined into 1/10th of a share of Common Stock. Fractional shares that were created as a result of the Reverse Stock Split remained outstanding. As a result of the Reverse Stock Split, the number of outstanding shares of Common Stock of the Company as of the date of the Reverse Stock Split were reduced to approximately 4.5 million shares.

In addition, also on October 6, 2021 the Company filed Articles Supplementary (the "Articles Supplementary") to the Company's charter with the SDAT, with an effective date of October 12, 2021. The Articles Supplementary (a) reclassified 50,000,000 shares of authorized but unissued shares of Common Stock as preferred stock, $0.01 par value per share, as a result of which the Company is authorized to issue 900,000,000 shares of Common Stock and 100,000,000 shares of preferred stock under the charter, and (b) designated and classified 40,000,000 shares of preferred stock as a new series of Series F Preferred Stock, with the rights, preferences and obligations set forth in the Articles Supplementary.

Also in accordance with the terms of the Merger Agreement, on October 4, 2021, the Board declared a stock dividend (the "Stock Dividend") on the outstanding shares of Common Stock, payable at a rate of nine shares of Series F Preferred Stock for each share of Common Stock issued and outstanding following the Reverse Stock Split on October 12, 2021. The record date used to determine the list of holders of Common Stock eligible to receive the Stock Dividend (following the Reverse Stock Split) was set by the Board as October 7, 2021. As a result of the Reverse Stock Split, holders of Common Stock collectively received 39,733,298 shares of Series F Preferred Stock.

The Reverse Stock Split and Stock Dividend resulted in each stockholder of Common Stock having the same economic value of equity securities in the Company as such holder did prior to the Reverse Stock Split and Stock Dividend, except that each such holder now has 10% of their holdings in Common Stock and 90% of their holdings in Series F Preferred Stock. Each share (or fractional share) of Series F Preferred Stock will automatically convert into one share of Common Stock (or equivalent fractional share, as applicable) on April 19, 2022.

Issuance of Common Stock and Series E Preferred Stock in the Merger with Capstead Mortgage Corporation

On October 19, 2021 (the "Closing Date"), the Company consummated the transactions contemplated by that certain Agreement and Plan of Merger, dated as of July 25, 2021, as amended pursuant to that certain First Amendment to Agreement and Plan of Merger, dated as of September 22, 2021 (as amended, the "Merger Agreement"), by and among the Company, Rodeo Sub I, LLC ("Merger Sub"), Capstead Mortgage Corporation ("Capstead") and, solely for the purposes set forth therein, the Advisor. Pursuant to the Merger Agreement, on the Closing Date, Capstead merged with and into Merger Sub, with Merger Sub continuing as the surviving company (the "Merger").

At the effective time of the merger (the "Effective Time"), each outstanding share of common stock, par value $0.01 per share, of Capstead (the "Capstead Common Stock") (other than shares held by the Company or Merger Sub or by any wholly owned subsidiary of the Company or Merger Sub or any wholly owned subsidiary of Capstead immediately prior to the Effective Time, which were automatically canceled and retired and ceased to exist) was cancelled and converted into the right to receive:

- from the Company, (A) 0.3288 newly-issued shares of the Company's Common Stock (the "Per Share Stock Payment"); and (B) a cash amount equal to $0.21 per share (the "Per Share Cash Payment" and together with the Per Share Stock Payment, the "Per Common Share FBRT Payment"); and
- from the Advisor, a cash amount equal to $0.73 per share (the "Advisor Cash Payment" and together with the Per Common Share FBRT Payment, the "Total Per Common Share Payment").

No fractional shares of Common Stock were issued in the Merger, and the value of any fractional interests to which a former holder of Capstead Common Stock is otherwise entitled will be paid in cash.

Additionally, at the Effective Time, (i) each outstanding share of Capstead's 7.50% Series E Cumulative Redeemable Preferred Stock, $0.10 par value per share ("Capstead Preferred Stock"), was cancelled and converted into the right to receive one newly-issued share of the Company's Series E Preferred Stock, which has the rights, preferences, and privileges and voting powers materially the same as those of the Capstead Preferred Stock. The Company filed Articles Supplementary to the Company's charter with the SDAT, with an effective date of October 19, 2021, which designated and classified 10,329,039 shares of preferred stock as a new series of Series E Preferred Stock, with the rights, preferences and obligations set forth in the Articles Supplementary.

Furthermore, effective immediately prior to the Effective Time, all outstanding restricted stock under Capstead's Amended and Restated 2014 Flexible Incentive Plan (the "Capstead Plan") automatically became fully vested and non-forfeitable, and all shares of Capstead Common Stock represented thereby became eligible to receive the Total Per Common Share Payment. Also effective immediately prior to the Effective Time, all outstanding awards of performance units under the Capstead Plan automatically became earned and vested at the conversion rate of one share of Capstead Common Stock for each outstanding performance unit, and all shares of Capstead Common Stock represented thereby became eligible to receive the Total Per Common Share Payment. Each outstanding dividend equivalent right under the Capstead Plan was automatically cancelled as of the Effective Time; provided that any accrued amounts that were not paid as of immediately prior to the Effective Time were paid to the holders thereof at the Effective Time (or will be as soon as practicable thereafter but in no event later than the first payroll date following the Effective Time).

The issuances of shares of Common Stock and Series E Preferred Stock in connection with the Merger were registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the Company's registration statement on Form S-4 (Registration No. 333-258947), which was declared effective by the U.S. Securities and Exchange Commission (the "SEC") on September 3, 2021 (as amended or supplemented, the "S-4 Registration Statement"). The proxy statement/prospectus included in the S-4 Registration Statement contains additional information regarding the Merger.

Per the terms of the transactions described in the Merger Agreement, approximately 31.9 million shares of Common Stock were issued in connection with the Merger to former Capstead common stockholders, and the Company paid $20.5 million in cash payments to former Capstead common stockholders. In addition, the Company issued 10.3 million shares of Series E Preferred Stock to former holders of Capstead Preferred Stock. In addition, both the Company's Common Stock and Series E Preferred Stock were listed on the New York Stock Exchange ("NYSE") on October 19, 2021, under the ticker symbols "FBRT" and "FBRT PRE," respectively.

7.50% Series E cumulative redeemable preferred stock

The Series E Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption. The Series E Preferred Stock ranks, with respect to rights to the payment of dividends and the distribution of assets upon its liquidation, dissolution or winding up, senior to the Common Stock and Series F Preferred Stock and on a parity with the Series C Preferred Stock and Series D Preferred Stock. The liquidation preference is $25.00 per share, plus an amount equal to any accumulated and unpaid dividends.

Holders of shares of the Series E Preferred Stock are entitled to receive, when, as and if authorized by our board of directors and declared by the Company, out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 7.50% of the $25.00 per share liquidation preference per annum (equivalent to $1.875 per annum per share). Dividends on the Series E Preferred Stock are cumulative and payable quarterly in arrears.

Dividends on the Series E Preferred Stock will accumulate whether or not the Company has earnings, whether or not there are funds legally available for the payment of those dividends and whether or not those dividends are declared.

The Company may, at its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series E Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends thereon to, but not including, the date fixed for redemption. Upon a change of control of the Company, in the event the Company does not redeem the Series E Preferred Stock, a holder of Series E Preferred Stock will have the right to convert to Common Stock upon the terms set forth in the applicable Articles Supplementary.

The Series E Preferred Stock is listed on the New York Stock Exchange under the symbol "FBRT PRE".

Share Repurchase Program

Prior to the listing of the Common Stock on the NYSE on October 19, 2021, the Company maintained a share repurchase program (the "SRP") that enabled stockholders to sell their shares to the Company.

The following table reflects the number of shares repurchased under the SRP cumulatively through December 31, 2021:

	Number of Requests	Number of Shares Repurchased	Average Price per Share
Cumulative as of December 31, 2020	**8,094**	**4,121,735**	**$ 19.88**
January 1 - January 31, 2021[1]	1,355	525,580	17.53
February 1 - February 28, 2021	—	—	N/A
March 1 - March 31, 2021[1]	—	—	N/A
April 1 - April 30, 2021	—	—	N/A
May 1 - May 31, 2021[1]	—	—	N/A
June 1 - June 30, 2021	—	—	N/A
July 1 - July 31, 2021[2]	1,424	123,257	17.88
August 1 - August 31, 2021	—	—	N/A
September 1 - September 30, 2021[2]	—	—	N/A
October 1 - October 31, 2021	—	—	N/A
November 1 - November 30, 2021	—	—	N/A
December 1 - December 31, 2021	—	—	N/A
Cumulative as of December 31, 2021	**10,873**	**4,770,572**	**$ 19.57**

[1] Reflects shares repurchased pursuant to repurchase requests submitted for the second semester of 2020, including 15,772 and 3,784 shares which for administrative reasons were processed in March 2021 and May 2021, respectively. 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 1,881,556 shares were not fulfilled for the second semester of 2020.

[2] Reflects shares repurchased pursuant to repurchase requests submitted for the first semester of 2021, including 1,776 shares which for administrative reasons were processed in September 2021. 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 761 shares were not fulfilled for the first semester of 2021.

The Company's board of directors has authorized a $65 million share repurchase program that will become operative following the conclusion of the $35 million open market share purchase program the Advisor agreed to implement in connection with the Capstead acquisition. The Company's share repurchase program authorizes share repurchases at prices below the most recently reported book value per share as determined in accordance with GAAP. Purchases made under the Company's program may be made through open market, block, and privately negotiated transactions, including Rule 10b5-1 plans, as permitted by securities laws and other legal requirements. The timing, manner, price and amount of any purchases by the Company and the Advisor will be determined by the respective teams responsible at the Company and the Advisor, as applicable, in their reasonable business judgment and consistent with the exercise of their legal duties and will be subject to economic and market conditions, stock price, applicable legal requirements and other factors. The Company share repurchase program does not obligate the Company to acquire any particular amount of common stock. The Company's and the Advisor's share purchase programs will remain open until at least November 2022 or until the capital committed to the applicable repurchase program has been exhausted, whichever is sooner. Repurchases under the Company's share repurchase program may be suspended from time to time at the Company's discretion without prior notice.

Note 10 - Commitments and Contingencies

Unfunded Commitments Under Commercial Mortgage Loans

As of December 31, 2021 and 2020, the Company had the below unfunded commitments to the Company's borrowers (dollars in thousands):

Funding Expiration	December 31, 2021	December 31, 2020
2021	$ —	$ 59,692
2022	25,864	91,420
2023	123,860	69,880
2024	271,056	7,700
2025 and beyond	37,325	—
	$ 458,105	**$ 228,692**

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.

Capstead Merger Litigation

Five lawsuits were filed by purported stockholders of Capstead with respect to the Capstead merger. The first suit, styled as Shiva Stein v. Capstead Mortgage Corporation, et al., No. 1:21-cv-7306 (the "Stein Lawsuit"), was filed in the United States District Court for the Southern District of New York on August 31, 2021, and asserted claims against Capstead, members of the Capstead board of directors (the "Capstead Board") and the Company. The second suit, styled as Matthew Hopkins v. Capstead Mortgage Corporation, et al., No. 1:21-cv-07369 (the "Hopkins Lawsuit"), was filed in the United States District Court for the Southern District of New York on September 1, 2021, and asserted claims against Capstead, members of the Capstead Board, the Company and the Advisor. The third suit, styled as Bryan Harrington v. Capstead Mortgage Corporation, et al., No. 1:21-cv-05080 (the "Harrington Lawsuit"), was filed in the United States District Court for the Eastern District of New York on September 11, 2021, and asserted claims against Capstead and members of the Capstead Board. The fourth suit, styled as Randy Gill v. Capstead Mortgage Corporation, et al., No. 1:21-cv-07973 (the "Gill Lawsuit"), was filed in the United States District Court for the Southern District of New York on September 24, 2021, and asserted claims against Capstead and members of the Capstead Board. The fifth suit, styled as Jordan Wilson v. Capstead Mortgage Corporation, et al., No. 1:21-cv-08147-UA (the "Wilson Lawsuit"), was filed in the United States District Court for the Southern District of New York on October 1, 2021, and asserted claims against Capstead and members of the Capstead Board. Capstead also received demand letters from two purported stockholders, Brett Braafhart and Angelo Fisichella, threatening to assert claims against Capstead and members of the Capstead Board (such demand letters, together with the Stein Lawsuit, the Hopkins Lawsuit, the Harrington Lawsuit, the Gill Lawsuit and the Wilson Lawsuit, the "Lawsuits").

Each of the Lawsuits alleged that certain of the disclosures in the Capstead proxy statement related to the merger were deficient, and sought preliminary and injunctive relief. While Capstead believed that the disclosures set forth in the proxy statement complied fully with applicable law, in order to address certain disclosure claims in the Lawsuits, minimize the cost, risk and uncertainty inherent in litigation, avoid nuisance and preclude any efforts to delay the completion of the merger, Capstead voluntarily supplemented the proxy statement with certain supplemental disclosures. The Company, as successor to Capstead in the merger, believes the claims asserted in the Lawsuits are without merit and expressly denies all allegations in the Lawsuits, including that any additional disclosure was or is required. Subsequent to the completion of the Capstead merger, each of the Stein Lawsuit, the Hopkins Lawsuit, the Harrington Lawsuit, the Gill Lawsuit and the Wilson Lawsuit was voluntarily dismissed without prejudice.

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, 2021, 2020 and 2019 and the associated payable as of December 31, 2021 and 2020 (dollars in thousands):

	Year Ended December 31,			Payable as of December 31,	
	2021	2020	2019	2021	2020
Acquisition expenses [1]	$ 1,203	$ 696	$ 900	$ —	$ —
Administrative services expenses	7,658	13,120	16,363	—	2,940
Asset management and subordinated performance fee	28,110	15,178	16,226	15,595	4,773
Other related party expenses [2][3]	355	703	1,610	1,943	1,812
Total related party fees and reimbursements	**$ 37,326**	**$ 29,697**	**$ 35,099**	**$ 17,538**	**$ 9,525**

[1] Total acquisition fees and expenses paid during the years ended December 31, 2021, 2020 and 2019 were $15.0 million, $7.1 million and $8.4 million respectively, of which $13.8 million, $6.4 million and $7.5 million were capitalized within the commercial mortgage loans, held for investment line of the consolidated balance sheets for the years ended December 31, 2021, 2020 and 2019.

[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 $1.9 million and $1.8 million, respectively, of payments made by the Advisor to third party vendors on behalf of the Company.

The payables as of December 31, 2021 and 2020 in the table above are included in Due to affiliates on the Company's consolidated balance sheets.

Other Transactions

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 $2.0 million and $0.2 million of interest expense on the lending agreement with SBL for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021 there was a $50.0 million outstanding balance under the lending agreement.

SBL is an entity that also holds 17,950 of the Company's outstanding shares of Series D Preferred Stock of which, 14,950 shares were acquired in exchange for an equivalent number of shares of Series A Preferred Stock in March 2021. SBL also acquired an additional 3,000 shares of Series D Preferred Stock at the liquidation preference of $15.0 million (net of accrued and unpaid dividends on the exchanged Series A Preferred Stock) in such transaction.

In August 2021 the Company and an investment fund managed by the Advisor entered into a joint venture agreement and formed a joint venture entity, Jeffersonville Member, LLC (the "Jeffersonville JV") to acquire a $139.5 million triple net lease property in Jeffersonville, GA. The Company has a 79% interest in the Jeffersonville JV, while the affiliated fund has a 21% interest. The Company invested a total of $109.8 million, made up of $88.7 million in debt and $21.1 million in equity, representing 79% of the ownership interest in the Jeffersonville JV. The affiliated fund made up the remaining $29.8 million composed of a $24.0 million mortgage note payable and $5.7 million in equity. The Company has control of Jeffersonville JV with 79% ownership and, therefore, consolidates Jeffersonville JV on its consolidated balance sheet. The Company's $88.7 million mortgage note payable to Jeffersonville JV is eliminated in consolidation (see Note 7 - Debt).

Note 12 - Share-Based Compensation

Share Plan

The Company maintains the Franklin BSP Realty Trust, Inc. 2021 Equity Incentive Plan (the “2021 Incentive Plan”), pursuant to which the Company may, from time to time, grant equity awards to the Company’s directors, officers and employees (if it ever has employees), employees of the Advisor and its affiliates, or certain of the Company’s consultants, advisors or other service providers to the Company or an affiliate of the Company. The 2021 Incentive Plan, which is administered by the Compensation Committee of the Board of Directors, provides for the grant of awards of share options, share appreciation rights, restricted shares, restricted share units, deferred share units, unrestricted shares, dividend equivalent rights, performance shares and other performance-based awards, other equity-based awards, LTIP units and cash bonus awards.

The maximum number of shares of common stock available for issuance under the 2021 Incentive Plan is 5,500,000 shares. No awards had been made under the 2021 Incentive Plan as of December 31, 2021. The Board may amend, suspend or terminate the 2021 Incentive Plan at any time; provided that no amendment, suspension or termination may impair rights or obligations under any outstanding award without the participant’s consent or violate the 2021 Incentive Plan’s prohibition on repricing.

The Company also 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). The RSP will expire on February 7, 2023.

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, 2021, the Company had granted 56,060 restricted shares to its independent directors, of which 5,333 were forfeited and 39,543 have vested, leaving a balance of 11,184 unvested restricted shares. 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 had vested, leaving a balance of 11,720 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, 2021, 2020 and 2019, 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, the Company obtained third party pricing for determining the fair value of each CMBS investment, resulting in a Level II classification.

Real estate securities classified as trading, RMBS, are measured at fair value by utilizing a third party pricing service to obtain a current estimated liquid price of the securities. The RMBS are classified in Level II of the fair value hierarchy.

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 some 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.

The fair value of exchange-traded swap agreements hedging RMBS repurchase agreements are calculated using the net discounted future fixed cash payments and the discounted future variable cash receipts which are based on expected future interest rates derived from observable market interest rate curves. The Company also incorporates both its own nonperformance risk and its counterparties' nonperformance risk in determining fair value. In considering the effect of nonperformance risk, the Company considered the impact of netting and credit enhancements, such as collateral postings and guarantees, and has concluded that counterparty risk is not significant to the overall valuation. Interest rate swap agreements hedging the Company's RMBS repurchase agreements are measured at fair value on a recurring basis primarily using Level II inputs. The fair value of these derivatives are calculated including accrued interest and net of variation margin amounts received or paid through the exchange, resulting in separately presenting on the balance sheet a significantly reduced fair value amount representing the unsettled fair value of these derivatives.

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, 2021 and December 31, 2020.

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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, 2021 and December 31, 2020 (dollars in thousands):

December 31, 2021	**Total**	**Level I**	**Level II**	**Level III**
Assets, at fair value				
Real estate securities, available for sale, measured at fair value	$ —	$ —	$ —	$ —
Real estate securities, trading, measured at fair value	4,566,871	—	4,566,871	—
Commercial mortgage loans, held for sale, measured at fair value	34,718	—	—	34,718
Other real estate investments, measured at fair value	2,074	—	—	2,074
Treasury note futures	124	—	124	—
Interest rate swaps	312	—	312	—
Total assets, at fair value	**$ 4,604,099**	**$ —**	**$ 4,567,307**	**$ 36,792**
Liabilities, at fair value				
Credit default swaps	$ 1,142	$ —	$ 1,142	$ —
Treasury note futures	—	—	—	—
Unsecured debt-related interest rate swap agreements	31,153	—	31,153	—
Total liabilities, at fair value	**$ 32,295**	**$ —**	**$ 32,295**	**$ —**
December 31, 2020				
Assets, at fair value				
Real estate securities, available for sale, measured at fair value	$ 171,136	$ —	$ 171,136	$ —
Real estate securities. trading, measured at fair value	—	—	—	—
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	—	—
Unsecured debt-related interest rate swap agreements	—	—	—	—
Total liabilities, at fair value	**$ 403**	**$ 106**	**$ 297**	**$ —**

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, 2021 and December 31, 2020 (dollars in thousands).

Asset Category	Fair Value	Valuation Methodologies	Unobservable Inputs [1]	Weighted Average [2]	Range
December 31, 2021					
Commercial mortgage loans, held for sale, measured at fair value	$ 34,718	Discounted Cash Flow	Yield	3.4%	3.2% - 4.2%
Other real estate investments, measured at fair value	2,074	Discounted Cash Flow	Yield	10.9%	9.9% - 11.9%
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	Broker Quotes	Yield	13.2%	12.2% - 14.2%

[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, 2021 and December 31, 2020 for which the Company has used Level III inputs to determine fair value (dollars in thousands):

	December 31, 2021	
	Commercial mortgage loans, held for sale, measured at fair value	Other real estate investments, measured at fair value
Beginning balance, January 1, 2021	**$ 67,649**	**$ 2,522**
Transfers into Level III [2]	—	—
Total realized and unrealized gain/(loss) included in earnings:		
Realized gain/(loss) on sale of commercial mortgage loan, held for sale	24,208	—
Unrealized gain/(loss) on commercial mortgage loans, held for sale and other real estate investments	469	(19)
Net accretion	—	(3)
Purchases	420,673	—
Sales / paydowns	(478,281)	(426)
Cash repayments/receipts	—	—
Transfers out of Level III [2]	—	—
Ending Balance, December 31, 2021	**$ 34,718**	**$ 2,074**

	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)	—
Cash repayments/receipts	—	—
Transfers out of Level III [2]	(23,625)	—
December 31, 2020 balance [2]	**$ 67,649**	**$ 2,522**

[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 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, 2021 and 2020 (dollars in thousands):

		Level	Carrying Amount	Fair Value
December 31, 2021				
Commercial mortgage loans, held for investment [1]	**Asset**	**III**	$ 4,226,888	$ 4,249,118
Collateralized loan obligations	**Liability**	**III**	2,162,190	2,181,571
Mortgage note payable	**Liability**	**III**	23,998	23,998
Other financing and loan participation - commercial mortgage loans	**Liability**	**III**	37,903	37,903
Unsecured debt	**Liability**	**III**	148,594	125,400
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

[1] The carrying value is gross of $15.8 million and $20.9 million of allowance for credit losses as of December 31, 2021 and December 31, 2020, 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, 2021, the Mortgage note payable was initially recorded at transaction proceeds, which are considered to be the best initial estimate of fair value. The fair value of the unsecured borrowings is based on discounted cash flows using Company estimates for market yields on similarly structured debt instruments.

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, 2021, the net premiums received on derivative instrument assets were $6.5 million.

The following derivative instruments were outstanding as of December 31, 2021 and December 31, 2020 (dollars in thousands):

		Fair Value	
Contract type	**Notional**	**Assets**	**Liabilities**
As of December 31, 2021			
Credit default swaps	$ 47,000	$ —	$ 1,142
Interest rate swaps	3,649,500	312	—
Interest rate swaps on unsecured debt	100,000	—	31,153
Treasury note futures	360	124	—
Total	**$ 3,796,860**	**$ 436**	**$ 32,295**
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**

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 the year ended December 31, 2021 and December 31, 2020:

	Year Ended December 31, 2021		Year Ended December 31, 2020	
Contract type	**Unrealized (Gain)/Loss**	**Realized (Gain)/Loss**	**Unrealized (Gain)/Loss**	**Realized (Gain)/Loss**
Credit default swaps	$ (101)	$ 650	$ (143)	$ 323
Interest rate swaps	(7,070)	70	296	7,463
Treasury note futures	(231)	(1,478)	842	4,665
Options	—	274	—	35
Total	**$ (7,402)**	**$ (484)**	**$ 995**	**$ 12,486**

The following table includes disclosures regarding components of unsecured debt-related effects on interest expense and other comprehensive income for the year ended December 31, 2021 and December 31, 2020:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Related to the statement of operations		
Amount of loss reclassified from other comprehensive income [1]	$ (790)	$ —
Related to other comprehensive income		
Amount of gain/(loss) recognized in other comprehensive income	$ (852)	$ —

[1] Included in interest expense in the consolidated statements of operations

The merger with Capstead has expanded the Company's portfolio of derivatives to additionally hedge the variability of the underlying benchmark interest rate of current and forecasted 30- to 90-day repurchase agreements. The Company attempts to mitigate exposure to higher interest rates primarily by entering into pay-fixed, receive-variable, interest rate swap agreements for terms between eighteen months and three years. From an economic perspective, this hedge relationship establishes a relatively stable fixed rate on related debt because the variable-rate payments received on the swap agreements offset a significant portion of the interest accruing on the debt, leaving the fixed-rate swap payments as the Company's effective borrowing rate. Additionally, changes in fair value of these derivatives tend to offset opposing changes in fair value of the Company's residential mortgage investments that can occur in response to changes in market interest rates.

Subsequent to the completion of the merger through December 31, 2021, the Company did not enter into any additional swap agreements and no swaps had matured. In the fourth quarter of 2021, the Company terminated $600 million notional amount of swaps related to the ARM portfolio requiring fixed-rate interest payments averaging 0.3%. Subsequent to December 31, 2021, the Company entered into swap agreements with notional amounts totaling $1 billion requiring fixed-rate interest payments averaging 0.98% and terminated $2.90 billion notional amount of swaps requiring fixed-rate interest payments averaging 0.28%.

At December 31, 2021, the Company's trading securities portfolio financing-related swap positions, all of which were either SOFR or OIS-indexed, had the following characteristics (dollars in thousands):

Period of Contract Expiration	Swap Notional Amounts	Average Fixed Rates
Second quarter 2022	$ 400,000	0.02 %
Third quarter 2022	1,200,000	0.01 %
Fourth quarter 2022	800,000	0.07 %
First quarter 2023	50,000	0.13 %
Second quarter 2023	350,000	0.20 %
Third quarter 2023	100,000	0.03 %
Fourth quarter 2023	374,500	0.09 %
First quarter 2024	150,000	0.28 %
Second quarter 2024	225,000	0.32 %
	$ 3,649,500	

The Company has three-month LIBOR-indexed, pay-fixed, receive-variable, interest rate swap agreements with notional amounts totaling $100 million and average fixed rates of 4.09% with 20-year payment terms coinciding with the floating-rate terms of the Company's unsecured debt that mature in 2035 and 2036. These derivatives, which are designated as cash flow hedges for accounting purposes, hedge the variability of the underlying benchmark interest rate associated with the floating-rate terms of these long-term borrowings. Subsequent to year-end, the Company terminated the entirety of its $100 million notional amount of unsecured debt-related swap agreements.

Interest rate swap agreements are measured at fair value on a recurring basis primarily using Level Two Inputs in accordance with ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820). In determining fair value estimates for swaps, The Company utilizes the standard methodology of netting the discounted future fixed cash payments and the discounted future variable cash receipts which are based on expected future interest rates derived from observable market interest rate curves. The Company also incorporates both its own nonperformance risk and its counterparties' nonperformance risk in determining fair value. In considering the effect of nonperformance risk, the Company considered the impact of netting and credit enhancements, such as collateral postings and guarantees, and has concluded that counterparty risk is not significant to the overall valuation.

The fair value of exchange-traded swap agreements hedging repurchase agreements is calculated including accrued interest and net of variation margin amounts received or paid through the exchange, resulting in separately presenting on the balance sheet a fair value amount representing the unsettled fair value of these derivatives. Non-exchange traded swap agreements held as cash flow hedges of unsecured debt are reported at fair value calculated excluding accrued interest. At December 31, 2021, Cash collateral receivable from derivative counterparties includes initial margin for all derivatives and variation margin for non-exchange traded derivatives. Accrued interest for non-exchange traded swap agreements is included in accounts payable and accrued expenses.

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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, 2021 and December 31, 2020 (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, 2021						
Derivative instruments, at fair value	$ 436	$ —	$ 436	$ —	$ —	$ 436
December 31, 2020						
Derivative instruments, at fair value	$ 25	$ —	$ 25	$ —	$ —	$ 25

				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, 2021						
Repurchase agreements, commercial mortgage loans	$ 1,019,600	$ —	$ 1,019,600	$ 1,460,317	$ 5,015	$ —
Repurchase agreements, real estate securities	4,178,784	—	4,178,784	4,370,239	—	—
Derivative instruments, at fair value	32,295	—	32,295	—	64,393	—
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	—

[1] These cash collateral amounts are recorded within the Restricted cash, Accounts payable and accrued expenses and Cash collateral receivable from derivative counterparties balances on the consolidated balance sheets.

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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 real estate securities. Historically this business has focused primarily on CMBS, unsecured REIT debt, CDO notes and other securities. As a result of the October 2021 acquisition of Capstead, the Company acquired and continues to hold a significant portfolio of Residential Mortgage Backed Securities ("RMBS") in the form of the ARM Agency Securities. As of December 31, 2021, all of the real estate securities in this segment were ARM Agency Securities acquired in the Capstead acquisition.
- 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, 2021, December 31, 2020 and December 31, 2019 (dollars in thousands):

December 31, 2021	Total	Real Estate Debt and Other Real Estate	Real Estate Securities	TRS	Real Estate Owned
Interest income	$ 216,890	$ 189,090	$ 24,740	$ 3,060	$ —
Revenue from real estate owned	4,759	—	—	—	4,759
Interest expense	60,835	54,774	3,682	992	1,387
Net income/(loss)	25,702	86,863	(85,381)	13,149	11,071
Total assets as of December 31, 2021	9,474,701	4,205,883	5,054,394	72,840	141,584
December 31, 2020					
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/(loss)	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/(loss)	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

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 TRSs, is indirectly subject to U.S. federal, state and local income taxes. The Company's TRSs are not consolidated for U.S. federal income tax purposes, but is instead taxed as a C corporations. For financial reporting purposes, the TRSs are 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 TRSs. Total income tax expense (benefit) for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 were $3.6 million, $(2.1) million and $4.5 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, 2018 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,		
	2021	**2020**	**2019**
Current expense/(benefit)			
U.S. Federal	$ 3,093	$ (2,086)	$ 4,076
State and local	349	370	397
Total current expense/(benefit)	$ 3,442	$ (1,716)	$ 4,473
Deferred expense/(benefit)			
U.S. Federal	$ (1)	$ —	$ 10
State and local	158	(346)	—
Total deferred expense/(benefit)	$ 157	$ (346)	$ 10
Provision for income tax expense/(benefit)	**$ 3,599**	**$ (2,062)**	**$ 4,483**

The tax characteristics of $1.26 distributions per common share declared during 2021 was $1.22 ordinary income and $0.04 capital gain. The tax characteristics of the $353.08 distributions per share of Series A Preferred stock declared during 2021 was $343.03 ordinary income and $10.05 capital gain. The tax characteristics of the $377.02 per share of Series C Preferred Stock and Series D Preferred stock declared during 2021 was $366.29 ordinary income and $10.73 capital gain. The tax characteristics of the $0.35 distributions per share of Series F Preferred stock declared during 2021 was $0.34 ordinary income and $0.01 capital gain. The tax characteristics of the $0.47 distributions per share of Series E Preferred stock declared during 2021 was $0.46 ordinary income and $0.01 capital gain. The ordinary income per share of each stockholder represents the amount of ordinary dividends that may be eligible for the 20% deduction applicable to qualified REIT dividends under Section 199A.

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 Company utilizes the TRSs 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 utilized the carryback provision in the CARES Act relating to the 2020 tax year NOL and is awaiting the refund.

Note 18 - Merger with Capstead

On October 19, 2021, the Company, Rodeo Sub I, LLC, a wholly-owned subsidiary of the Company ("Merger Sub"), Capstead Mortgage Corporation ("Capstead"), and the Advisor completed the Merger pursuant to the terms of the Merger Agreement. On the Closing Date, Capstead merged with and into Merger Sub, with Merger Sub continuing as the surviving company.

Asset Acquisition

The Company accounted for the acquisition of Capstead in accordance with Accounting Standards Codification Topic 805, "Business Combinations," which is referred to as ASC 805. The Company determined the transaction did not meet the definition of a business combination under ASC 805 and was accounted for as an asset acquisition since substantially all of the fair value of the gross assets acquired was concentrated in a group of similar identifiable assets, a portfolio of agency mortgage-backed securities, which Capstead previously recognized as available for sale. In an asset acquisition, goodwill is not recognized, and any excess consideration transferred over the fair value of the net identifiable assets acquired is allocated on a relative fair value basis to the acquired assets.

The Company measured the cost of the net identifiable assets acquired on the basis of the fair value of the consideration given, inclusive of transaction costs, which was determined to be more reliably measurable. The fair value of the consideration paid of $870.1 million was comprised of $579.5 million of Common Stock, $258.7 million of Series E Preferred Stock, $20.5 million of Per Share Cash Payment, and $11.3 million of transaction costs. As the cost of the acquisition exceeded the fair value of the net identifiable assets acquired, the Company allocated the difference on the basis of relative fair values to certain assets which were not carried at fair value. The amount of excess consideration, including the Company's transaction costs, was capitalized on the balance sheet as a long-lived asset at the time of acquisition. In the fourth quarter of 2021, the Company concluded the long-lived asset had no potential value to the generation of future cash flows and fully impaired the asset, recognizing an expense totaling $88.3 million in the consolidated statements of operations with an associated reduction in stockholders' equity. Included in the expense was $15.9 million of consideration associated with change-in-control severance payments and accelerated equity award vesting paid to former Capstead employees upon the completion of the merger.

The allocation of the purchase price to assets acquired and liabilities assumed is as follows (amounts in thousands):

Assets Acquired	As of October 19, 2021
Cash and cash equivalents	$ 174,083
Real estate securities, trading, measured at fair value	6,841,482
Prepaid expenses and other assets	275,127
Cash collateral receivable from derivative counterparties	68,969
Liabilities Assumed	
Repurchase agreements and secured borrowings - real estate securities	6,421,262
Unsecured borrowings	98,574
Derivative instruments, measured at fair value	31,091
Distributions payable	1,345
Accounts payable and accrued expenses	25,606
Net Assets Acquired	781,783

Note 19 - Subsequent Events

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

FRANKLIN BSP REALTY TRUST, INC.
SCHEDULE IV - MORTGAGE LOANS ON REAL ESTATE
December 31, 2021
(Dollars in thousands)

Description	Property Type	Face Amount	Carrying Amount	Interest Rate	Payment Terms	Maturity Date
Senior Debt 1	Hospitality	$ 4,858	$ 4,858	1 month LIBOR + 4.00%	Amortizing Balloon	12/9/2023
Senior Debt 2	Hospitality	57,075	57,075	1 month LIBOR + 5.19%	Interest Only	6/9/2019
Senior Debt 3	Multifamily	26,568	26,568	1 month LIBOR + 4.50%	Interest Only	12/31/2022
Senior Debt 4	Hospitality	22,150	22,150	1 month LIBOR + 6.00%	Interest Only	1/9/2023
Senior Debt 5	Office	6,901	6,901	1 month LIBOR + 5.15%	Interest Only	3/9/2022
Senior Debt 6	Multifamily	36,822	36,822	1 month LIBOR + 3.00%	Interest Only	3/9/2022
Senior Debt 7	Multifamily	37,025	37,025	1 month LIBOR + 3.00%	Interest Only	11/9/2022
Senior Debt 8	Hospitality	22,355	22,355	1 month LIBOR + 3.50%	Interest Only	3/9/2023
Senior Debt 9	Office	20,685	20,685	1 month LIBOR + 3.75%	Interest Only	9/9/2022
Senior Debt 10	Office	15,722	15,722	1 month LIBOR + 3.40%	Amortizing Balloon	9/9/2022
Senior Debt 11	Retail	29,500	29,452	6.50%	Interest Only	9/9/2023
Senior Debt 12	Multifamily	27,488	27,488	1 month LIBOR + 3.35%	Interest Only	11/9/2022
Senior Debt 13	Hospitality	8,285	8,285	1 month LIBOR + 4.85%	Amortizing Balloon	1/9/2023
Senior Debt 14	Office	7,125	7,125	1 month LIBOR + 3.90%	Interest Only	2/9/2022
Senior Debt 15	Hospitality	13,972	13,972	1 month LIBOR + 4.47%	Interest Only	4/9/2022
Senior Debt 16	Retail	11,924	11,924	1 month LIBOR + 3.95%	Interest Only	4/9/2022
Senior Debt 17	Office	42,631	42,601	1 month LIBOR + 3.50%	Interest Only	5/9/2022
Senior Debt 18	Retail	8,203	8,203	1 month LIBOR + 8.00%	Interest Only	9/9/2022
Senior Debt 19	Hospitality	10,580	10,570	1 month LIBOR + 4.50%	Interest Only	6/9/2022
Senior Debt 20	Hospitality	19,900	19,884	1 month LIBOR + 4.15%	Interest Only	6/9/2022
Senior Debt 21	Office	39,650	39,597	1 month LIBOR + 4.01%	Interest Only	6/9/2022
Senior Debt 22	Hospitality	20,930	20,900	1 month LIBOR + 3.75%	Interest Only	8/9/2022
Senior Debt 23	Hospitality	13,000	12,982	1 month LIBOR + 2.94%	Interest Only	10/9/2022
Senior Debt 24	Hospitality	4,987	4,988	1 month LIBOR + 4.25%	Interest Only	7/9/2023
Senior Debt 25	Hospitality	12,750	12,734	1 month LIBOR + 4.45%	Interest Only	8/9/2022
Senior Debt 26	Hospitality	10,845	10,845	1 month LIBOR + 4.50%	Interest Only	2/9/2022
Senior Debt 27	Retail	9,400	9,388	1 month LIBOR + 4.20%	Interest Only	9/9/2022
Senior Debt 28	Hospitality	34,053	34,053	1 month LIBOR + 3.99%	Amortizing Balloon	11/9/2022
Senior Debt 29	Industrial	56,933	56,933	1 month LIBOR + 3.75%	Interest Only	12/9/2021
Senior Debt 30	Office	21,825	21,777	1 month LIBOR + 3.50%	Interest Only	12/9/2022
Senior Debt 31	Hospitality	7,100	7,088	1 month LIBOR + 4.00%	Interest Only	12/9/2022
Senior Debt 32	Multifamily	15,342	15,309	1 month LIBOR + 2.75%	Interest Only	12/9/2022
Senior Debt 33	Multifamily	27,650	27,601	1 month LIBOR + 3.15%	Interest Only	12/9/2022
Senior Debt 34	Multifamily	27,094	27,064	1 month LIBOR + 2.70%	Interest Only	12/9/2022
Senior Debt 35	Multifamily	9,016	9,016	1 month LIBOR + 3.95%	Interest Only	12/9/2022
Senior Debt 36	Multifamily	25,000	24,999	1 month LIBOR + 3.30%	Interest Only	1/9/2023
Senior Debt 37	Office	25,802	25,699	1 month LIBOR + 4.35%	Interest Only	1/9/2024
Senior Debt 38	Multifamily	15,150	15,128	1 month LIBOR + 3.10%	Interest Only	2/9/2023
Senior Debt 39	Office	58,714	58,491	1 month LIBOR + 3.70%	Interest Only	2/9/2023
Senior Debt 40	Multifamily	11,739	11,723	1 month LIBOR + 3.15%	Interest Only	8/9/2022
Senior Debt 41	Office	28,083	28,025	1 month LIBOR + 2.70%	Interest Only	2/9/2023
Senior Debt 42	Manufactured Housing	1,359	1,359	5.50%	Interest Only	5/9/2025

Description	Property Type	Face Amount	Carrying Amount	Interest Rate	Payment Terms	Maturity Date
Senior Debt 43	Multifamily	7,060	7,054	1 month LIBOR + 4.75%	Interest Only	5/9/2022
Senior Debt 44	Industrial	17,038	16,983	1 month LIBOR + 6.25%	Interest Only	7/9/2023
Senior Debt 45	Multifamily	4,300	4,289	1 month LIBOR + 5.50%	Interest Only	2/9/2023
Senior Debt 46	Manufactured Housing	7,680	7,658	1 month LIBOR + 4.50%	Interest Only	8/9/2023
Senior Debt 47	Mixed Use	30,465	30,326	1 month LIBOR + 5.15%	Interest Only	8/9/2023
Senior Debt 48	Hospitality	27,000	26,921	1 month LIBOR + 6.50%	Interest Only	9/9/2023
Senior Debt 49	Multifamily	50,000	49,911	1 month LIBOR + 6.69%	Interest Only	9/9/2022
Senior Debt 50	Self Storage	29,895	29,807	1 month LIBOR + 5.00%	Interest Only	9/9/2023
Senior Debt 51	Multifamily	14,183	14,150	1 month LIBOR + 4.75%	Interest Only	9/9/2022
Senior Debt 52	Manufactured Housing	3,400	3,393	1 month LIBOR + 5.00%	Interest Only	9/9/2022
Senior Debt 53	Multifamily	27,550	27,500	1 month LIBOR + 5.75%	Interest Only	9/9/2022
Senior Debt 54	Manufactured Housing	5,020	5,004	1 month LIBOR + 5.25%	Interest Only	10/9/2023
Senior Debt 55	Office	18,603	18,542	1 month LIBOR + 4.50%	Interest Only	10/9/2023
Senior Debt 56	Office	67,651	67,384	5.15%	Interest Only	10/9/2025
Senior Debt 57	Office	30,900	30,748	1 month LIBOR + 5.20%	Interest Only	10/9/2023
Senior Debt 58	Self Storage	11,600	11,574	1 month LIBOR + 4.76%	Interest Only	11/9/2022
Senior Debt 59	Manufactured Housing	5,000	4,957	1 month LIBOR + 5.90%	Interest Only	5/9/2023
Senior Debt 60	Office	12,750	12,705	1 month LIBOR + 5.00%	Interest Only	11/9/2023
Senior Debt 61	Multifamily	43,320	43,151	1 month LIBOR + 4.35%	Interest Only	11/9/2023
Senior Debt 62	Multifamily	37,674	37,539	1 month LIBOR + 4.45%	Interest Only	11/9/2023
Senior Debt 63	Multifamily	8,763	8,730	1 month LIBOR + 5.50%	Interest Only	11/9/2023
Senior Debt 64	Retail	11,963	11,928	1 month LIBOR + 4.87%	Interest Only	5/9/2022
Senior Debt 65	Multifamily	5,730	5,712	1 month LIBOR + 5.00%	Interest Only	6/9/2023
Senior Debt 66	Multifamily	18,800	18,658	1 month LIBOR + 4.00%	Interest Only	12/9/2024
Senior Debt 67	Industrial	14,985	14,923	1 month LIBOR + 4.50%	Interest Only	12/9/2023
Senior Debt 68	Office	11,981	11,932	1 month LIBOR + 5.50%	Interest Only	1/9/2024
Senior Debt 69	Multifamily	11,820	11,769	1 month LIBOR + 4.55%	Interest Only	2/9/2024
Senior Debt 70	Multifamily	21,000	20,920	1 month LIBOR + 4.60%	Interest Only	1/9/2024
Senior Debt 71	Office	26,000	25,932	1 month LIBOR + 5.00%	Interest Only	1/9/2023
Senior Debt 72	Multifamily	54,500	54,422	1 month LIBOR + 3.80%	Interest Only	2/9/2023
Senior Debt 73	Multifamily	11,672	11,620	1 month LIBOR + 3.50%	Interest Only	2/9/2024
Senior Debt 74	Multifamily	21,000	20,956	1 month LIBOR + 4.95%	Interest Only	8/9/2022
Senior Debt 75	Office	43,751	43,518	1 month LIBOR + 3.94%	Interest Only	3/9/2024
Senior Debt 76 [3]	Multifamily	—	—	1 month LIBOR + 7.25%	Interest Only	2/9/2024
Senior Debt 77	Multifamily	5,400	5,384	1 month LIBOR + 5.25%	Interest Only	2/9/2023
Senior Debt 78	Hospitality	23,000	22,914	1 month LIBOR + 5.79%	Interest Only	3/9/2024
Senior Debt 79	Multifamily	32,856	32,742	1 month LIBOR + 6.75%	Interest Only	3/9/2023
Senior Debt 80	Multifamily	12,325	12,278	1 month LIBOR + 4.50%	Interest Only	3/9/2024
Senior Debt 81	Multifamily	6,300	6,262	1 month LIBOR + 5.35%	Interest Only	9/9/2023
Senior Debt 82	Multifamily	31,023	30,955	1 month LIBOR + 3.00%	Interest Only	4/9/2024
Senior Debt 83	Multifamily	11,936	11,881	1 month LIBOR + 4.25%	Interest Only	4/9/2024
Senior Debt 84	Multifamily	5,575	5,556	1 month LIBOR + 4.50%	Interest Only	4/9/2023
Senior Debt 85	Multifamily	53,178	53,081	1 month LIBOR + 3.00%	Interest Only	4/9/2023
Senior Debt 86	Multifamily	14,045	14,012	1 month LIBOR + 3.39%	Interest Only	4/9/2024
Senior Debt 87	Multifamily	8,301	8,263	1 month LIBOR + 3.80%	Interest Only	4/9/2024

Description	Property Type	Face Amount	Carrying Amount	Interest Rate	Payment Terms	Maturity Date
Senior Debt 88	Multifamily	13,582	13,533	1 month LIBOR + 4.50%	Interest Only	10/9/2023
Senior Debt 89	Multifamily	18,277	18,200	1 month LIBOR + 5.25%	Interest Only	4/9/2024
Senior Debt 90	Multifamily	17,985	17,938	1 month LIBOR + 3.60%	Interest Only	4/9/2024
Senior Debt 91	Multifamily	41,823	41,808	1 month LIBOR + 2.95%	Interest Only	4/9/2026
Senior Debt 92	Hospitality	25,785	25,686	1 month LIBOR + 5.60%	Interest Only	5/9/2023
Senior Debt 93	Mixed Use	32,500	32,395	1 month LIBOR + 3.70%	Interest Only	7/9/2023
Senior Debt 94	Multifamily	12,688	12,636	1 month LIBOR + 3.75%	Interest Only	4/9/2023
Senior Debt 95	Multifamily	70,620	70,570	1 month LIBOR + 2.95%	Interest Only	4/9/2026
Senior Debt 96	Multifamily	20,321	20,168	1 month LIBOR + 3.35%	Interest Only	5/9/2024
Senior Debt 97	Multifamily	28,318	28,299	1 month LIBOR + 2.95%	Interest Only	4/9/2026
Senior Debt 98	Multifamily	34,998	34,984	1 month LIBOR + 2.95%	Interest Only	4/9/2026
Senior Debt 99	Multifamily	32,557	32,546	1 month LIBOR + 2.95%	Interest Only	4/9/2026
Senior Debt 100	Hospitality	25,771	25,563	1 month LIBOR + 9.00%	Interest Only	5/9/2024
Senior Debt 101	Self Storage	15,000	14,948	1 month LIBOR + 4.26%	Interest Only	5/9/2023
Senior Debt 102	Multifamily	24,248	24,142	1 month LIBOR + 3.25%	Interest Only	6/9/2023
Senior Debt 103	Office	6,800	6,774	1 month LIBOR + 5.25%	Interest Only	11/9/2023
Senior Debt 104	Multifamily	12,792	11,546	1 month LIBOR + 6.50%	Interest Only	6/9/2024
Senior Debt 105	Multifamily	10,391	10,339	1 month LIBOR + 3.15%	Interest Only	7/9/2024
Senior Debt 106	Hospitality	17,449	17,346	1 month LIBOR + 5.35%	Interest Only	6/9/2023
Senior Debt 107	Hospitality	28,000	27,807	1 month LIBOR + 6.25%	Interest Only	6/9/2024
Senior Debt 108	Multifamily	31,900	31,716	1 month LIBOR + 3.15%	Interest Only	7/9/2026
Senior Debt 109	Multifamily	37,260	37,164	1 month LIBOR + 3.40%	Interest Only	6/9/2024
Senior Debt 110 [4]	Multifamily	—	—	1 month LIBOR + 8.00%	Interest Only	8/9/2024
Senior Debt 111	Multifamily	29,500	29,370	1 month LIBOR + 2.88%	Interest Only	8/9/2024
Senior Debt 112	Multifamily	10,050	10,009	1 month LIBOR + 4.50%	Interest Only	8/9/2023
Senior Debt 113	Multifamily	13,259	13,168	1 month LIBOR + 3.75%	Interest Only	10/9/2023
Senior Debt 114	Multifamily	29,250	29,103	1 month LIBOR + 3.00%	Interest Only	9/9/2024
Senior Debt 115	Multifamily	34,077	33,789	1 month LIBOR + 3.15%	Interest Only	10/9/2024
Senior Debt 116	Multifamily	42,850	42,677	1 month LIBOR + 3.40%	Interest Only	9/9/2023
Senior Debt 117	Multifamily	35,020	34,859	1 month LIBOR + 3.64%	Interest Only	10/9/2024
Senior Debt 118	Multifamily	8,500	8,460	1 month LIBOR + 3.75%	Interest Only	9/9/2024
Senior Debt 119	Multifamily	14,200	14,130	1 month LIBOR + 3.15%	Interest Only	9/9/2023
Senior Debt 120	Multifamily	13,350	13,284	1 month LIBOR + 3.75%	Interest Only	10/9/2023
Senior Debt 121	Multifamily	66,650	66,002	1 month LIBOR + 3.25%	Interest Only	10/9/2024
Senior Debt 122	Multifamily	18,750	18,688	1 month LIBOR + 2.95%	Interest Only	10/9/2024
Senior Debt 123	Multifamily	9,099	9,036	1 month LIBOR + 3.75%	Interest Only	10/9/2024
Senior Debt 124	Multifamily	26,160	26,024	1 month LIBOR + 3.20%	Interest Only	10/9/2024
Senior Debt 125	Hospitality	17,370	17,292	1 month LIBOR + 5.25%	Interest Only	10/9/2023
Senior Debt 126	Hospitality	16,500	16,423	1 month LIBOR + 7.10%	Interest Only	11/9/2023
Senior Debt 127	Multifamily	13,168	13,097	1 month LIBOR + 3.40%	Interest Only	10/9/2023
Senior Debt 128	Multifamily	88,500	88,499	1 month LIBOR + 2.75%	Interest Only	10/9/2024
Senior Debt 129	Multifamily	56,150	55,878	1 month LIBOR + 3.10%	Interest Only	10/9/2024
Senior Debt 130	Multifamily	36,750	36,540	1 month LIBOR + 2.90%	Interest Only	11/9/2026
Senior Debt 131	Multifamily	52,192	51,872	1 month LIBOR + 3.10%	Interest Only	12/9/2023
Senior Debt 132	Multifamily	37,100	36,940	1 month LIBOR + 2.90%	Interest Only	12/9/2024

Description	Property Type	Face Amount	Carrying Amount	Interest Rate	Payment Terms	Maturity Date
Senior Debt 133	Multifamily	60,267	60,005	1 month LIBOR + 2.85%	Interest Only	11/9/2023
Senior Debt 134	Multifamily	30,600	30,543	1 month LIBOR + 2.65%	Interest Only	11/9/2023
Senior Debt 135	Multifamily	30,650	30,476	1 month LIBOR + 3.25%	Interest Only	12/9/2024
Senior Debt 136	Multifamily	62,850	62,556	1 month LIBOR + 3.35%	Interest Only	12/9/2023
Senior Debt 137	Multifamily	42,474	42,231	1 month LIBOR + 3.00%	Interest Only	12/9/2023
Senior Debt 138	Multifamily	46,080	45,821	1 month LIBOR + 2.75%	Interest Only	11/9/2025
Senior Debt 139	Multifamily	28,880	28,745	1 month LIBOR + 2.90%	Interest Only	12/9/2024
Senior Debt 140	Manufactured Housing	6,700	6,666	1 month LIBOR + 4.50%	Interest Only	12/9/2024
Senior Debt 141	Multifamily	58,680	58,393	1 month LIBOR + 3.45%	Interest Only	1/9/2024
Senior Debt 142	Multifamily	26,600	26,459	1 month LIBOR + 2.90%	Interest Only	12/9/2023
Senior Debt 143	Multifamily	12,478	12,393	1 month LIBOR + 3.20%	Interest Only	12/9/2024
Senior Debt 144	Multifamily	35,996	35,801	1 month LIBOR + 3.00%	Interest Only	12/9/2024
Senior Debt 145	Multifamily	32,250	32,068	1 month LIBOR + 3.20%	Interest Only	12/9/2023
Senior Debt 146	Multifamily	38,631	38,394	1 month LIBOR + 2.90%	Interest Only	12/9/2023
Senior Debt 147	Multifamily	64,281	63,917	1 month LIBOR + 2.88%	Interest Only	12/9/2023
Senior Debt 148	Multifamily	62,003	61,654	1 month LIBOR + 2.88%	Interest Only	12/9/2023
Senior Debt 149	Multifamily	16,570	16,467	1 month SOFR + 3.50%	Interest Only	1/9/2024
Senior Debt 150	Multifamily	56,930	56,757	1 month LIBOR + 2.75%	Interest Only	12/9/2024
Senior Debt 151	Multifamily	65,000	64,592	1 month SOFR + 5.14%	Interest Only	7/9/2023
Senior Debt 152	Multifamily	22,240	22,122	1 month SOFR + 2.96%	Interest Only	1/9/2024
Senior Debt 153	Multifamily	25,573	25,441	1 month SOFR + 2.96%	Interest Only	1/9/2025
Senior Debt 154	Multifamily	31,678	31,383	1 month SOFR + 3.20%	Interest Only	1/9/2024
Senior Debt 155	Multifamily	78,050	77,650	1 month SOFR + 3.45%	Interest Only	1/9/2027
Senior Debt 156	Multifamily	77,870	77,632	1 month LIBOR + 3.21%	Interest Only	1/9/2025
Senior Debt 157	Multifamily	24,000	23,881	1 month SOFR + 3.11%	Interest Only	1/9/2024
Senior Debt 158	Retail	31,000	30,845	1 month SOFR + 3.29%	Interest Only	1/9/2025
Senior Debt 159	Multifamily	47,444	47,208	1 month SOFR + 2.86%	Interest Only	1/9/2024
Senior Debt 160	Multifamily	36,824	36,639	1 month SOFR + 2.86%	Interest Only	1/9/2024
Senior Debt 161	Hospitality	17,169	17,169	5.99%	Amortizing Balloon	10/6/2023
Mezzanine Loan 1	Multifamily	6,500	6,488	1 month LIBOR + 10.25%	Interest Only	9/9/2022
Mezzanine Loan 2	Multifamily	3,000	3,000	1 month LIBOR + 9.20%	Interest Only	3/9/2022
Mezzanine Loan 3	Multifamily	10,000	9,951	1 month SOFR + 15.29%	Interest Only	7/9/2023
Mezzanine Loan 4	Retail	3,000	2,985	1 month SOFR + 12.00%	Interest Only	1/9/2025
		$ 4,242,962	$ 4,226,888			

Exhibit 4.3

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Franklin BSP Realty Trust, Inc. (the "Company," "we," "us" or "our") has three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) our common stock, par value $0.01 per share; (2) our 7.50% Series E Cumulative Redeemable Preferred Stock, par value $0.01 per share ("Series E Preferred Stock"); and (3) our Series F Convertible Preferred Stock, par value $0.01 per share ("Series F Preferred Stock).

The general terms and provisions of our common stock, Series E Preferred Stock and Series F Preferred Stock are summarized below. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to our Articles of Amendment and Restatement, as amended (our "Charter"), including the Articles Supplementary applicable to the Series E Preferred Stock and our Series F Preferred Stock, and our Amended and Restated Bylaws (our "Bylaws"), all of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.3 is a part. We encourage you to read our Charter and Bylaws and the applicable provisions of the Maryland General Corporation Law ("MGCL") for additional information.

Shares Authorized

Our Charter provides that the Company may issue up to 1,000,000,000 shares of capital stock, consisting of (i) 900,000,000 shares designated as common stock, $0.01 par value per share; and (ii) 100,000,000 shares designated as preferred stock, $0.01 par value per share. Of the authorized preferred stock, currently 20,000 shares are designated as Series C convertible preferred stock ("Series C Preferred Stock"), 20,000 shares are designated as Series D convertible preferred stock ("Series D Preferred Stock"), 10,329,039 shares are designated as Series E Preferred Stock and 40,000,000 shares are designated as Series F Preferred Stock. Our Charter authorizes a majority of the Company's board of directors (the "Board") to amend the charter to increase or decrease the aggregate number of authorized shares of common stock or the number of shares of any class or series without stockholder approval.

Common Stock

Pursuant to our Charter, the Company is authorized to issue up to 900,000,000 shares of common stock. All of the outstanding shares of the Company's common stock are fully paid and nonassessable. The Company's common stock is currently listed on The New York Stock Exchange ("NYSE") under the symbol "FBRT".

Dividend Rights.

Subject to any preferential rights of any other class or series of stock and to the provisions of our Charter regarding the restriction on the transfer of stock, the holders of our common stock are entitled to such distributions as may be authorized from time to time by the Board out of assets legally available therefor and declared by the Company.

Voting Rights.

Subject to our Charter restrictions on ownership and transfer of our stock and except as may otherwise be specified in our Charter, each holder of common stock is entitled at each meeting of stockholders to one vote per share owned by such stockholder on all matters submitted to a vote of stockholders, including the election of directors. There is no cumulative voting in the election of the Board, which means that the holders of a majority of shares of our outstanding stock entitled to vote generally in the election of directors can elect all of the directors then standing for election and the holders of the remaining shares of common stock will not be able to elect any directors. In addition, on all matters submitted to a vote of the holders of common stock of the Company, the holders of the common stock vote together as a single class with the holders of the Series C Preferred Stock, Series D Preferred Stock and Series F Preferred Stock, with each such series of preferred stock voting on an as-converted basis.

Liquidation Rights.

Subject to any preferential rights of any other class or series of stock, upon our liquidation, holders of common stock are entitled to receive all assets available for distribution to our stockholders.

Preemptive or Similar Rights.

Holders of common stock do not have preemptive rights, which means that they will not have an automatic option to purchase any new shares that the Company may issue, or preference, conversion, exchange, sinking fund or redemption rights. Holders of common stock will not have appraisal rights or rights of objecting stockholders unless the Board determines that appraisal rights apply, with respect to all or any classes or series of stock, to one or more transactions occurring after the date of such determination in connection with which holders would otherwise be entitled to exercise appraisal rights.

Preferred Stock

Our Charter authorizes the Board, without stockholder approval, to designate and issue one or more classes or series of preferred stock and to set or change the voting, conversion or other rights, preferences, restrictions, limitations as to dividends or other distributions and qualifications or terms or conditions of redemption of each class of shares so issued. Because the Board has the power to establish the preferences and rights of each class or series of preferred stock, it may afford the holders of any series or class of preferred stock preferences, powers, and rights senior to the rights of holders of common stock.

The terms of the Series E Preferred Stock and Series F Preferred Stock, our two series of preferred stock registered under the Exchange Act, are summarized below. The complete terms of each class are set forth in the Articles Supplementary applicable to each class, which have been filed as exhibits to the Annual Report on Form 10-K which this exhibit forms a part.

7.50% Series E cumulative redeemable preferred stock

Maturity

The Series E Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption. Shares of the Series E Preferred Stock will remain outstanding indefinitely unless the Company decides to redeem or otherwise repurchase them or they become convertible and are converted as described below under "—Change of Control Conversion Right." The Company is not required to set apart for payment the funds to redeem the Series E Preferred Stock.

Ranking

The Series E Preferred Stock ranks, with respect to rights to the payment of dividends and the distribution of assets upon its liquidation, dissolution or winding up:

(1) senior to all classes or series of our common stock, of Series F Preferred Stock and to all other equity securities issued by the Company other than equity securities referred to in clauses (2) and (3) below;

(2) on a parity with all Series C Preferred Stock, Series D Preferred Stock and all other equity securities issued by the Company with terms specifically providing that those equity securities rank on a parity with the Series E Preferred Stock, with respect to rights to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up;

(3) junior to all equity securities issued by the Company with terms specifically providing that those equity securities rank senior to the Series E Preferred Stock with respect to rights to the payment of dividends and the distribution of assets upon its liquidation, dissolution or winding up (please see the section entitled "—Limited Voting Rights" below); and

(4) effectively junior to all of the Company's existing and future indebtedness (including indebtedness convertible to its common stock or preferred stock, if any) and to the indebtedness of its existing subsidiaries and any future subsidiaries.

Dividends

Holders of shares of the Series E Preferred Stock are entitled to receive, when, as and if authorized by our board of directors and declared by the Company, out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 7.50% of the $25.00 per share liquidation preference per annum (equivalent to $1.875 per annum per share). Dividends on the Series E Preferred Stock shall accumulate daily and be cumulative from, and including, October 15, 2021 and shall be payable quarterly in arrears on the 15th day of each January, April, July and October (each, a "dividend payment date") with respect to the immediately preceding dividend period; provided that if any dividend payment date is not a business day, as defined in the Articles Supplementary for the Series E Preferred Stock, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day and no interest, additional dividends or other sums will accumulate on the amount so payable for the period from and after that dividend payment date to that next succeeding business day. Any dividend payable on the Series E Preferred Stock, including dividends

payable for any partial dividend period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear in our stock records for the Series E Preferred Stock at the close of business on the applicable record date, which shall be the last day of the calendar quarter, whether or not a business day, immediately preceding the applicable dividend payment date (each, a "dividend record date").

No dividends on shares of the Series E Preferred Stock shall be authorized by the Board or paid or set apart for payment by the Company at any time when the terms and provisions of any agreement of the Company, including any agreement relating to its indebtedness, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment shall be restricted or prohibited by law.

Notwithstanding the foregoing, dividends on the Series E Preferred Stock will accumulate whether or not the Company has earnings, whether or not there are funds legally available for the payment of those dividends and whether or not those dividends are declared. No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series E Preferred Stock which may be in arrears, and holders of the Series E Preferred Stock will not be entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series E Preferred Stock shall first be credited against the earliest accumulated but unpaid dividend due with respect to those shares.

Unless full cumulative dividends on the Series E Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past dividend periods, no dividends (other than in shares of common stock or in shares of any series of preferred stock that the Company may issue ranking junior to the Series E Preferred Stock as to dividends and upon liquidation) shall be declared or paid or set apart for payment upon shares of the Company's common stock or preferred stock that the Company may issue ranking junior to or on a parity with the Series E Preferred Stock as to dividends or upon liquidation. Nor shall any other distribution be declared or made upon shares of the Company common stock or preferred stock that the Company may issue ranking junior to or on a parity with the Series E Preferred Stock as to dividends or upon liquidation. In addition, any shares of the Company's common stock or preferred stock that the Company may issue ranking junior to or on a parity with the Series E Preferred Stock as to dividends or upon liquidation shall not be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such shares) by the Company (except by conversion into or exchange for the Company's other capital stock that it may issue ranking junior to the Series E Preferred Stock as to dividends and upon liquidation and except for transfers made pursuant to the provisions of our Charter relating to restrictions on transfer and ownership of its capital stock). The foregoing shall not, however, prevent the purchase or acquisition by the Company of shares of any class or series of stock pursuant to the provision of Article V of our Charter relating to restrictions on transfer and ownership or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of the Series E Preferred Stock and any preferred stock that the Company may issue ranking on parity with the Series E Preferred Stock as to dividends or upon liquidation.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series E Preferred Stock and the shares of any other series of preferred stock that the Company may issue ranking on a parity as to dividends with the Series E Preferred Stock, all dividends declared upon the Series E Preferred Stock and such other series of preferred stock shall be declared pro rata so that the amount of dividends declared per share of the Series E Preferred Stock and such other series of preferred stock shall in all cases bear to each other the same ratio that accumulated dividends per share on the Series E Preferred Stock and such other series of preferred stock (which shall not include any accrual in respect of unpaid dividends for prior dividend periods if such preferred stock does not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series E Preferred Stock which may be in arrears.

Liquidation Preference

In the event of the Company's voluntary or involuntary liquidation, dissolution or winding up, the holders of shares Series E Preferred Stock will be entitled to be paid out of the assets the Company has legally available for distribution to its stockholders, subject to the preferential rights of the holders of any class or series of its stock the Company may issue ranking senior to the Series E Preferred Stock with respect to the distribution of assets upon liquidation, dissolution or winding up, a liquidation preference of $25.00 per share, plus an amount equal to any accumulated and unpaid dividends to, but not including, the date of payment, before any distribution of assets is made to holders of the Company's common stock or any other class or series of its stock the Company may issue that ranks junior to the Series E Preferred Stock as to liquidation rights.

In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of the Series E Preferred Stock and the corresponding amounts payable on all shares of other classes or series of the Company's capital stock that the Company may issue ranking on a parity with the Series E Preferred Stock in the distribution of assets, then the holders of the Series E Preferred Stock and all other such classes or series of capital stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Holders of the Series E Preferred Stock will be entitled to written notice of any such liquidation no fewer than 30 days and no more than 60 days prior to the payment date. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of the Series E Preferred Stock will have no right or claim to any of the Company's remaining assets. The consolidation or merger of the Company with or into any other corporation, trust or entity or of any other entity with or into the Company, or the sale, lease, transfer or conveyance of all or substantially all of the Company's property or business, shall not be deemed to constitute a liquidation, dissolution or winding up of the Company (although such events may give rise to the special optional redemption and contingent conversion rights described below).

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares of stock of the Company or otherwise, is permitted under the MGCL, amounts that would be needed, if the Company were to be dissolved at the time of distribution, to satisfy the preferential rights upon dissolution of holders of shares of the Series E Preferred Stock shall not be added to our total liabilities.

Redemption

As provided in our Charter, the Company may purchase or redeem shares of the Series E Preferred Stock in order to preserve its qualification as a Real Estate Investment Trust ("REIT"). Please see the section entitled "Restrictions on Ownership and Transfer."

Optional Redemption. The Company may, at its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series E Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends thereon to, but not including, the date fixed for redemption.

Special Optional Redemption Upon Change of Control. Upon the occurrence of a Change of Control, the Company may, at its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series E Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends thereon to, but not including, the date fixed for redemption. If, prior to the Change of Control Conversion Date, the Company has provided notice of its election to redeem some or all of the shares of Series E Preferred Stock (whether pursuant to our optional redemption right described above under "—Optional Redemption" or this special optional redemption right), the holders of Series E Preferred Stock will not have the Change of Control Conversion Right (as defined below) described below under "—Change of Control Conversion Right" with respect to the shares called for redemption.

A "Change of Control" is deemed to occur when, after the original issuance of the Series E Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of the Company's stock entitling that person to exercise more than 50% of the total voting power of all our stock entitled to vote generally in the election of the Company's directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

- following the closing of any transaction referred to in the bullet point above, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE American or the Nasdaq, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American or Nasdaq.

Redemption Procedures. In the event the Company elects to redeem Series E Preferred Stock, the notice of redemption will be mailed to each holder of record of the Series E Preferred Stock called for redemption at such holder's address as it appears on our stock transfer records and will state the following:

- the redemption date;

- the number of shares of the Series E Preferred Stock to be redeemed;
- the redemption price;
- the place or places where certificates (if any) for the Series E Preferred Stock are to be surrendered for payment of the redemption price;
- that dividends on the shares to be redeemed will cease to accumulate on the redemption date;
- whether such redemption is being made pursuant to the provisions described above under "—Optional Redemption" or "—Special Optional Redemption Upon Change of Control";
- if applicable, that such redemption is being made in connection with a Change of Control and, in that case, a brief description of the transaction or transactions constituting such Change of Control; and
- if such redemption is being made in connection with a Change of Control, that the holders of the shares of the Series E Preferred Stock being so called for redemption will not be able to tender such shares of the Series E Preferred Stock for conversion in connection with the Change of Control and that each share of the Series E Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date (as defined below), for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

If less than all of the Series E Preferred Stock held by any holder is to be redeemed, the notice mailed to such holder shall also specify the number of shares of the Series E Preferred Stock held by such holder to be redeemed. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the redemption of any shares of the Series E Preferred Stock, except as to the holder to whom notice was defective or not given.

Holders of shares of the Series E Preferred Stock to be redeemed shall surrender the Series E Preferred Stock at the place designated in the notice of redemption and shall be entitled to the redemption price and any accumulated and unpaid dividends payable upon the redemption following the surrender. If notice of redemption of any shares of the Series E Preferred Stock has been given and if the Company has irrevocably set apart for payment the funds necessary for redemption in trust for the benefit of the holders of the shares of the Series E Preferred Stock so called for redemption, then from and after the redemption date (unless default shall be made by the Company in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any), dividends will cease to accumulate on those shares of the Series E Preferred Stock, those shares of the Series E Preferred Stock shall no longer be deemed outstanding and all rights of the holders of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption. If any redemption date is not a business day, then the redemption price and accumulated and unpaid dividends, if any, payable upon redemption may be paid on the next business day and no interest, additional dividends or other sums will accumulate on the amount payable for the period from and after that

redemption date to that next business day. If less than all of the outstanding Series E Preferred Stock is to be redeemed, the Series E Preferred Stock to be redeemed shall be selected pro rata (as nearly as may be practicable without creating fractional shares) or by any other equitable method the Company determines but that will not result in the automatic transfer of any shares of the Series E Preferred Stock to a trust as described under "—Restrictions on Ownership and Transfer."

Immediately prior to any redemption of the Series E Preferred Stock, the Company shall pay, in cash, any accumulated and unpaid dividends to, but not including, the redemption date, unless a redemption date falls after a dividend record date and prior to the corresponding dividend payment date, in which case each holder of the Series E Preferred Stock at the close of business on such dividend record date shall be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such dividend payment date. Except as provided above, the Company will make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of the Series E Preferred Stock to be redeemed.

Unless full cumulative dividends on all shares of the Series E Preferred Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past dividend periods, no shares of the Series E Preferred Stock shall be redeemed unless all outstanding shares of the Series E Preferred Stock are simultaneously redeemed, and the Company shall not purchase or otherwise acquire directly or indirectly any shares of the Series E Preferred Stock (except by exchanging it for our capital stock ranking junior to the Series E Preferred Stock as to dividends and upon liquidation); provided, however, that the foregoing shall not prevent the purchase or acquisition by the Company of shares of the Series E Preferred Stock to preserve its REIT status or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of the Series E Preferred Stock.

Subject to applicable law, the Company may purchase shares of the Series E Preferred Stock in the open market, by tender or by private agreement. Any shares of the Series E Preferred Stock that the Company acquires may be retired and re-classified as authorized but unissued shares of preferred stock, without designation as to class or series, and may thereafter be reissued as any class or series of preferred stock.

Change of Control Conversion Right

Upon the occurrence of a Change of Control, each holder of the Series E Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, the Company has provided notice of its election to redeem some or all of the shares of the Series E Preferred Stock held by such holder as described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption Upon Change of Control," in which case such holder will have the right only with respect to shares of the Series E Preferred Stock that are not called for redemption) to convert some or all of the shares of the Series E Preferred Stock held by such holder (the "Change of Control Conversion Right") on the Change of Control Conversion Date into a number of shares of the Company's common stock per share of the Series E Preferred Stock (the "common stock Conversion Consideration") equal to the lesser of:

- (i) the quotient obtained by dividing (x) the sum of the $25.00 liquidation preference per share of the Series E Preferred Stock plus the amount of any accumulated and unpaid dividends thereon

to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date and prior to the corresponding dividend payment date for the Series E Preferred Stock, in which case no additional amount for such accumulated and unpaid dividends will be included in this sum) by (y) the common stock Price, as defined below (such quotient, the "Conversion Rate"); and (ii) 1.44675 (the "Share Cap"), subject to certain adjustments as described below.

Except as set forth in the Articles Supplementary for the Series E Preferred Stock and as otherwise required by law, the persons who are the holders of record of shares of the Series E Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such dividend record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend shall be paid on such dividend payment date to the persons who were the holders of record at the close of business on such dividend record date. Except as provided above, the Company will make no allowance for unpaid dividends that are not in arrears on the shares of the Series E Preferred Stock to be converted.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of the Company's common stock to existing holders of its common stock), subdivisions or combinations (in each case, a "Share Split") with respect to our common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of the Company's common stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of the Company's common stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of the Company's common stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of the Company's common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right will not exceed the product of the Share Cap times the aggregate number of shares of the Series E Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the "Exchange Cap"). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

In the case of a Change of Control pursuant to which our common stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the "Alternative Form Consideration"), a holder of the Series E Preferred Stock will receive upon conversion of such shares of the Series E Preferred Stock, the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of the Company's common stock equal to the common stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration"); the common stock Conversion Consideration or the Alternative Conversion Consideration, whichever shall be applicable to a Change of Control, is referred to as the "Conversion Consideration").

If the holders of the Company's common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the consideration in respect of such Change of Control will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of the Company's common stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of the Company's common stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of the Company's common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

The Company will not issue fractional shares of its common stock upon the conversion of the Series E Preferred Stock in connection with a Change of Control. Instead, the Company will make a cash payment equal to the value of such fractional shares based upon the common stock Price used in determining the common stock Conversion Consideration for such Change of Control.

Within 15 days following the occurrence of a Change of Control, provided that the Company has not then exercised its right to redeem all shares of the Series E Preferred Stock pursuant to the redemption provisions described above, the Company will provide to holders of the Series E Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. This notice will state the following:

- the events constituting the Change of Control;
- the date of the Change of Control;
- the last date on which the holders of the Series E Preferred Stock may exercise their Change of Control Conversion Right;
- the method and period for calculating the Common Stock Price;
- the Change of Control Conversion Date;
- that if, prior to the Change of Control Conversion Date, the Company has provided notice of its election to redeem all or any shares of the Series E Preferred Stock, holders will not be able to convert the shares of the Series E Preferred Stock called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;
- if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of the Series E Preferred Stock;
- the name and address of the paying agent, transfer agent and conversion agent for the Series E Preferred Stock;

- the procedures that the holders of the Series E Preferred Stock must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares for conversion through the facilities of a Depositary (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and

- the last date on which holders of the Series E Preferred Stock may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

Under such circumstances, the Company also will issue a press release containing such notice for publication on Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on our website, in any event prior to the opening of business on the first business day following any date on which the Company provides the notice described above to the holders of the Series E Preferred Stock.

To exercise the Change of Control Conversion Right, the holders of the Series E Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing the shares of the Series E Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of the Company Series E Preferred Stock held in book-entry form through a Depositary, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of the Company Series E Preferred Stock to be converted through the facilities of such Depositary), together with a written conversion notice in the form provided by the Company, duly completed, to its transfer agent. The conversion notice must state:

- the relevant Change of Control Conversion Date;

- the number of shares of the Series E Preferred Stock to be converted; and

- that the shares of the Series E Preferred Stock are to be converted pursuant to the applicable provisions of the Series E Preferred Stock.

The "Change of Control Conversion Date" is the date the Series E Preferred Stock is to be converted, which will be a business day selected by the Company that is no fewer than 20 days nor more than 35 days after the date on which the Company provides the notice described above to the holders of the Series E Preferred Stock.

The "Common Stock Price" is (i) if the consideration to be received in the Change of Control by the holders of the Company's common stock is solely cash, the amount of cash consideration per share of its common stock or (ii) if the consideration to be received in the Change of Control by holders of the Company's common stock is other than solely cash (x) the average of the closing sale prices per share of the Company common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for

our common stock in the over-the-counter market as reported by Pink OTC Markets Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if our common stock is not then listed for trading on a U.S. securities exchange.

Holders of the Series E Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state:

- the number of withdrawn shares of the Series E Preferred Stock;
- if certificated Series E Preferred Stock has been surrendered for conversion, the certificate numbers of the withdrawn shares of the Series E Preferred Stock; and
- the number of shares of the Series E Preferred Stock, if any, which remain subject to the holder's conversion notice.

Notwithstanding the foregoing, if any shares of the Series E Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") or a similar depositary (each, a "Depositary"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depositary.

Series E Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date the Company has provided notice of its election to redeem some or all of the shares of the Series E Preferred Stock, as described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption Upon Change of Control," in which case only the shares of the Series E Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If the Company elects to redeem shares of the Series E Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of the Series E Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption Upon Change of Control," as applicable.

The Company will deliver all securities, cash and any other property owing upon conversion no later than the third business day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of the Company's common stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, the Company will comply with all federal and state securities laws and stock exchange rules in connection with any conversion of shares of the Series E Preferred Stock into shares of the Company's common stock or other

property. Notwithstanding any other provision of the Series E Preferred Stock, no holder of the Series E Preferred Stock will be entitled to convert such shares of the Series E Preferred Stock into shares of the Company's common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to exceed the applicable share ownership limitations contained in our Charter. Please see the section entitled "Restrictions on Ownership and Transfer."

The Change of Control conversion feature may make it more difficult for a third party to acquire the Company or discourage a party from acquiring it.

Except as provided above in connection with a Change of Control, the Series E Preferred Stock is not convertible into or exchangeable for any other securities or property.

Limited Voting Rights

Holders of the Series E Preferred Stock do not have any voting rights, except as set forth below.

Whenever dividends on any shares of the Series E Preferred Stock are in arrears for six or more quarterly dividend periods, whether or not consecutive, the number of directors constituting the Board will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of the Company's preferred stock the Company has issued or may issue upon which like voting rights have been conferred and are exercisable and with which the Series E Preferred Stock is entitled to vote as a class with respect to the election of those two directors), and the holders of the Series E Preferred Stock, voting as a single class with all other classes or series of preferred stock the Company has issued or may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series E Preferred Stock in the election of those two directors will be entitled to vote for the election of those two additional directors at a special meeting called by the Company at the request of the holders of record of at least 25% of the outstanding shares of the Series E Preferred Stock or by the holders of any other class or series of preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series E Preferred Stock in the election of those two directors (unless the request is received less than 90 days before the date fixed for the next annual or special meeting of stockholders, in which case, such vote will be held at the earlier of the next annual or special meeting of stockholders), and at each subsequent annual meeting until all dividends accumulated on the Series E Preferred Stock for all past dividend periods and the then current dividend period shall have been fully paid or declared and a sum sufficient for the payment thereof set apart for payment. In that case, the right of holders of the Series E Preferred Stock to elect any directors will cease and, unless there are other classes or series of the Company's preferred stock upon which like voting rights have been conferred and are exercisable, the term of office of any directors elected by holders of the Series E Preferred Stock shall immediately terminate and the number of directors constituting the board of directors shall be reduced accordingly. For the avoidance of doubt, in no event shall the total number of directors elected by holders of the Series E Preferred Stock (voting together as a separate class with all other classes or series of preferred stock the Company may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series E Preferred Stock in the election of such directors) pursuant to these voting rights exceed two.

If a special meeting is not called by the Company within 30 days after request from the holders of the Series E Preferred Stock as described above, then the holders of record of at least 25% of the outstanding Series E Preferred Stock may designate a holder to call the meeting at our expense.

On each matter on which holders of the Series E Preferred Stock are entitled to vote, each share of the Series E Preferred Stock will be entitled to one vote, except that when shares of any other class or series of the Company's preferred stock have the right to vote with the Series E Preferred Stock as a single class on any matter, the Series E Preferred Stock and the shares of each such other class or series will have one vote for each $25.00 of liquidation preference (excluding accumulated dividends).

So long as any shares of the Series E Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of the Series E Preferred Stock outstanding at the time, voting together as a single class with all series of preferred stock ranking on a parity with the Series E Preferred Stock that the Company may issue and upon which like voting rights have been conferred and are exercisable, given in person or by proxy, either in writing or at a meeting, (a) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the Series E Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up or reclassify any of the Company's authorized capital stock into such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or (b) amend, alter or repeal the provisions of our Charter, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series E Preferred Stock (each, an "Event"); provided, however, with respect to the occurrence of any Event set forth in (b) above, so long as the Series E Preferred Stock remains outstanding with the terms thereof materially unchanged, taking into account that, upon an occurrence of an Event, the Company may not be the surviving entity, the occurrence of any such Event shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting power of holders of the Series E Preferred Stock and, provided further, that any increase in the amount of the authorized common stock or preferred stock, including the Series E Preferred Stock, or the creation or issuance of any additional Series E Preferred Stock or other series of preferred stock that the Company may issue, or any increase in the amount of authorized shares of such series, in each case ranking on a parity with or junior to the Series E Preferred Stock that the Company may issue with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers. Notwithstanding the foregoing, holders of any parity preferred stock shall not be entitled to vote together as a class with the holders of the Series E Preferred Stock on any amendment, alteration or repeal of our Charter unless such action affects the holders of the Series E Preferred Stock and such parity preferred stock equally.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of the Series E Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption.

Except as expressly stated in the Articles Supplementary for the Series E Preferred Stock, the Series E Preferred Stock does not have any relative, participating, optional or other special voting rights

or powers and the consent of the holders thereof shall not be required for the taking of any corporate action.

Information Rights

During any period in which the Company is not subject to Section 13 or 15(d) of the Exchange Act and any shares of the Series E Preferred Stock are outstanding, the Company will use its best efforts to (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of the Series E Preferred Stock, as their names and addresses appear on our record books and without cost to such holders, copies of the annual reports on Form 10-K and quarterly reports on Form 10-Q that the Company would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if the Company were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any holders or prospective holder of the Series E Preferred Stock. The Company will use its best effort to mail (or otherwise provide) the information to the holders of the Series E Preferred Stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC, if the Company were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which the Company would be required to file such periodic reports if the Company were a "non-accelerated filer" within the meaning of the Exchange Act.

Preemptive Rights

No holders of the Series E Preferred Stock, as holders of the Series E Preferred Stock, have any preemptive rights to purchase or subscribe for our common stock or any of its other securities.

Book-Entry Procedures

DTC acts as securities depositary for the Series E Preferred Stock. The Company has issued one or more fully registered global securities certificates in the name of DTC's nominee, Cede & Co. These certificates represent the total aggregate number of shares of the Series E Preferred Stock. The Company has deposited these certificates with DTC or a custodian appointed by DTC. The Company will not issue certificates to holders of the Series E Preferred Stock for shares of the Series E Preferred Stock, unless DTC's services are discontinued as described below.

Title to book-entry interests in the Series E Preferred Stock will pass by book-entry registration of the transfer within the records of DTC in accordance with its procedures. Book-entry interests in the securities may be transferred within DTC in accordance with procedures established for these purposes by DTC. Each person owning a beneficial interest in shares of the Series E Preferred Stock must rely on the procedures of DTC and the participant through which such person owns its interest to exercise its rights as a holder of the Series E Preferred Stock.

DTC has advised the Company that it is a limited-purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered under the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for

physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. Access to the DTC system is also available to others such as securities brokers and dealers, including the underwriters, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Direct and Indirect Participants are on file with the SEC.

When shares of the Series E Preferred Stock are purchased within the DTC system, the purchase must be by or through a Direct Participant. The Direct Participant will receive a credit for the Series E Preferred Stock on DTC's records. Holders of the Series E Preferred Stock will be considered to be the "beneficial owner" of the Series E Preferred Stock. Such beneficial ownership interest will be recorded on the Direct and Indirect Participants' records, but DTC will have no knowledge of individual ownership. DTC's records reflect only the identity of the Direct Participants to whose accounts shares of the Series E Preferred Stock are credited.

Holders of the Series E Preferred Stock will not receive written confirmation from DTC of the purchase of the Series E Preferred Stock. The Direct or Indirect Participants through whom the Series E Preferred Stock were purchased should send such holders written confirmations providing details of the transactions, as well as periodic statements of the holdings. The Direct and Indirect Participants are responsible for keeping an accurate account of the holdings of their customers.

Transfers of ownership interests held through Direct and Indirect Participants will be accomplished by entries on the books of Direct and Indirect Participants acting on behalf of the beneficial owners.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The Company understands that, under DTC's existing practices, in the event that the Company requests any action of the holders, or an owner of a beneficial interest in a global security, such as a holder of the Series E Preferred Stock, desires to take any action which a holder is entitled to take under our Charter (including the Articles Supplementary for the Series E Preferred Stock), DTC would authorize the Direct Participants holding the relevant shares to take such action, and those Direct Participants and any Indirect Participants would authorize beneficial owners owning through those Direct and Indirect Participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Any redemption notices with respect to the Series E Preferred Stock will be sent to Cede & Co. If less than all of the outstanding shares of the Series E Preferred Stock are being redeemed, DTC will reduce each Direct Participant's holdings of shares of the Series E Preferred Stock in accordance with its procedures.

In those instances where a vote is required, neither DTC nor Cede & Co. itself will consent or vote with respect to the shares of the Series E Preferred Stock. Under its usual procedures, DTC would mail an omnibus proxy to the Company as soon as possible after the record date. The omnibus proxy

assigns Cede & Co.'s consenting or voting rights to those Direct Participants whose accounts the shares of the Series E Preferred Stock are credited to on the record date, which are identified in a listing attached to the omnibus proxy.

Dividends on the Series E Preferred Stock will be made directly to DTC's nominee (or its successor, if applicable). DTC's practice is to credit participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on that payment date.

Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name." These payments will be the responsibility of the participant and not of DTC, the Company or any agent of the Company.

DTC may discontinue providing its services as securities depositary with respect to the Series E Preferred Stock at any time by giving reasonable notice to the Company. Additionally, the Company may decide to discontinue the book-entry only system of transfers with respect to the Series E Preferred Stock. In that event, the Company will print and deliver certificates in fully registered form for the Series E Preferred Stock. If DTC notifies the Company that it is unwilling to continue as securities depositary, or it is unable to continue or ceases to be a clearing agency registered under the Exchange Act and a successor depositary is not appointed by the Company within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, the Company will issue the Series E Preferred Stock in definitive form, at our expense, upon registration of transfer of, or in exchange for, such global security.

According to DTC, the foregoing information with respect to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Global Clearance and Settlement Procedures

Secondary market trading among DTC's Participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System.

Listing

The Series E Preferred Stock is listed on the New York Stock Exchange under the symbol "FBRT PRE".

Transfer Agent and Registrar

The transfer agent and registrar for the Series E Preferred Stock is DST Systems, Inc.

Series F Preferred Stock

The Series F Preferred Stock ranks junior to all other outstanding classes of the Company's preferred stock with respect to priority in dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company. The liquidation preference of each share of Series F Preferred Stock is $2.00.

Dividends on the Series F Preferred Stock are equal to, and will be paid at the same time as, dividends that are authorized and declared on the Company's common stock. The Series F Preferred Stock ranks senior to the Company's common stock with respect to the distribution of assets upon any liquidation, dissolution or winding up of the Company (other than a liquidation, dissolution or winding up of the Company that results in the automatic conversion of such Series F Preferred Stock into common stock).

Each share (or fractional share) of Series F Preferred Stock shall automatically convert into one share of Company common stock (or equivalent fractional share, as applicable) upon the earlier of (i) April 18, 2022, (ii) three business days prior to a liquidation, dissolution or winding up of the Company in the event that the Company's board of directors determines (which determination will be conclusive) that the liquidating distribution per share in respect of such converted share of Series F Preferred Stock (or fractional share) would be in an amount in excess of the liquidation preference of $2.00 per share or (iii) immediately prior to the effective time of a qualifying change of control, provided that the consideration per share payable in connection with such change in control in respect of such converted share of Series F Preferred Stock (or fractional share) is an amount in excess of the liquidation preference of $2.00.

The Series F Preferred Stock has no stated maturity and is not redeemable.

Holders of Series F Preferred Stock (voting as a single class with holders of Company common stock and other series of Company equity securities entitled to vote with the common stockholders) 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. The number of votes applicable to a share of outstanding Series F Preferred Stock will be equal to the number of shares of common stock a share of Series F 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 Series F Preferred Stock is required to take certain actions materially adverse to the holders of the Series F Preferred Stock.

Restrictions on Ownership and Transfer

In order for the Company to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), the Company must meet the following criteria regarding our stockholders' ownership of its shares:

- five or fewer individuals (as defined in the Code to include specified private foundations, employee benefit plans and trusts and charitable trusts) may not own, directly or indirectly, more than 50% in value of the Company's outstanding shares during the last half of a taxable year, other than its first REIT taxable year; and

- 100 or more persons must beneficially own our shares during at least 335 days of a taxable year of twelve months or during a proportionate part of a shorter taxable year.

The Company may prohibit certain acquisitions and transfers of shares so as to ensure its initial and continued qualification as a REIT under the Code. However, there can be no assurance that this prohibition will be effective. Because the Company believes it is essential for it to qualify as a REIT, and, once qualified, to continue to qualify, among other purposes, pursuant to our Charter, our board of

directors has established (subject to certain exceptions) that no person may own, or be deemed to own by virtue of the attribution provisions of the Code, 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.

The Board, in its sole discretion, may (prospectively or retroactively) waive this ownership limit if evidence satisfactory to our directors, including certain representations and undertakings required by our Charter, is presented that such ownership will not then or in the future jeopardize its status as a REIT. Also, these restrictions on transferability and ownership will not apply if our directors determine that it is no longer in its best interests to continue to qualify as a REIT or that compliance is no longer necessary for REIT qualification.

Additionally, our Charter prohibits the transfer or ownership of its stock if such transfer or ownership would:

- with respect to transfers only, result in our stock being beneficially owned by fewer than 100 persons, determined without reference to any rules of attribution;
- result in the Company being "closely held" within the meaning of Code Section 856(h) (regardless of whether the ownership interest is held during the last half of a taxable year);
- result in the Company owning, directly or indirectly, more than 9.8% of the ownership interests in any tenant or subtenant; or
- otherwise result in our disqualification as a REIT.

Any attempted transfer of the Company's stock which, if effective, would result in our stock being beneficially owned by fewer than 100 persons will be null and void and the proposed transferee will not acquire any rights in such stock. In the event of any attempted transfer of the Company's stock which, if effective, would result in (i) violation of the ownership limit discussed above, (ii) in its being "closely held" under Code Section 856(h), (iii) its owning (directly or indirectly) more than 9.8% of the ownership interests in any tenant or subtenant or (iv) its otherwise failing to qualify as a REIT, then the number of shares causing the violation (rounded to the nearest whole share) will be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries, and the proposed transferee will not acquire any rights in the shares. To avoid confusion, these shares so transferred to a beneficial trust will be referred to in this prospectus as "Excess Securities." If the transfer of Excess Securities to a beneficial trust would not be effective for any reason to prevent any of the above violations, then the transfer of that number of shares that would otherwise cause the violation will be null and void and the proposed transferee will not acquire any rights in the shares. Excess Securities will remain issued and outstanding shares and will be entitled to the same rights and privileges as all other shares of the same class or series. The proposed transferee will have no rights with respect to the Excess Securities and will not benefit economically from the Excess Securities. The trustee of the beneficial trust, as holder of the Excess Securities, will be entitled to receive all dividends and other distributions authorized by the board of directors on such securities for the benefit of the charitable beneficiary. Our Charter further entitles the trustee of the beneficial trust to vote all Excess Securities. Subject to Maryland law, the trustee will also

have the authority (i) to rescind as void any vote cast by the intended transferee prior to our discovery that the shares have been transferred to the trust and (ii) to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary. However, if the Company has already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

The trustee of the beneficial trust will select a transferee to whom the Excess Securities may be sold as long as such sale does not violate the 7.9% ownership limit or the other restrictions on ownership and transfer. Upon sale of the Excess Securities, the intended transferee (the transferee of the Excess Securities whose ownership would have violated the 7.9% ownership limit or the other restrictions on ownership and transfer) will receive from the trustee of the beneficial trust the lesser of such sale proceeds, or the price per share the intended transferee paid for the Excess Securities (or, in the case of a gift or devise to the intended transferee, the price per share equal to the market value per share on the date of the transfer to the intended transferee). The trustee may reduce the amount payable to the intended transferee by the amount of dividends and other distributions which have been paid to the intended transferee and are owed by the intended transferee to the trustee. The trustee of the beneficial trust will distribute to the charitable beneficiary any amount the trustee receives in excess of the amount to be paid to the intended transferee.

In addition, the Company has the right to purchase any Excess Securities at the lesser of (i) the price per share paid in the transfer that created the Excess Securities (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, exercise such right. The Company may reduce the amount payable to the intended transferee by the amount of dividends and other distributions which have been paid to the intended transferee and are owed by the intended transferee to the trustee. The Company will have the right to purchase the Excess Securities until the trustee has sold the shares. Upon a sale to the Company, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the intended transferee.

Any person who (i) acquires or attempts or intends to acquire shares in violation of the foregoing ownership limitations, or (ii) would have owned shares that resulted in a transfer to a charitable trust, is required to give the Company immediate written notice or, in the case of a proposed or intended transaction, 15 days' written notice. In both cases, such persons must provide to the Company such other information as the Company may request in order to determine the effect, if any, of such transfer on our status as a REIT. The foregoing restrictions will continue to apply until our board of directors determines it is no longer in its best interest to continue to qualify as a REIT or that compliance is no longer required for REIT qualification.

The ownership limit does not apply to the underwriter in a public offering of shares or to a person or persons so exempted (prospectively or retroactively) from the ownership limit by the Company's board of directors based upon appropriate assurances, including certain representations and undertakings required by our Charter, that its qualification as a REIT is not jeopardized. Any person who owns more than 5% of the outstanding shares during any taxable year will be asked to deliver written notice setting forth the name and address of such owner, the number of shares beneficially owned, directly or indirectly, and a description of the manner in which such shares are held.

Certain Anti-takeover Matters

Our Charter and our Bylaws, and the MGCL, contain certain provisions that could make it more difficult to acquire control of the Company by means of a tender offer, a proxy contest or otherwise. These provisions are expected to discourage certain types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of the Company to negotiate first with its board of directors. The Company believes that these provisions increase the likelihood that proposals initially will be on more attractive terms than would be the case in their absence and facilitate negotiations that may result in improvement of the terms of an initial offer that might involve a premium price for our common stock or otherwise be in the best interest of its stockholders.

Business Combinations.

Under Maryland law, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which he otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an

interested stockholder. Pursuant to the statute, our board of directors has adopted a resolution exempting any business combination with the advisor or any affiliate of the advisor. Consequently, the five-year prohibition and the super-majority vote requirements will not apply to business combinations between the Company and the advisor or any affiliate of the advisor. As a result, the advisor or any affiliate of the advisor may be able to enter into business combinations with the Company that may not be in the best interest of our stockholders, without compliance with the super-majority vote requirements and the other provisions of the statute.

The business combination statute may discourage others from trying to acquire control of the Company and increase the difficulty of consummating any offer.

Control Share Acquisitions.

Maryland law provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of stockholders holding two-thirds of the votes entitled to be cast on the matter, excluding "control shares":

- owned by the acquiring person;
- owned by the Company's officers; and
- owned by the Company's employees who are also directors.

"Control shares" mean voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer in respect of which the acquirer can exercise or direct the exercise of voting power, would entitle the acquiring person to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more, but less than one-third of all voting power;
- one-third or more, but less than a majority of all voting power; or
- a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition occurs when, subject to some exceptions, a person directly or indirectly acquires ownership or the power to direct the exercise of voting power (except solely by virtue of a revocable proxy) of issued and outstanding control shares. A person who has made or proposes to make a control share acquisition, upon satisfaction of some specific conditions, including an undertaking to pay expenses, may compel the Board to call a special meeting of stockholders to be held within 50 days of a request to consider the voting rights of the control shares. If no request for a meeting is made, the Company may present the question at any stockholders' meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement on or before the 10th day after the control share acquisition as required by the statute, then, subject to some conditions and limitations, the Company may acquire any or all of the control shares (except those for which voting rights have been previously approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last

control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition. The control share acquisition statute does not apply to shares acquired in a merger, consolidation, or share exchange if the Company is a party to the transaction or to acquisitions approved or exempted by our Charter or our Bylaws.

As permitted by the MGCL, our Bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions of the Company's stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future.

Subtitle 8.

Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board,
- a two-thirds vote requirement for removing a director,
- a requirement that the number of directors be fixed only by vote of the directors,
- a requirement that a vacancy on the board of directors be filled only by affirmative vote of a majority of the remaining directors in office and for the remainder of the full term of the class of directors in which the vacancy occurred, and
- a majority requirement for the calling of a special meeting of stockholders.

The Company has elected that, except as may be provided by the Board in setting the terms of any class or series of preferred stock, any and all vacancies on the Board may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the directorship in which the vacancy occurred. Through provisions in our Charter and Bylaws unrelated to Subtitle 8, the Company already vests in the board of directors the exclusive power to fix the number of directorships, has a two-thirds vote requirement for the removal of directors and requires the request of stockholders entitled to cast a majority of the votes entitled to be cast to call a special meeting.

Exclusive Forum

Our Bylaws provide that, unless the Company consents in writing to the selection of an alternative forum, the sole and exclusive forum for (a) any Internal Corporate Claim, as such term is

defined in Section 1-101(p) of the MGCL, or any successor provision thereof; (b) any derivative action or proceeding brought on behalf of the Company; (c) any action asserting a claim of breach of any duty owed by any director or officer or other employee of the Company to the Company or to the stockholders of the Company; (d) any action asserting a claim against the Company or any director or officer or other employee of the Company arising pursuant to any provision of the MGCL, our Charter or our Bylaws; or (e) any action asserting a claim against the Company or any director or officer or other employee of the Company that is governed by the internal affairs doctrine shall be the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Baltimore Division. This exclusive forum provision is intended to apply to claims arising under Maryland state law and would not apply to claims brought pursuant to the Exchange Act or Securities Act of 1933, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

Amendment of the Company's Organizational Documents

Except for those amendments permitted to be made without stockholder approval, our Charter may be amended, after approval by the Board, by the affirmative vote of a majority of the votes entitled to be cast on the matter (except for amendments of the provisions of our Charter related to removal of directors and amendment of our Charter, which require the affirmative vote of stockholders entitled to cast at least two-thirds of all votes entitled to be cast on the matter). Our Bylaws may be amended only by the Board.

EXECUTION VERSION

FIRST AMENDMENT TO FEE LETTER AND SECOND AMENDMENT TO MASTER REPURCHASE AGREEMENT

THIS FIRST AMENDMENT TO FEE LETTER AND SECOND AMENDMENT TO MASTER REPURCHASE AGREEMENT, dated November 23, 2021 (this "Amendment"), is entered into by and among **BSPRT BB FLOAT, LLC**, a Delaware limited liability company, and **BSPRT BB FIXED, LLC**, a Delaware limited liability company (collectively, "Seller"), and **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales (including any successor thereto, "Purchaser"). Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Fee Letter (as defined below), and if not defined therein, in the Master Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Purchaser and Seller are parties to that certain Master Repurchase Agreement, dated as of March 15, 2019, as amended by the First Amendment to Master Repurchase Agreement, dated as of October 5, 2020 (the "Existing Repurchase Agreement" and, as amended by this Amendment, and as hereafter further amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the "Master Repurchase Agreement");

WHEREAS, in connection with the Master Repurchase Agreement, Seller and Purchaser are parties to that certain Fee Letter, dated as of March 15, 2019 (the "Existing Fee Letter" and, as amended by this Amendment, and as hereafter further amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the "Fee Letter"); and

WHEREAS, the parties hereto desire to make certain amendments and modifications to the Existing Repurchase Agreement and the Existing Fee Letter.

NOW THEREFORE, in consideration of the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1

AMENDMENTS TO THE EXISTING REPURCHASE AGREEMENT

(a) The definitions of "Availability Period Extension Fee" and "Structuring Fee" in Article 2 of the Existing Repurchase Agreement are hereby deleted in their entirety.

(b) Article 3(b)(iii) of the Existing Repurchase Agreement is hereby amended and restated in its entirety as follows:

(iii) [Reserved].

(c) Article 3(c) of the Existing Repurchase Agreement is hereby amended by adding the following clause at the end thereof:

> (xxiii) Payment of Funding Fee. Purchaser shall have received (which may be by netting the amount from the related funding) payment of the Funding Fee which is due and payable on the related Purchase Date.

(d) Article 3(h)(ii) of the Existing Repurchase Agreement is hereby amended by deleting the "and" at the end of clause (J) thereof, replacing the "." at the end of clause (K) thereof with "; and" adding the following clause (L) at the end thereof:

> (L) Payment of Funding Fee. Purchaser shall have received (which may be by netting the amount from the related funding) payment of the Funding Fee which is due and payable in connection with the related Purchase Price increase.

(e) Article 4(c) of the Existing Repurchase Agreement is hereby amended by deleting the "and" at the end of clause (vi) thereof, replacing the "." at the end of clause (vii) thereof with "; and" adding the following clause (viii) at the end thereof:

> (L) Purchaser shall have received (which may be by netting the amount from the related funding) payment of the Funding Fee which is due and payable in connection with the related Purchase Price increase.

ARTICLE 2

AMENDMENTS TO THE EXISTING FEE LETTER

(a) The definitions of "Availability Period Extension Fee" and "Structuring Fee" in Section 1 of the Existing Fee Letter are hereby deleted in their entirety.

(b) The following definition in Section 1 of the Existing Fee Letter are hereby amended and restated in its entirety as follows:

"Maximum Facility Purchase Price" shall mean $315,000,000.

(c) The following definition is hereby added to Section 1 of the Existing Fee Letter in its appropriate alphabetical order:

> "Funding Fee" shall mean a non-refundable fee that shall be deemed due, earned and payable (a) on the related Purchase Date for each Purchased Asset , (b) on any other date on which Purchase Price is paid to any Seller with respect to any Purchased Asset and
> (c) on each anniversary of the Closing Date during the Availability Period beginning on March 15, 2022, in an amount equal to the product of (i) 0.25% *multiplied by* (ii) in the case of clauses (a) or

(b), the amount of Purchase Price being paid to such Seller on such date (such Funding Fee to be pro-rated to account for the actual number of days remaining in the then-current facility year) or in the case of clause (c), the aggregate outstanding Purchase Price of all Purchased Assets as of such date; provided that, the aggregate Funding Fee (*plus*, with respect to the facility year ending on March 14, 2022, any "Structuring Fees" paid between March 15, 2021 and November 23, 2021, inclusively) with respect to all Purchased Assets for each facility year shall not exceed an amount equal to the product of (x) 0.25% *multiplied by* (y) the weighted average Maximum Facility Purchase Price.

ARTICLE 3 REPRESENTATIONS

Seller represents and warrants to Purchaser, as of the date of this Amendment, as follows:

(a) all representations and warranties made in the Existing Repurchase Agreement and Existing Fee Letter, in each case, are true and correct as of the date hereof, or if any such representation and warranty expressly refers to a prior date, as of such prior date;

(b) it is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and is duly qualified in each jurisdiction necessary to conduct business as presently conducted;

(c) it is duly authorized to execute and deliver this Amendment and to perform its obligations under the Existing Repurchase Agreement and the Existing Fee Letter, in each case, as amended and modified hereby, and has taken all necessary action to authorize such execution, delivery and performance;

(d) the person signing this Amendment on its behalf is duly authorized to do so on its behalf;

(e) the execution, delivery and performance of this Amendment will not violate any Requirement of Law applicable to it or its organizational documents or any agreement by which it is bound or by which any of its assets are affected;

(f) this Amendment has been duly executed and delivered by it; and

(g) the Existing Repurchase Agreement and the Existing Fee Letter, in each case, as amended and modified hereby, constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, other limitations on creditors' rights generally and general principles of equity.

ARTICLE 4 RESERVED ARTICLE 5

EXPENSES

Seller shall pay on demand all of Purchaser's reasonable out-of-pocket costs and expenses, including reasonable fees and expenses of attorneys, incurred in connection with the preparation, negotiation, execution and consummation of this Amendment.

ARTICLE 6 GOVERNING LAW

THIS AMENDMENT (AND ANY CLAIM OR CONTROVERSY HEREUNDER) SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO THE CONFLICT OF LAWS DOCTRINE APPLIED IN SUCH STATE (OTHER THAN SECTION 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

ARTICLE 7 MISCELLANEOUS

(a) Except as expressly amended or modified hereby, the Transaction Documents shall remain in full force and effect in accordance with their terms and are hereby ratified and confirmed. All references to the Transaction Documents shall be deemed to mean the Transaction Documents as modified by this Amendment.

(b) This Amendment may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in electronic format shall be as effective as delivery of a manually executed original counterpart of this Amendment.

(c) The headings in this Amendment are for convenience of reference only and shall not affect the interpretation or construction of this Amendment.

(d) This Amendment may not be amended or otherwise modified, waived or supplemented except as provided in the Master Repurchase Agreement.

(e) This Amendment contains a final and complete integration of all prior expressions by the parties with respect to the subject matter hereof and shall constitute the

entire agreement among the parties with respect to such subject matter, superseding all prior oral or written understandings.

(f) This Amendment and the Fee Letter, and this Amendment and the Repurchase Agreement, as applicable, in each case, together constitute a single Transaction Document.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed, as of the date first above written.

BARCLAYS BANK PLC, as Purchaser

By: /s/ Francis X. Gilhool

Name: Francis X. Gilhool Authorized Signatory

Title:

[SIGNATURE CONTINUES ON FOLLOWING PAGES

BSPRT BB FLOAT, LLC, as a Seller

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT BB FIXED, LLC, as a Seller

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

By signing below, Franklin BSP Realty Trust, Inc. (f/k/a Benefit Street Partners Realty Trust, Inc.), a Maryland corporation ("Guarantor"), hereby acknowledges the foregoing Amendment and in connection Purchaser's agreement to the terms of the foregoing Amendment reaffirms the terms and conditions of that certain Guaranty, dated as of March 15, 2019 (as the same was amended and may be further amended, modified, restated, replaced, waived, substituted, supplemented or extended and in effect from time to time, the "Guaranty"), for the benefit of Purchaser, and acknowledges and agrees that the Guaranty remains in full force and effect.

FRANKLIN BSP REALTY TRUST, INC.,
as Guarantor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

Exhibit 10.35

SECOND AMENDMENT TO
FEE LETTER AND THIRD AMENDMENT TO MASTER REPURCHASE AGREEMENT

THIS SECOND AMENDMENT TO FEE LETTER AND THIRD AMENDMENT TO MASTER REPURCHASE AGREEMENT, dated December 3, 2021 (this "Amendment"), is entered into by and among **BSPRT BB FLOAT, LLC**, a Delaware limited liability company, and **BSPRT BB FIXED, LLC**, a Delaware limited liability company (collectively, "Seller"), and **BARCLAYS BANK PLC**, a public limited company organized under the laws of England and Wales (including any successor thereto, "Purchaser"). Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Fee Letter (as defined below), and if not defined therein, in the Master Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Purchaser and Seller are parties to that certain Master Repurchase Agreement, dated as of March 15, 2019, as amended by the First Amendment to Master Repurchase Agreement, dated as of October 5, 2020, and as further amended by the First Amendment to Fee Letter and Second Amendment to Master Repurchase Agreement, dated as of November 23, 2021 (as so amended, the "Existing Repurchase Agreement" and, as further amended by this Amendment, and as hereafter further amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the "Master Repurchase Agreement");

WHEREAS, in connection with the Master Repurchase Agreement, Seller and Purchaser are parties to that certain Fee Letter, dated as of March 15, 2019, as amended by the First Amendment to Fee Letter and Second Amendment to Master Repurchase Agreement, dated as of November 23, 2021 (as so amended, the "Existing Fee Letter" and, as amended by the Amendment to Fee Letter and MRA and this Amendment, and as hereafter further amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the "Fee Letter"); and

WHEREAS, the parties hereto desire to make certain amendments and modifications to the Existing Repurchase Agreement and the Existing Fee Letter.

NOW THEREFORE, in consideration of the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1

AMENDMENTS TO THE EXISTING REPURCHASE AGREEMENT

(a) Article 2 of the Existing Repurchase Agreement is hereby amended by amending and restating the following definition:

"Availability Period" shall mean the period (i) beginning on the Closing Date and (ii) ending March 14, 2025, or such later date as may be in effect pursuant to Article 3(f).

(b) Article 3(f)(ii)(B) are hereby amended and restated in its entirety as follows:

(B) Purchaser shall have received, on or before the expiration of the Current Availability Period, payment from such Seller, as consideration for Purchaser's agreement to extend the then Current Availability Period, the Funding Fee which is due and payable on the anniversary of the Closing Date occurring upon the termination of the then Current Availability Period;

ARTICLE 2

AMENDMENTS TO THE EXISTING FEE LETTER

(a) Section 1 of the Existing Fee Letter is hereby amended by amending and restating the following definition:

"Maximum Facility Purchase Price" shall mean $500,000,000.

ARTICLE 3 REPRESENTATIONS

Seller represents and warrants to Purchaser, as of the date of this Amendment, as follows:

(a) all representations and warranties made in the Existing Repurchase Agreement and Existing Fee Letter, in each case, are true and correct as of the date hereof, or if any such representation and warranty expressly refers to a prior date, as of such prior date;

(b) it is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and is duly qualified in each jurisdiction necessary to conduct business as presently conducted;

(c) it is duly authorized to execute and deliver this Amendment and to perform its obligations under the Existing Repurchase Agreement and the Existing Fee Letter, in each case, as amended and modified hereby, and has taken all necessary action to authorize such execution, delivery and performance;

(d) the person signing this Amendment on its behalf is duly authorized to do so on its behalf;

(e) the execution, delivery and performance of this Amendment will not violate any Requirement of Law applicable to it or its organizational documents or any agreement by which it is bound or by which any of its assets are affected;

(f) this Amendment has been duly executed and delivered by it; and

(g) the Existing Repurchase Agreement and the Existing Fee Letter, in each case, as amended and modified hereby, constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, other limitations on creditors' rights generally and general principles of equity.

ARTICLE 4 CONDITIONS PRECEDENT

The effectiveness of this Amendment is subject to the delivery to Purchaser of the following:

(a) this Amendment, duly completed and executed by each of the parties hereto;

(b) a reaffirmation agreement executed by Franklin BSP Realty Trust, Inc. (f/k/a Benefit Street Partners Realty Trust, Inc.), a Maryland corporation, in the form and substance reasonably acceptable to Purchaser, reaffirming the terms of that certain Guaranty, dated as of March 15, 2019, as amended by that certain First Amendment to Guaranty, dated as of October 5, 2020, and as further amended by that certain Second Amendment to Guaranty, dated as of September 30, 2021 (as further amended, restated supplemented or otherwise modified from time to time, the "Guaranty"), and acknowledging that the terms of the Guaranty remain in full force and effect;

(c) bring-down of the opinions delivered by counsel to Seller and Guarantor on the Closing Date in form and substance reasonably acceptable to Purchaser; and

(d) for Seller and Guarantor, good standing certificates dated within thirty (30) calendar days prior to the effective date of this Amendment, certified true and complete copies of organizational documents and certified true, correct and complete copies of resolutions (or similar authority documents) with respect to the execution, delivery and performance of this Amendment and each other document to be delivered by such party from time to time in connection herewith, in each case included in a certificate delivered by an officer of Guarantor.

ARTICLE 5 EXPENSES

Seller shall pay on demand all of Purchaser's reasonable out-of-pocket costs and expenses, including reasonable fees and expenses of attorneys, incurred in connection with the preparation, negotiation, execution and consummation of this Amendment.

ARTICLE 6 GOVERNING LAW

THIS AMENDMENT (AND ANY CLAIM OR CONTROVERSY HEREUNDER) SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND THE OBLIGATIONS, RIGHTS, AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH

LAWS WITHOUT REGARD TO THE CONFLICT OF LAWS DOCTRINE APPLIED IN SUCH STATE (OTHER THAN SECTION 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

ARTICLE 7 MISCELLANEOUS

(a) Except as expressly amended or modified hereby, the Transaction Documents shall remain in full force and effect in accordance with their terms and are hereby ratified and confirmed. All references to the Transaction Documents shall be deemed to mean the Transaction Documents as modified by this Amendment.

(b) This Amendment may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment in electronic format shall be as effective as delivery of a manually executed original counterpart of this Amendment.

(c) The headings in this Amendment are for convenience of reference only and shall not affect the interpretation or construction of this Amendment.

(d) This Amendment may not be amended or otherwise modified, waived or supplemented except as provided in the Master Repurchase Agreement.

(e) This Amendment contains a final and complete integration of all prior expressions by the parties with respect to the subject matter hereof and shall constitute the entire agreement among the parties with respect to such subject matter, superseding all prior oral or written understandings.

(f) This Amendment and the Fee Letter, and this Amendment and the Repurchase Agreement, as applicable, in each case, together constitute a single Transaction Document.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF. the parties have caused this Amendment to be duly executed, as of the date first above written.

BARCLAYS BANK PLC, as Purchaser

By: /s/ Francis X. Gilhool
Name: Francis X. Gilhool
Title: Authorized Signatory

BSPRT BB FLOAT, LLC, as a Seller

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT BB FLOAT, LLC, as a Seller

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

Exhibit 10.35

Barclays-Benefit Street - Second Amendment to Fee Letter and Third Amendment to Master Repurchase Agreement

EXECUTION VERSION

FOURTH AMENDMENT TO CREDIT AGREEMENT

FOURTH AMENDMENT TO CREDIT AGREEMENT, dated as of December 1, 2021 (this "Fourth Amendment"), among BSPRT BB LOAN, LLC, a Delaware limited liability company ("Borrower Representative"), BSPRT FINANCE SUB-LENDER II, LLC, a Delaware limited liability company ("BSPRT Finance Sub-Lender" and, together with the Borrower Representative, the "Borrowers", and each a "Borrower"), FRANKLIN BSP REALTY TRUST, INC. (F/K/A BENEFIT STREET PARTNERS REALTY TRUST, INC.), a Maryland corporation (the "Guarantor"), the several banks and other financial institutions or entities party to this Agreement (the "Lenders") and BARCLAYS BANK PLC, as administrative agent (in such capacity, the "Administrative Agent").

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Credit Agreement (as defined below).

WITNESSETH:

WHEREAS, the parties hereto have entered into that certain Credit Agreement, dated as of September 19, 2017 (as amended by that certain First Amendment to Credit Agreement, dated as of July 30, 2018, Second Amendment to Credit Agreement, dated as of September 12, 2019, and Third Amendment to Credit Agreement dated as of September 8, 2021 and as further amended, restated, supplemented or otherwise modified from time to time, including pursuant to this Fourth Amendment, "Credit Agreement");

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders (a) increase the Revolving Credit Commitment and (b) make certain other changes to the Credit Agreement as further described herein; and

WHEREAS, the Administrative Agent and the Lenders have agreed to so amend the Credit Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the continued performance by the Borrowers and the other Loan Parties of their respective promises and obligations under the Credit Agreement and the other Loan Documents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Credit Agreement. As of the Fourth Amendment Effective Date (as defined below), the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example:) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the redline comparison of the Credit Agreement attached as Exhibit 1 hereto.

2. Conditions to Effectiveness. This Fourth Amendment shall become effective as of the first Business Day (the "Fourth Amendment Effective Date") on which each of the following conditions precedent shall have been satisfied:

(a) The Administrative Agent (unless otherwise noted below) shall have received each of the following (unless otherwise agreed to or waived by the Administrative Agent), in form and substance satisfactory to the Administrative Agent and dated as of the Fourth Amendment Effective Date:

(i) this Fourth Amendment, duly executed by the Borrowers, the Guarantor, the Lenders party thereto and the Administrative Agent;

(ii) the Acknowledgment and Consent Agreement in the form attached hereto as Exhibit 2 hereto (the "Acknowledgment and Consent"), duly executed by the Borrowers, the Guarantor and the Intermediate Pledgors;

(iii) the legal opinion of Nelson Mullins Riley & Scarborough LLP, special counsel to the Loan Parties addressed to the Administrative Agent and the Lenders;

(iv) certified resolutions of each Loan Party, authorizing its entry into the Fourth Amendment and the other documents or certificates to be delivered pursuant to this Fourth Amendment to which it is a party;

(v) (i) a signed certificate of a Responsible Officer, who shall certify the names of the Persons authorized, on the date hereof, to sign the Fourth Amendment and other documents or certificates to be delivered pursuant to this Fourth Amendment on behalf of the Loan Parties, together with the true signatures of each such Person (the Administrative Agent may conclusively rely on such certificate until it shall receive a further certificate canceling or amending the prior certificate and submitting the signatures of the Persons named in such further certificate and (ii) true and complete copies of the organizational documents of the Loan Parties, together with certificates of existence and, if applicable, good standing (or other similar instruments), in each case certified by a Responsible Officer of each Loan Party to be correct and complete copies thereof and in effect on the date hereof, in each case satisfactory to the Administrative Agent;

(vi) a Closing Certificate of a Responsible Officer from each Loan Party, dated the Fourth Amendment Effective Date, substantially in the form of Exhibit C to the Credit Agreement;

(vii) a Solvency Certificate in substantially the form delivered on the Closing Date from the chief financial officer of the Guarantor certifying that the Guarantor and its Subsidiaries, considered as a whole, after giving effect to the transactions contemplated hereby to occur on the Fourth Amendment Effective Date, are Solvent;

(viii) a Compliance Certificate, substantially in the form of Exhibit B to the Credit Agreement, containing all information and calculations necessary for determining pro forma compliance with Section 5.2 of the Credit Agreement as of the Fourth Amendment Effective Date; and

(ix) a Borrowing Base Certificate.

(b) 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.

(c) The Lenders, the Arranger and the Administrative Agent shall have received all fees required to be paid, 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), on or before the Fourth Amendment Effective Date.

(d) At least three business days prior to the Fourth Amendment Effective Date, any Borrower that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, shall deliver to the Administrative Agent a Beneficial Ownership Certification in relation to such Borrower.

3. Representations and Warranties. To induce the Administrative Agent and the Lenders to enter into this Fourth Amendment, the Borrowers and the Guarantor hereby jointly and severally represent and warrant to the Administrative Agent and Lenders on the date hereof that:

(a) The representations and warranties set forth in Section 3 of the Credit Agreement and in the other Loan Documents are true and correct in all material respects (or, in the case of any such representation and warranty already qualified by materiality or Material Adverse Effect, in all respects) on and as of the Fourth Amendment Effective Date (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date); provided that, (x) the representations and warranties contained in Section 3.1 of the Credit Agreement shall be made with respect to the most recent financial statements delivered pursuant to Section 5.1 of the Credit Agreement and (y) the representations and warranties contained in Section 3.2 of the Credit Agreement shall be made with respect to the most recent audited financial statements delivered pursuant to Section 5.1 of the Credit Agreement;

(b) The execution, delivery and performance of this Fourth Amendment and the Acknowledgment and Consent, the borrowings hereunder and the use of the proceeds thereof will not violate 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 any Requirement of Law or any such Contractual Obligation. No Requirement of Law or Contractual Obligation applicable to any Loan Party would reasonably be expected to have a Material Adverse Effect;

(c) Each Loan Party has the corporate or other power and authority, and the legal right, to make, deliver and perform this Fourth Amendment and the Acknowledgment and Consent (as applicable) and, in the case of the Borrowers, to borrow under the Credit Agreement. Each Loan Party has taken all necessary corporate or other action to authorize the execution, delivery and performance of this Fourth Amendment and the Acknowledgment and Consent (as applicable) and to authorize the borrowings on the terms and conditions of this Fourth Amendment. 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 the borrowings hereunder or the execution, delivery, performance, validity or enforceability of this Fourth Amendment or the Acknowledgment and Consent, except consents, authorizations, filings and notices described in Schedule 3.4 of the Credit Agreement, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect. This Fourth Amendment and the Acknowledgment and Consent have been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Fourth Amendment constitutes, and the Acknowledgment and Consent 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); and

(d) At the time of and after giving effect to this Fourth Amendment, no Default or Event of Default shall have occurred and be continuing.

4. Reference to and Effect on the Loan Documents.

(a) As of the Fourth Amendment Effective Date, each reference in the Credit Agreement and the other Loan Documents to the "Credit Agreement", "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby.

(b) Except to the extent amended hereby, the Credit Agreement and all of the other Loan Documents shall remain in full force and effect and each is hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Fourth Amendment shall not operate as a waiver of any Default or Event of Default or of any right, power, privilege or remedy of the Administrative Agent, any Lender under the Credit Agreement or any Loan Document, or constitute a waiver of any provision of the Credit Agreement or any Loan Document.

(d) The Borrowers and the Guarantor hereby confirm that the security interests and Liens granted by the Borrowers and the Guarantor pursuant to the Loan Documents continue to secure the Obligations and that such security interests and Liens remain in full force and effect.

(e) This Fourth Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and the other Loan Documents.

5. Headings. Section headings used herein are for convenience of reference only, are not part of this Fourth Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Fourth Amendment.

6. Counterparts; Severability; Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. The provisions of Sections 9.8, 9.9, 9.11, 9.12 and 9.17 of the Credit Agreement are incorporated herein and apply to this Fourth Amendment *mutatis mutandis* (except that any references to "Agreement" shall mean this Fourth Amendment).

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES

FOLLOW]

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

BSPRT BB LOAN, LLC,
as a Borrower

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT FINANCE SUB-LENDER II, LLC,
as a Borrower

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

FRANKLIN BSP REALTY TRUST, INC. F/K/A BENEFIT STREET PARTNERS REALTY TRUST, INC., as the Guarantor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT CRE FINANCE, LLC,
AS CRE Finance Pledgor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

[Signature Page to Acknowledgment and Consent]

EXHIBIT 1

Amended Credit Agreement

[Attached]

Exhibit 10.37

EXHIBIT 1 TO FOURTH AMENDMENT

$250,000,000 CREDIT AGREEMENT

among

BSPRT BB LOAN, LLC,
and
BSPRT FINANCE SUB-LENDER II, LLC,
as Borrowers,

FRANKLIN BSP REALTY TRUST, INC. F/K/A BENEFIT STREET PARTNERS REALTY TRUST, INC.,
as Guarantor,

The Several Lenders
from Time to Time Parties Hereto,

BARCLAYS BANK PLC,

as Sole Lead Arranger and Bookrunner, and

BARCLAYS BANK PLC,
as Administrative Agent

Dated as of September 19, 2017[1]

[1] Conformed through Fourth Amendment.

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CREDIT AGREEMENT, dated as of September 19, 2017, among BSPRT BB LOAN, LLC, a Delaware limited liability company ("Borrower Representative"), BSPRT FINANCE SUB- LENDER II, LLC, a Delaware limited liability company ("BSPRT Finance Sub-Lender" and, together with Borrower Representative, the "Borrowers", and each a "Borrower"), FRANKLIN BSP REALTY TRUST, INC. (F/K/A BENEFIT STREET PARTNERS REALTY TRUST, INC.), a Maryland corporation (the "Guarantor"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), BARCLAYS BANK PLC, as sole lead arranger and bookrunner (in such capacity, the "Arranger") and BARCLAYS BANK PLC, as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, the Borrowers have requested the Lenders provide a senior secured revolving loan facility in an aggregate principal amount of $100,000,000, with the proceeds thereof to be used by the Borrowers or their Affiliates (a) to originate loans or other eligible assets pursuant to the Borrowers' investment guidelines and (b) for operating expenses and general corporate purposes of the Borrowers;

WHEREAS, in connection with the Fourth Amendment the Borrowers have requested the Lenders increase the amount of the senior secured revolving loan facility to an aggregate principal amount of $250,000,000;

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) the filing of a decree or order for relief by a court having jurisdiction over such Person or any substantial part of its assets or property in an involuntary case under any applicable Debtor Relief Law now or hereafter in effect which (i) results in the entry of an order for relief or (ii) is not dismissed within 90 days, (b) the appointment by a court having jurisdiction over such Person or any substantial part of its assets or property, of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property and such appointment shall remain unstayed and in effect for a period of 90 days, (c) an order by a court having jurisdiction over such Person or any substantial part of its assets or property ordering the winding up or liquidation of such Person's affairs, and such order shall remain unstayed and in effect for a period of 90 days, (d) the commencement by such Person of a voluntary case under any applicable Debtor Relief Law now or hereafter in effect, (e) the consent by such Person to the entry of an order for relief in an involuntary case under any Debtor Relief Law, (f) the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property, (g) the making by such Person of any general assignment for the benefit of creditors, or

(h) the admission by such Person in writing in connection with a legal proceeding of the inability of such Person to pay its debts generally as they become due.

"Administrative Agent": as defined in the preamble hereto.

"Administrative Questionnaire": an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution": (a) any EEA Financial Institution or (b) any UK Financial Institution.

"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 Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Applicable Margin": (a) with respect to Eurodollar Loans, 2.75% and (b) with respect to Base Rate Loans, 1.75%.

"Appraisal": an appraisal of the underlying Real Property securing any Eligible Asset prepared by a state licensed or state certified, nationally recognized appraiser, in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and in compliance with the requirements of Title 11 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and the Interagency Appraisal and Evaluation Guidelines and utilizing customary valuation methods, such as the income, sales/market or cost approaches, as any of the same may be updated by recertification from time to time by the appraiser performing such appraisal.

"Approved Fund": any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender and which is not a Disqualified Institution.

"Arranger": as defined in the preamble hereto.

"Assignment and Assumption": an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.6(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

"Available Borrowing Capacity": with respect to any Person, on any date of determination, the total unrestricted borrowing capacity which may be drawn (taking into account required reserves and discounts) upon by such Person or its Subsidiaries, at such Person's or its Subsidiaries' sole discretion, under committed credit facilities or repurchase agreements which provide financing to such Person or its Subsidiaries.

"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 Revolving Credit Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding.

"Available Tenor": as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Bail-In Action": the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation": (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"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 Eurodollar Rate (for avoidance of doubt after giving effect to the proviso of the definition thereof) applicable to an Interest Period of one month. For purposes hereof: "Prime Rate" shall mean 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. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the one-month Eurodollar 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 Eurodollar Rate, respectively.

"Base Rate Loans": Loans for which the applicable rate of interest is based upon the
Base Rate.

"Benchmark": initially, the LIBO Rate; provided that if a replacement of the Benchmark has occurred pursuant to Section 2.24 titled "Benchmark Replacement Setting", then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has

replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"Benchmark Replacement": for any Available Tenor:

(1) For purposes of clause (a) of Section 2.24, the first alternative set forth below that can be determined by the Administrative Agent:

(a) the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration, and 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration; or

(b) the sum of: (i) Daily Simple SOFR and (ii) the spread adjustment selected or recommended by the Relevant Governmental Body for the replacement of the tenor of LIBO Rate with a SOFR-based rate having approximately the same length as the interest payment period specified in clause (a) of Section 2.24; and

(2) For purposes of clause (b) of Section 2.24, the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for Dollar-denominated syndicated or bilateral credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"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 "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Transition Event": with respect to any then-current Benchmark other than LIBO Rate, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the

time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"Beneficial Ownership Certificate": a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation": 31 C.F.R. §1010.230. "Benefited Lender": as defined in Section

9.7.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower" and "Borrowers": as defined in the preamble hereto.

"Borrower Account": any account of any Borrower designated by such Borrower in writing to the Administrative Agent from time to time, which account, as an initial matter with respect to each Borrower, shall be the account of such Borrower set forth in the Collection Account Control Agreement to which such Borrower is a party.

"Borrower Representative": as defined in the preamble hereto.

"Borrowing Base": subject to the Concentration Limit, as of any date of determination, an amount equal to:

(a) 70% of the Borrowing Base Asset Amount for all Borrowing Base Assets which were originated by a Borrower or an Affiliate no earlier than ninety (90) days prior to such date of determination, as certified by Borrower Representative in accordance with Section 4.3(c);

(b) 60% of the Borrowing Base Asset Amount for all Borrowing Base Assets which were originated by a Borrower or an Affiliate between ninety-one (91) days and one hundred and twenty (120) days prior to such date of determination, as certified by Borrower Representative in accordance with Section 4.3(c);

(c) 40% of the Borrowing Base Asset Amount for all Borrowing Base Assets which were originated by a Borrower or an Affiliate between one hundred and twenty-one (121) days and one hundred and fifty (150) days prior to such date of determination, as certified by Borrower Representative in accordance with Section 4.3(c);

(d) 25% of the Borrowing Base Asset Amount for all Borrowing Base Assets which were originated by a Borrower or an Affiliate between one hundred and fifty-one (151) days and one hundred and eighty (180) days prior to such date of determination, as certified by Borrower Representative in accordance with Section 4.3(c); and

(e) 0% of the Borrowing Base Asset Amount for any Borrowing Base Assets which were originated by a Borrower or an Affiliate earlier than one hundred and eighty-one (181) days prior to such date of determination, as certified by Borrower Representative in accordance with Section 4.3(c).

"Borrowing Base Addition Notice": as defined in Section 4.3(a). "Borrowing Base Approval Notice":

as defined in Section 4.3(b).

"Borrowing Base Asset": each Eligible Asset included in the Borrowing Base on the Closing Date or subsequently added to the Borrowing Base pursuant to Section 4.3.

"Borrowing Base Asset Amount": with respect to any Borrowing Base Asset, the lesser of (i) the outstanding principal balance of the portion of the Borrowing Base Asset owned by a Borrower and (ii) the purchase price paid by such Borrower or its Affiliate to a third party to acquire such Borrowing Base Asset, if applicable, plus, in either circumstance, the amount of any future advances made by such Borrower following the addition of the Borrowing Base Asset to the Borrowing Base; provided that unfunded future advance obligations in respect of any Eligible Asset that exist when such asset first became a Borrowing Base Asset shall be disregarded when calculating the Borrowing Base Asset Amount until such time as such unfunded future advances are funded by such Borrower.

"Borrowing Base Asset Documents": all documents, instruments, agreements, assignments and certificates, including without limitation, any and all loan or credit agreements, notes, allonges or endorsements, mortgages, assignments of leases and rents, security agreements, pledge agreements, assignments of contracts, environmental indemnities, guaranties, mortgagee's title insurance policies, opinions of counsel, evidences of authorization or incumbency, escrow instructions and UCC-1 financing statements, as may be applicable, that are or may be executed (and acknowledged where applicable) and recorded and filed by an Underlying Obligor in connection with a Borrowing Base Asset, as the same may be amended or otherwise modified from time to time in accordance with this Agreement. Borrowing Base Asset Documents shall also include all agreements, permits, assurances and other instruments (such as permits and approvals) that may be delivered to the applicable Borrower by the Underlying Obligor pursuant to the Borrowing Base Asset Documents.

"Borrowing Base Certificate": a certificate, appropriately completed that calculates the Maximum Facility Availability, substantially in the form of Exhibit K (with such modifications as to format and presentation as may be reasonably requested by the Administrative Agent upon five Business Days' notice), together with all supporting documentation reasonably requested by the Administrative Agent.

"Borrowing Base Conditions": with respect to any asset, each of the following conditions:

(a) the applicable Borrower shall own 100% of such asset;

(b) such asset shall not be a Defaulted Asset;

(c) such asset shall be originated by the applicable Borrower or its Affiliate not more than 180 days before becoming a Borrowing Base Asset, and shall not have been modified in any material respect since its origination except as disclosed to the Administrative Agent prior to becoming a Borrowing Base Asset or otherwise in accordance with this Agreement;

(d) other than pursuant to the Loan Documents, the applicable Borrower's interest in such asset is not subject to any Lien, negative pledge or other encumbrance;

(e) in the case of a senior or pari passu co-lender interest or participation in a commercial mortgage loan, either (i) the applicable Borrower, or an Affiliate of such Borrower

together with such Borrower, owns at least 50% of the initial aggregate principal amount of such loan or (ii) the applicable Borrower or an Affiliate of such Borrower shall serve as the administrative agent with respect to such loan and shall directly hold a co-lender interest or participation in such loan large enough to block any lender vote under the underlying loan documentation;

(f) the Loan to Value Ratio with respect to such asset shall not exceed 80% (or in the case of a mezzanine loan, shall not exceed 85%) ; provided that for such asset to initially be included in the Borrowing Base, an Appraisal of the related Real Property shall have been conducted not more than 180 days prior to becoming a Borrowing Base Asset;

(g) the Guarantor believes, in its reasonable, good faith judgment, that such asset can be alternately financed in accordance with the Guarantor's standards for similar assets including, but not limited, to (i) such asset satisfying all criteria necessary to qualify as an "eligible asset" (or similar term) under one or more of the Guarantor's or its Subsidiaries' credit or repurchase facilities, (ii) the Guarantor's or its Affiliates' ability to sell a senior participation or mortgage interest in such asset or (iii) the Guarantor's or its Subsidiaries' ability to contribute such asset to a securitized financing vehicle or similar structure sponsored by the Guarantor;

(h) such asset shall be secured (or, in the case of a mezzanine loan, the mortgage loan to which it is related is secured) by a mortgage on Real Property that is the subject of an Appraisal that has been delivered to the Administrative Agent at the time such loan becomes a Borrowing Base Asset;

(i) such asset is not a construction loan, a land loan or a condominium conversion loan;

(j) the representations and warranties for assets of that type set forth in the applicable part of Annex B are true and correct in all material respects (except as disclosed in writing to the Administrative Agent in an Exception Report prior to approval of such Borrowing Base Asset pursuant to Section 4.3 and otherwise from time to time);

(k) none of the Real Property securing such loan shall have any material environmental, structural, title or other defects, and not be subject to any condemnation proceeding, that in any event would give rise to a material adverse effect as to the value, use of, operation of or ability to sell or finance such property;

(l) the Underlying Obligor under such asset is an entity organized under the laws of a state of the United States of America or the District of Columbia;

(m) such asset is denominated in Dollars;

(n) the underlying Real Property with respect to such loan shall be located within any state of the United States of America or the District of Columbia; and

(o) except as approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed), the Underlying Obligor shall have no Indebtedness other than such loan and unsecured trade payables incurred in the ordinary course of business.

Notwithstanding anything to the contrary, the failure of any asset proposed to be added as a Borrowing Base Asset to comply with any of the foregoing conditions will not preclude the addition of

such asset as a Borrowing Base Asset so long as the Administrative Agent has consented to the addition, and if such consent is given, the applicable Borrowing Base Condition will be modified with respect to such asset for so long as such asset is a Borrowing Base Asset.

Upon any asset ceasing to qualify as an Eligible Asset, such loan shall no longer be included in the Borrowing Base unless otherwise approved in writing by the Administrative Agent. Within five Business Days after becoming aware of any such disqualification, Borrower Representative shall deliver to the Administrative Agent a certificate reflecting such disqualification, together with the identity of the disqualified loan, a statement as to whether any Material Default or Event of Default arises as a result of such disqualification, and a calculation of the Borrowing Base attributable to such loan.

"Borrowing Base Disapproval Notice": as defined in Section 4.3(b).

"Borrowing Date": any Business Day specified by Borrower Representative 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 Borrower Representative, substantially in the form of, and containing the information prescribed by, Exhibit H, delivered to the Administrative Agent.

"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 (i) commercial banks (A) in the State of New York,
(B) solely with respect to Wells Fargo Bank, National Association for purposes of Section 5.10(a), the State of North Carolina, and (C) solely with respect to Situs Asset Management LLC for purposes of Section 5.10(a), any other State in which any account maintained by it with respect to the Borrowing Base Assets is located, or (ii) the New York Stock Exchange, 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, Eurodollar 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, as a lessee to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligation shall be the capitalized amount thereof, determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"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) Available Borrowing Capacity, plus (iii) 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 or treaty, (b) any change in any law, rule, regulation 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:

(a) any consummation of a merger, amalgamation or consolidation of the Guarantor with or into another entity or any other reorganization occurs and more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's stock or other ownership interest in such entity outstanding immediately after such merger, amalgamation, consolidation or such other reorganization is not owned directly or indirectly by Persons who were stockholders or holders of such other ownership interests in the Guarantor immediately prior to such merger, amalgamation, consolidation or other reorganization;

(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 the Guarantor entitled to vote generally in the election of directors, members or partners of 20% or more other than Controlled Affiliates of the Guarantor, or to the extent such interests are obtained through a public market offering or secondary market trading;

(c) the Guarantor shall cease to own and control, of record and beneficially, directly or indirectly, 100% of each class of outstanding Capital Stock of any Intermediate Pledgor;

(d) the Guarantor (or any entity managed or controlled by the Guarantor or any of its Affiliates) shall cease to be the sole general partner of the Operating Partnership;

(e) any Intermediate Pledgor shall cease to own directly and control, of record and beneficially, 100% of each class of outstanding Capital Stock of any Borrower which is a direct Subsidiary of such Intermediate Pledgor; or

(f) any transfer of all or substantially all of any Borrower's or the Guarantor's assets (other than any securitization transaction or any repurchase or other similar transactions in the ordinary course of such Borrower's or the Guarantor's business).

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied, which date shall be no later than September 19, 2017.

"Closing Date Fee Letter": the Fee Letter, dated as of the Closing Date, by and among the Borrowers, the Arranger and the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Code": the Internal Revenue Code of 1986, as amended from time to time. "Collateral": collectively, the collateral upon which Liens have been granted pursuant to the Security Documents.

"Collection Account": a deposit account with the Deposit Bank in the name of a Borrower subject to a Lien of the Administrative Agent for the benefit of the Secured Parties.

"Collection Account Control Agreements" means (i) that certain Deposit Account Control Agreement, dated as of September 19, 2017, by and among Borrower Representative, the Administrative Agent and the Deposit Bank, and (ii) that certain Deposit Account Control Agreement, dated as of September 19, 2017, by and among BSPRT Finance Sub-Lender, the Administrative Agent and the Deposit Bank, in each case as amended, restated, supplemented or otherwise modified from time to time, and each providing to the Administrative Agent "control" of the applicable Collection Account within the meaning of Article 9 of the Uniform Commercial Code, as amended, restated, supplemented or otherwise modified from time to time.

"Collections": with respect to any Borrowing Base Asset:

(a) all scheduled payments of principal and principal prepayments, all insurance proceeds and all guaranty payments and net proceeds of any liquidations, sales, dispositions or securitizations received by the Borrower, in each case, attributable to the principal of such Borrowing Base Asset;

(b) all payments and collections attributable to interest on such Borrowing Base Asset, including, without limitation, all scheduled payments of interest and payments of interest relating to principal prepayments, all guaranty payments attributable to interest and net proceeds of any liquidations, sales, dispositions or securitizations attributable to interest on such Borrowing Base Asset received by the Borrower; and

(c) amendment fees, late fees, waiver fees or other amounts received in respect of such Borrowing Base Asset.

For the avoidance of doubt, Collections shall not include fees and reimbursements paid to the Servicers pursuant to the applicable Servicing Agreement, origination fees and expense deposits paid by any Underlying Obligor in connection with the origination and closing of any Borrowing Base Asset, any reimbursement for out-of-pocket costs and expenses or any amounts deposited into an escrow reserve pursuant to and in accordance with the related Borrowing Base Asset Documents.

"Commitment Fee Rate": as defined in the Fee Letters.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with any Borrower within the meaning of Section 4001(a)(14) of ERISA or is part of a group that includes any 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, substantially in the form of Exhibit B.

"Concentration Limit": at all times, mezzanine loans do not in the aggregate exceed 25% of the Borrowing Base.

"Conduit Lender Pledgor": as defined in the definition of Intermediate Pledgor. "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.

"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.

"Controlled Affiliate": any Person that, directly or indirectly, is controlled by the Guarantor. 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".

"Conversion/Continuation Notice": a Conversion/Continuation Notice substantially in the form of Exhibit L.

"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.

"CRE Finance Pledgor": BSPRT CRE Finance, LLC.

"Daily Simple SOFR": for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for bilateral business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"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.

"Defaulted Asset": any Borrowing Base Asset (a) that is 30 days or more delinquent in the payment of principal, interest, fees or other amounts payable under the terms of the related loan documents or other asset documentation or, with respect to a senior or pari passu co-lender interest or participation in a commercial mortgage loan, the underlying commercial mortgage loan is 30 days or more delinquent in the payment of principal, interest, fees or other amounts payable under the terms of the related loan documents or other asset documentation, (b) for which there is a breach of the applicable representations and warranties set forth on Annex B (except as has been disclosed to the Administrative

Agent in an Exception Report prior to approval of such Borrowing Base Asset pursuant to Section 4.3) that results in a determination by Administrative Agent in its sole and absolute discretion, exercised in good faith, that such breach could reasonably be expected to have a material adverse effect on the market value of a Borrowing Base Asset or the underlying Real Property, (c) to which an Act of Insolvency shall have occurred with respect to the Underlying Obligor, (d) as to which a material non-monetary event of default shall have occurred beyond any applicable notice or cure period under any related Borrowing Base Asset Documents, including, without limitation, with respect to any senior or pari passu co-lender interest or participation in a commercial mortgage loan, any document related to the underlying commercial mortgage loan, or (e) for which the related Borrowing Base Asset Documents have been amended in a manner which does not constitute a Permitted Modification, in each case, without regard to any waivers or modifications of, or amendments to, the related Borrowing Base Asset Documents, other than those that were disclosed in writing to the Administrative Agent prior to the date such Borrowing Base Asset was approved for inclusion in the Borrowing Base or which are otherwise entered into in accordance with this Agreement.

"Defaulting Lender": subject to Section 2.22(b), any Lender that:

(a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and Borrower Representative in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due,

(b) has notified Borrower Representative or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied),

(c) has failed, within three Business Days after written request by the Administrative Agent or Borrower Representative, to confirm in writing to the Administrative Agent and Borrower Representative that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and Borrower Representative), or

(d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment

on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.22(b)) upon delivery of written notice of such determination to Borrower Representative and each Lender.

"Deposit Bank": Wells Fargo Bank, National Association, or any other deposit bank mutually agreed upon between the applicable Borrower and the Administrative Agent.

"Disclosable Event": as defined in Section 5.13.

"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.

"Disqualified Institution": on any date, any Person specified on Schedule 1.1(a); provided that "Disqualified Institutions" shall exclude any Person that Borrower Representative has designated as no longer being a "Disqualified Institution" by written notice delivered to the Administrative Agent from time to time.

"Dollars" and "$": dollars in lawful currency of the United States of America.

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

"Early Opt-in Election": the occurrence of:

(1) a determination by the Administrative Agent that at least five currently outstanding Dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate, and

(2) the election by the Administrative Agent to trigger a fallback from the LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Borrower Representative.

"EBITDA": with respect to any Person, for any period, such Person's Consolidated Net Income, excluding the effects of such Person's and its Subsidiaries' interest expense with respect to Indebtedness, taxes, depreciation, amortization, asset write-ups or impairment charges, provisions for loan losses, and changes in mark-to-market value(s) (both gains and losses) of financial instruments and noncash compensation expenses, all determined on a consolidated basis in accordance with GAAP.

"EEA Financial Institution": any of (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country": any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"EEA Resolution Authority": any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Asset": any asset that is either (i) a commercial mortgage loan, (ii) a senior or pari passu co-lender interest or participation in a commercial mortgage loan or (iii) a mezzanine loan, provided that the applicable Borrower has provided reasonably satisfactory evidence that any other repurchase, warehouse or similar facility entered into by an Affiliate of such Borrower has preliminarily approved of such mezzanine loan for such facility, and in each case, which satisfies each of the Borrowing Base Conditions.

"Eligible Assignee": any (a) a commercial bank organized under the laws of the United States, or any state thereof, and having total assets in excess of $250,000,000, (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Corporation and Development or a political subdivision of any such country and which has total assets in excess of $250,000,000, (c) a finance company, insurance company, or other financial institution or fund that is engaged in making, purchasing, or otherwise investing in commercial loans in the ordinary course of its business and having (in its name or under management) total assets in excess of $250,000,000, (d) a Lender, any Affiliate of a Lender, or any Approved Fund, and (e) any other Person approved by the Administrative Agent and the Borrowers; provided that no Disqualified Institutions may be considered an Eligible Assignee. For the avoidance of doubt, any Disqualified Institution is subject to Section 9.6(f).

"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 9.5, 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.

"EU Bail-In Legislation Schedule": the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurocurrency Reserve Requirements": for any day, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": for any Interest Period as to any Eurodollar Loan, (i) the rate per annum determined by the Administrative Agent to be the offered rate which appears on the page of the Reuters Screen 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 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, 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 zero, the LIBO Rate will be deemed to be zero.

"Eurodollar Loans": Loans for which the applicable rate of interest is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 7.1; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exception Report": as defined in Section 4.3(d).

"Exchange Act": as defined in the definition of "Change of Control". "Existing Termination Date": as

defined in Section 2.4(a). "Extending Lender": as defined in Section 2.4(b).

"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.

"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 NYFRB based on such day's federal funds transactions by depository institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate.

"Fee Letters": the Closing Date Fee Letter, the First Amendment Fee Letter, the Second Amendment Fee Letter the Third Amendment Fee Letter and the Fourth Amendment Fee Letter.

"First Amendment": First Amendment to Credit Agreement, dated as of the First Amendment Effective Date, among the Borrowers, the Guarantor, the lenders party thereto and the Administrative Agent.

"First Amendment Effective Date": the date on which the conditions precedent set forth in Section 2 of the First Amendment shall have been satisfied, which date shall be no later than July 30, 2018.

"First Amendment Fee Letter": the Fee Letter, dated as of the First Amendment Effective Date, by and among the Borrowers and the Arranger, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Fixed Charges": with respect to any Person, for any period, the amount of interest paid in cash with respect to Indebtedness as shown on such Person's consolidated statement of cash flow in accordance with GAAP as offset by the amount of receipts pursuant to net receive interest rate swap agreements of such Person and its consolidated Subsidiaries during the applicable period.

"Floor": the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the LIBO Rate.

"Fourth Amendment": Fourth Amendment to Credit Agreement, dated as of the Fourth Amendment Effective Date, among the Borrowers, the Guarantor, the Lenders party thereto and the Administrative Agent.

"Fourth Amendment Effective Date": the date on which the conditions precedent set forth in Section 2 of the Fourth Amendment shall have been satisfied, which date shall be no later than December 1, 2021.

"Fourth Amendment Fee Letter": the Fee Letter, dated as of the Fourth Amendment Effective Date, by and among the Borrowers, the Arranger and the Administrative Agent, as the same may be amended, stated, supplemented or otherwise modified from time to time.

"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.

"Funding Office": the office specified from time to time by the Administrative Agent as its funding office by notice to Borrower Representative and the Lenders.

"Funds From Operations": for any Person for any period, the sum of (a) Consolidated Net Income for such period plus (b) depreciation and amortization expense determined in accordance with GAAP; provided that, there shall not be included in such calculation (i) any proceeds of any insurance policy other than rental or business interruption insurance received by such Person, (ii) any gain or loss which is classified as "extraordinary" in accordance with GAAP or (iii) any capital gains and taxes on capital gains.

"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 and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by each Borrower and the Guarantor on the Closing Date, substantially in the form of Exhibit A-1, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"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, 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. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (A) an amount equal to the maximum stated amount of the primary obligation in respect of which such Guarantee Obligation is made and (B) the maximum stated amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum

reasonably anticipated liability in respect thereof as determined by Borrower Representative in good faith.

"Guarantor": 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 the Loan Parties 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.

"Hedge Recourse Indebtedness": with respect to any Person, on any date of determination, the amount of obligations in respect of Hedge Agreements for which such Person has recourse liability, equal to the net amount that would be payable (giving effect to netting) at such time if such Hedge Agreements were terminated, exclusive of recourse liability that is limited to obligations relating to customary nonrecourse carve-outs.

"Indebtedness": with respect to any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person), (b) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such unsecured trade accounts payable are payable within 90 days of the date the respective goods are delivered or the respective services are rendered, (c) Indebtedness of others secured by a Lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person, (d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person,
(e) Capital Lease Obligations of such Person, (f) obligations of such Person under repurchase agreements or like arrangements, (g) Indebtedness of others guaranteed by such Person to the extent of such guarantee, and (h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person. Notwithstanding the foregoing, neither (i) non-Recourse Indebtedness owing pursuant to a securitization transaction such as a REMIC securitization, a collateralized loan obligation transaction or other similar securitization nor (ii) Indebtedness owing pursuant to an adjustable-rate mortgage security or any related repurchase agreement, shall be considered Indebtedness for any Person.

"Indemnified Liabilities": as defined in Section 9.5.

"Indemnitee": as defined in Section 9.5.

"Independent Director": an individual who has prior experience as an independent director, independent manager or independent member with at least three years of employment experience and who is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, Lord Securities Corporation or, if none of those companies is then providing professional Independent Directors, another nationally recognized company reasonably approved by the Administrative Agent, in each case that is not an Affiliate of any Borrower and that provides professional Independent Directors and other corporate services in the ordinary course of its business, and which individual is duly appointed as a member of the board of directors or board of managers of such corporation or limited liability company and is not, has not been at any time in the preceding five years, and will not while serving as Independent Director be, any of the following:

(a) a member, partner, equity holder (but excluding holders of public stock or securities), manager, director, officer or employee of any Borrower, the Guarantor or any of their respective equity holders or Affiliates (other than (i) as an Independent Director of such Borrower or (ii) as an Independent Director of an Affiliate of such Borrower that is not in the direct chain of ownership of such Borrower and that is required by a creditor to be a single purpose bankruptcy remote entity; provided that, such Independent Director is employed by a company that routinely provides professional Independent Directors);

(b) a creditor, supplier or service provider (including a provider of professional services) to any Borrower, the Guarantor or any of their respective equity holders or Affiliates (other than through a nationally recognized company that routinely provides professional Independent Directors and other corporate services to the Guarantor, any single purpose entity equity holder, or any of their respective equity holders or Affiliates in the ordinary course of business);

(c) a family member of any such member, partner, equity holder, manager, director, officer, employee, creditor, supplier or service provider; or

(d) a Person who controls (whether directly, indirectly or otherwise) any of the individuals described in the preceding clauses (a), (b) or (c).

An individual who otherwise satisfies the preceding definition other than clause (a) by reason of being the Independent Director of a "special purpose entity" affiliated with any Borrower or the Guarantor shall not be disqualified from serving as an Independent Director if (x) such individual is provided by CT Corporation or (y) the fees that such individual earns from serving as an Independent Director of Affiliates of any Borrower and the Guarantor in any given year constitute in the aggregate less than 5% of such individual's annual income for that year.

"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": (a) as to any Base Rate Loan, the last Business Day of each March, June, September and December to occur while such Loan is outstanding and the final maturity

date of such Loan and (b) as to any Eurodollar Loan, the last day of such Interest Period and the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one month thereafter and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one 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 Revolving Credit Termination Date shall end on the Revolving Credit Termination 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.

"Intermediate Pledgor": each of BSPRT CRE Finance, LLC (the "CRE Finance Pledgor"), a Delaware limited liability company and/or BSPRT CMBS Finance, LLC (*formerly* BSPRT Finance, LLC) (the "Conduit Lender Pledgor"), a Delaware limited liability company.

"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.

"Knowledge": as of any date of determination, the then current actual (as distinguished from imputed or constructive and without duty of further inquiry or investigation) knowledge of (x) solely in the case of any Borrowing Base Asset, any asset manager employed by Benefit Street Partners
L.L.C. that is responsible for the origination, acquisition and/or management of such Borrowing Base Asset and (y) in all other cases, a Responsible Officer of any Borrower or the Guarantor, as applicable. "Known" shall have a correlative meaning.

"Lender": as defined in the preamble hereto.

"LIBO Rate": as defined in the definition of "Eurodollar Base Rate".

"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": this Agreement, the Security Documents, the Servicing Agreements, the Notes, the Fee Letters and any other letter agreements with respect to fees payable to the Arranger, the Administrative Agent or the Lenders and any agreements in connection with any of the foregoing.

"Loan Parties": the Borrowers, the Intermediate Pledgors and the Guarantor.

"Loan to Value Ratio": with respect to any asset on any date of determination, the ratio of (x) the aggregate outstanding debt (which shall include the underlying loan and all debt senior to or pari passu with such loan) secured, directly or indirectly, by the related real property, to (y) the aggregate value of such Real Property as determined by (i) an Appraisal addressed to the applicable Borrower or an Affiliate of such Borrower dated not earlier than 180 days prior to the date such asset becomes a Borrowing Base Asset or (ii) with respect to an asset originated by such Borrower or an Affiliate thereof more than 150 days prior to such date, at the Administrative Agent's sole option in accordance with Section 5.14, an Appraisal of the Real Property underlying such asset commissioned by the Administrative Agent at the Borrowers' expense.

"Material Adverse Effect": a material adverse effect on (a) the business, assets, financial condition or operations of the Loan Parties, taken as a whole; (b) the ability of the Loan Parties, taken as a whole, to perform their material obligations under the Loan Documents; or (c) the legality, validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Material Default": on any date of determination, any of the events specified in
(i) Section 7.1(a), 7.1(c) with respect to a Default in the observance or performance of any agreement contained in Section 5.9, 5.10, 5.11, 6.2, 6.3. 6.4, 6.5, 6.7 or 6.18, 7.1(e), 7.1(f) or 7.1(k), whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied and
(ii) Section 7.1(c) with respect to the failure to comply with the financial condition covenants set forth in Section 6.1 on such date after giving pro forma effect to the Loans, extension of the Existing Termination Date or other action to be taken by the Loan Parties on such date.

"Material Environmental Amount": an amount or amounts payable with respect to any Real Property directly or indirectly securing any Borrowing Base Asset in the aggregate in excess of
(x) with respect to the Guarantor or any Intermediate Pledgor, $25,000,000, and (y) with respect to any Borrower, $1,000,000, 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.

"Maximum Facility Availability": at any date, an amount equal to the lesser of (a) the Total Revolving Credit Commitments on such date and (b) the Borrowing Base on such date.

"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 any Borrower, the Guarantor or any Commonly Controlled Entity has an obligation to contribute.

"Non-Consenting Lender": as defined in Section 2.20(b). "Non-Excluded Taxes": as defined

in Section 2.16(a).

"Non-Recourse Indebtedness": any Indebtedness other than Recourse Indebtedness. "Non-U.S. Lender": as defined in

Section 2.16(e).

"Non-U.S. Participant": as defined in Section 2.16(e). "Note": any promissory note

evidencing any Loan. "NYFRB": the Federal Reserve Bank of New York.

"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 Borrower, 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 Borrowers 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 Borrowers pursuant hereto or otherwise.

"OFAC": Office of Foreign Assets Control of the United States Department of the Treasury.

"Operating Partnership": Benefit Street Realty Operating Partnership, L.P.

"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 any 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 an assignment made pursuant to Section 2.20 or a participation made pursuant to clause (A) of Section 9.6(d)).

"Participant": as defined in Section 9.6(d).

"Payment Office": the office specified from time to time by the Administrative Agent as its payment office by notice to Borrower Representative and the Lenders.

"Payment Time": with respect to payments to be made by Borrower hereunder,
(i) 4:00 P.M. (New York City time) on the due date thereof to the extent that Barclays Bank PLC is the sole Lender hereunder, or (ii) 2:00 P.M. (New York City time) on the due date thereof to the extent that one or more Lenders are not Barclays Bank PLC or an Affiliate thereof.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Modification": a consent, amendment, supplement, waiver, release or other modification, subject to compliance with the Guarantor's or its Subsidiaries' standards for similarly situated loans, participations and other loan interests, which consent, amendment, supplement, waiver, release or other modification (i) does not increase the loan amount or commitment of the applicable Borrower to the Underlying Obligor, decrease the interest rate, postpone the maturity date, release any material collateral or any underlying guarantor or waive any financial covenants or (ii) result in such Borrowing Base Asset ceasing to be an Eligible Asset, unless, in the case of either (i) or (ii), such consent, amendment, supplement, waiver, release or other modification is (x) previously approved by the Administrative Agent for such Borrowing Base Asset in its reasonable discretion, (y) required by law or
(z) constitutes action that such Borrower is required to take pursuant to the terms of the relevant Borrowing Base Asset Documents.

"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 or Section 412 of ERISA 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 the Guarantor could reasonably be expected to have liability (contingent or otherwise).

"Platform": any of DebtDomain, WatchDox, IntraLinks, SyndTrak or a substantially similar electronic transmission system

"Pledge Agreement": collectively (i) the Pledge Agreement, dated as of September 19, 2017, made by BSPRT Finance, LLC (n/k/a BSPRT CMBS Finance, LLC) in favor of the Administrative Agent for the benefit of the Lenders and (ii) the Pledge Agreement, dated as of September 13, 2019, made by BSPRT CRE Finance, LLC in favor of the Administrative Agent for the benefit of the Lenders, as applicable, each substantially in the form of Exhibit A-2, as amended, restated, supplemented or otherwise modified in writing from time to time.

"Pledged Stock": as defined in the Pledge Agreement.

"Prepayment Notice": a notice of prepayment of Loans pursuant to Section 2.5(a), substantially in the form of Exhibit M.

"Prime Rate": as defined in the definition of "Base Rate".

"Principal Financial Officer": the chief financial officer, any director (or equivalent) or officer from time to time of the Guarantor with actual knowledge of the financial affairs of the Guarantor and its Subsidiaries.

"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.

"Proposed Borrowing Base Asset": as defined in Section 4.3(a).

"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 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 guarantee agreement), exclusive of any such Indebtedness for which such recourse liability is limited to obligations relating to or under agreements containing customary nonrecourse carve-outs.

"Register": as defined in Section 9.6(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 Board or the NYFRB, or a committee officially endorsed or convened by the Board or the NYFRB, 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 Lenders": at any time, the holders of more than 51% of the Total Revolving Credit Commitments then in effect or, if the Revolving Credit Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding. The Total Revolving Extensions of Credit of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"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.

"Resolution Authority": an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer": the president, chief executive officer, managing director or chief financial officer of the Guarantor.

"Restricted Payment": any dividend or other distribution (whether in cash, securities or other property) with respect to any Capital Stock of any Person or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, 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. Notwithstanding the foregoing, the conversion of (including any cash payment upon the conversion of), payment of any principal or premium on, or payment of any interest with respect to, any Convertible Debt Securities shall not constitute a Restricted Payment.

"Revolving Credit 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 "Revolving Credit 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 aggregate amount of the Total Revolving Credit Commitments as of the Fourth Amendment Effective Date is $250,000,000.

"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 Revolving Credit Commitment then constitutes of the Total Revolving Credit Commitments (or, at any time after the Revolving Credit 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": September 20, 2023, as such date may be extended pursuant to Section 2.4.

"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.

"SEC": the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

"Second Amendment": Second Amendment to Credit Agreement, dated as of the Second Amendment Effective Date, among the Borrowers, the Guarantor, the lenders party thereto and the Administrative Agent.

"Second Amendment Effective Date": the date on which the conditions precedent set forth in Section 2 of the Second Amendment shall have been satisfied, which date shall be no later than September 13, 2019.

"Second Amendment Fee Letter": the Fee Letter, dated as of the Second Amendment Effective Date, by and among the Borrowers, the Arranger and the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Secured Parties": as defined in the Guarantee and Collateral Agreement.

"Security Documents": the Guarantee and Collateral Agreement, the Pledge Agreement, the Collection Account Control Agreements 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.

"Servicers": Wells Fargo Bank, National Association, Situs Asset Management LLC or any other servicer mutually agreed upon between Borrower Representative and the Administrative Agent.

"Servicing Agreement Joinders": the Situs Servicing Agreement Joinder and the Wells Servicing Agreement Joinder.

"Servicing Agreements": the Situs Servicing Agreement and the Wells Servicing Agreement.

"Shareholder's Equity": with respect to any Person, on any date of determination, all amounts which would be included under capital or shareholder's equity (or any like caption) on a consolidated balance sheet of such Person pursuant to GAAP.

"Situs Servicing Agreement": the Servicing Agreement, dated as of January 31, 2017, by and between Benefit Street Partners, LLC and Situs Asset Management LLC (as such agreement relates to Additional Owner Assets (as defined in the Situs Servicing Agreement Joinder) only, to which Borrower Representative is a party pursuant to the Situs Servicing Agreement Joinder, as amended, restated, supplemented or otherwise modified from time to time.

"Situs Servicing Agreement Joinder": the Joinder to Servicing Agreement, dated as of the Closing Date, by and between Borrower Representative and Situs Asset Management LLC, substantially in the form of Exhibit D-1, relating to the Situs Servicing Agreement.

"SOFR": a rate per annum equal to the secured overnight financing rate for such Business Day published by the NYFRB (or a successor administrator of the secured overnight financing rate) on the website of the NYFRB, currently at http://www.newyorkfed.org (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

"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 will be able to pay its debts 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.

"Special Purpose Entity": with respect to any Person, such Person's organizational documents provide that such Person shall (i) not engage in any business, other than the origination, acquisition, ownership, hedging, administering, financing, servicing, management, enforcement and disposition of the Collateral, any Borrowing Base Asset and any Proposed Borrowing Base Asset, all in accordance with the applicable provisions of the Loan Documents and applicable Borrower's organizational documents, (ii) not incur any Indebtedness or other obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than
(A) obligations under the Loan Documents, and (B) unsecured trade payables in the ordinary course of its business which are no more than 90 days past due, and (C) as otherwise expressly permitted under this Agreement, (iii) not make any loans or advances to any Affiliate or third party and shall not acquire obligations or securities of its Affiliates, in each case other than in connection with the origination or acquisition of Borrowing Base Assets or Proposed Borrowing Base Assets, (iv) pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) only from and solely to the extent of its own assets, provided that the foregoing shall not require any member, partner or shareholder of such Person to make any additional capital contributions to such Person, (v) comply with the special purpose provisions of its certificate of formation and limited liability company agreement, (vi) do all things necessary to observe organizational formalities and to preserve its existence, and shall not amend, modify, waive the "Special Purpose Provisions" of its Limited Liability Company Agreement (as defined therein) in a manner so as to modify or limit its obligations in accordance with this definition, without prior written consent of the Required Lenders, (vii) maintain all of its books, records, balance sheet and

bank accounts separate from those of its Affiliates, (viii) be, and at all times owns itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), shall correct any Known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, and shall not identify itself or any of its Affiliates as a division of the other, (ix) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and shall remain Solvent, provided that the foregoing shall not require any member, partner or shareholder of such Person to make any additional capital contributions to such Person, (x) not engage in or suffer any Change of Control, dissolution, winding up, liquidation, consolidation or merger in whole or in part, (xi) not commingle its funds or other assets with those of any Affiliate or any other Person and shall maintain its properties and assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate or any other Person, (xii) not hold itself out to be responsible for the debts or obligations of any other Person, (xiii) not, without the prior written consent of its Independent Director, take any Act of Insolvency, (xiv)(A) have at all times at least one Independent Director whose vote is required to take any Act of Insolvency, and (B) provide the Administrative Agent with up-to-date contact information for such Independent Director and a copy of the agreement pursuant to which such Independent Director consents to and serves as an "Independent Director" for such Person, (xv) ensure that the organizational documents for such Person provide that, for so long as any all Obligations remain outstanding, (A) that the Administrative Agent be given at least five Business Days' prior notice of the removal and/or replacement of such Independent Director, together with the name and contact information of the replacement Independent Director and evidence of the replacement's satisfaction of the definition of Independent Director, (B) that, to the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, such Independent Director shall consider only the interests of such Person, including its respective creditors, in acting or otherwise voting on the Act of Insolvency, and (C) that, except for duties to such Person as set forth in the immediately preceding clause (including duties to the holders of the Capital Stock in such Person or such Person's respective creditors solely to the extent of their respective economic interests in such Person, but excluding (1) all other interests of the holders of the Capital Stock in such Person, (2) the interests of other Affiliates of such Person, and (3) the interests of any group of Affiliates of which such Person is a part), the Independent Director shall not have any fiduciary duties to the holders of the Capital Stock in such Person, any officer or any other Person bound by the organizational documents of such Person; provided that, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing, (xvi) not enter into any transaction with an Affiliate of such Person except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction, (xvii) allocate fairly and reasonably any overhead for shared office space and for services performed by an employee of an Affiliate, (xviii) not pledge its assets to secure the obligations of any other Person, (xix) not form, acquire or hold any Subsidiary or own any Capital Stock in any other entity, in each case, other than such Person, and (xx) have one natural person (who may be the Independent Director) that is not an economic member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement becomes a special member of the company simultaneously with the resignation or dissolution of the last remaining member of the company such that the company is continued without dissolution.

"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.

"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. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Guarantor.

"Tangible Net Worth": with respect to any Person, on any date of determination, all amounts which would be included under capital or shareholder's equity (or any like caption) on a balance sheet of such Person pursuant to GAAP, minus (a) amounts owing to such Person from any Affiliate thereof, or from officers, employees, partners, members, directors, shareholders or other Persons similarly affiliated with such Person or any Affiliate thereof, (b) intangible assets, and (c) prepaid taxes and/or expenses, all on or as of such date.

"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": for the applicable corresponding tenor, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Termination Date Extension Request": a written request by Borrower Representative, in form and substance reasonably satisfactory to the Administrative Agent, for the extension of the applicable Revolving Credit Termination Date pursuant to Section 2.4.

"Third Amendment": Third Amendment to Credit Agreement, dated as of the Third Amendment Effective Date, among the Borrowers, the Guarantor, the Lenders party thereto and the Administrative Agent.

"Third Amendment Effective Date": the date on which the conditions precedent set forth in Section 2 of the Third Amendment shall have been satisfied, which date shall be no later than September 8, 2021.

"Third Amendment Fee Letter": the Fee Letter, dated as of the Third Amendment Effective Date, by and among the Borrowers, the Arranger and the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Total Indebtedness": with respect to any Person, on any date of determination, all Indebtedness of such Person (other than contingent liabilities not reflected on such Person's consolidated balance sheet), plus the proportionate share of all Indebtedness (other than contingent liabilities not reflected on such Person's consolidated balance sheet) of all non-consolidated Affiliates of such Person, on or as of such date of determination.

"Total Revolving Credit Commitments": at any time, the aggregate amount of the Revolving Credit 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 9.14.

"Type": as to any Loan, its nature as a Base Rate Loan or a Eurodollar Loan.

"UK Financial Institutions": any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority": the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Underlying Obligor": the borrower under a Borrowing Base Asset.

"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.

"Wells Servicing Agreement": the Servicing Agreement, dated as of February 21, 2017, by and between Benefit Street Partners CRE Finance, LLC and Wells Fargo Bank, National Association (as such agreement relates to Additional Owner Assets (as defined in the Wells Servicing Agreement Joinder) only, to which BSPRT Finance Sub-Lender is a party pursuant to the Wells Servicing Agreement Joinder, as amended, restated, supplemented or otherwise modified from time to time.

"Wells Servicing Agreement Joinder": the Joinder to Servicing Agreement, dated as of the Closing Date, by and between BSPRT Finance Sub-Lender and Wells Fargo Bank, National Association, substantially in the form of Exhibit D-2, relating to the Wells Servicing Agreement.

"Write-Down and Conversion Powers": (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time

under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Definitional Provisions. (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 the Guarantor 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.

SECTION 2 AMOUNT AND TERMS OF REVOLVING CREDIT COMMITMENT

2.1 Revolving Credit Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans (the "Loans") to the Borrowers 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 Revolving Credit Commitment; provided that, the Total Revolving Extensions of Credit shall at no time exceed the Maximum Facility Availability at such time. During the Revolving Credit Commitment Period the Borrowers may use the Revolving Credit Commitments by borrowing, prepaying the Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by Borrower Representative and notified to the Administrative Agent in accordance with Sections 2.2 and 2.9; provided that, no Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Revolving Credit Termination Date.

(b) The Borrowers shall repay all outstanding Loans on the Revolving Credit Termination Date.

2.2 Procedure for Revolving Credit Borrowing. The Borrowers may borrow under the Revolving Credit Commitments on any Business Day during the Revolving Credit Commitment Period; provided that, Borrower Representative shall deliver to the Administrative Agent a Borrowing Notice (which Borrowing Notice must be (x) received by the Administrative Agent (i) prior to 2:00 P.M. (New York City time) two Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (ii) prior to 10:00 A.M. (New York City time) on the requested Borrowing Date, in the case of Base Rate Loans and (y) accompanied by a pro forma Borrowing Base Certificate). Each borrowing of Loans under the Revolving Credit Commitments shall be in an amount equal to (x) in the case of Base Rate Loans, $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) and (y) in the case of Eurodollar Loans, $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). Upon receipt of any such Borrowing Notice from Borrower Representative, the Administrative Agent shall promptly notify each Lender thereof. 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 applicable Borrower indicated on the applicable Borrowing Notice at the Funding Office prior to 11:30 A.M. (New York City time) on the Borrowing Date requested by Borrower Representative in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the applicable Borrower by the Administrative Agent in like funds as received by the Administrative Agent.

2.3 Repayment of Loans; Evidence of Debt. (a) The Borrowers hereby jointly and severally unconditionally promise 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 Revolving Credit Termination Date (or on such earlier date on which the Loans become due and payable pursuant to Section 7.1). The Borrowers hereby further agree 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 2.11.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrowers 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, on behalf of the Borrowers, shall maintain the Register pursuant to Section 9.6(c), and a subaccount therein for each Lender, in which shall be recorded
(i) the amount of each Loan made hereunder and any Note evidencing such Loan, the Type of such Loan 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 Borrowers to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrowers and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.3(b) shall, to the extent permitted by applicable law and absent manifest error, be prima facie evidence of the existence and amounts of the obligations of the Borrowers therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of such Borrower to repay (with applicable interest) the Loans made to the Borrowers in accordance with the terms of this Agreement.

(e) Each Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrowers will promptly execute and deliver to such Lender a Note evidencing any Loans of

such Lender, substantially in the form of Exhibit F, 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 Extension of Revolving Credit Termination Date. (a) During the period commencing not more than 180 days prior to, and ending not less than 90 days prior to the Revolving Credit Termination Date then in effect (the "Existing Termination Date") the Borrowers shall have the option, by delivery of a Termination Date Extension Request by Borrower Representative to the Administrative Agent (which shall promptly deliver a copy thereof to each of the Lenders), to extend the Existing Termination Date with respect to all, or any portion of, the Revolving Credit Commitments, for an additional one-year period in accordance with this Section 2.4; provided that, (i) no Event of Default or Material Default shall have occurred and be continuing at the time a Termination Date Extension Request is delivered to the Lenders or at the time of the applicable extension, (ii) except as to interest, fees and final maturity (which shall be subject to the requirements of this Section 2.4, be determined by Borrower Representative and set forth in the Termination Date Extension Request), the Revolving Credit Commitments and Loans extended pursuant to a Termination Date Extension Request shall have the same terms as the original Revolving Credit Commitments and Loans subject to such Termination Date Extension Request, (iii) Borrower Representative may not submit more than one Termination Date Extension Request and (iv) the Revolving Credit Termination Date, as extended, shall not be later than the September 20, 2024 of the Closing Date.

(b) The Termination Date Extension Request shall specify (i) the date to which the Existing Termination Date is to be extended, (ii) the portion of the Revolving Credit Commitments to be extended, (iii) the changes, if any, to the Applicable Margin to be applied in determining the interest payable on the Loans of, and the fees payable hereunder to, Extending Lenders (as defined below) in respect of that portion of their Revolving Credit Commitments and Loans extended to such new Revolving Credit Termination Date and (iv) any other amendments or modifications to this Agreement to be effected in connection with the Termination Date Extension Request; provided that, no such changes or modifications requiring approvals pursuant to the provisos in Section 9.1 shall become effective prior to the then Existing Termination Date and other matters contemplated thereby on the terms and subject to the conditions set forth therein (each Lender holding Revolving Credit Commitments subject to the Termination Date Extension Request being referred to herein as an "Extending Lender"). If the Borrowers elect to extend only a portion of the then existing Revolving Credit Commitment, each Lender will be deemed for purposes hereof to be an Extending Lender solely in respect of such extended portion, and the aggregate principal amount of each Type of Loans of such Lender shall be allocated ratably among the extended and non-extended portions of the Loans of such Lender based on the aggregate principal amount of such Loans so extended and not extended. Subject to Section 2.4(e), on the date specified in the Termination Date Extension Request as the effective date thereof, (i) the Existing Termination Date of the applicable Revolving Credit Commitments and Loans shall, as to the Extending Lenders, be extended to such date as shall be specified therein and (ii) such other modifications and amendments hereto specified in the Termination Date Extension Request shall (subject to any required approvals (including those of the Required Lenders) having been obtained) shall become effective.

(c) [Intentionally omitted].

(d) If a Termination Date Extension Request has become effective hereunder:

(i) not later than the fifth Business Day prior to the Existing Termination Date, the Borrowers shall make prepayments of Loans such that, after giving effect to such prepayments, the Total Revolving Extensions of Credit as of such date will not exceed the aggregate Revolving Credit Commitments of the Extending Lenders extended pursuant to this

Section 2.4 (and the Borrowers shall not be permitted thereafter to request any Loan if, after giving effect thereto, the Total Revolving Extensions of Credit of all Lenders would exceed the aggregate amount of the Revolving Credit Commitments so extended); and

(ii) on the Existing Termination Date, if the Borrowers have elected to extend only a portion of the then-existing Revolving Credit Commitment and Loans, the non- extended portion of the Revolving Credit Commitments shall terminate, and the Borrowers shall repay the non-extended portion of such Loans, together with accrued and unpaid interest and all fees and other amounts owing to the applicable Lender hereunder, it being understood and agreed that, subject to satisfaction of the conditions set forth in Section 4.2, such repayments may be funded with the proceeds of new Loans made simultaneously with such repayments by the Extending Lenders, which Loans shall be made ratably by the Extending Lenders in accordance with their Extended Revolving Credit Commitments.

(e) The Termination Date Extension Request shall become effective hereunder, on the effective date of such extension, upon the satisfaction of the following conditions:

(i) on the Existing Termination Date, the Administrative Agent shall have received an officer's certificate from a Responsible Officer of Borrower Representative certifying that:

(x) 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 date; provided that, (A) to the extent that any such representation and warranty relates to a specific earlier date, they shall be true and correct in all material respects as of such earlier date and (B) to the extent that any such representation and warranty is qualified as to "materiality", "Material Adverse Effect" or similar language, they shall be true and correct (after giving effect to any such qualification therein) in all respects on such respective dates; and

(y) no Event of Default or Material Default has occurred and is continuing on such date or after giving effect to the requested extension; and

(ii) the Administrative Agent shall have received, for the ratable account of each Extending Lender, an extension fee in the amount of 0.25% of the Revolving Credit Commitments and Loans so extended.

(f) Notwithstanding any provision of this Agreement to the contrary, it is hereby agreed that no extension of an Existing Termination Date in accordance with the express terms of this Section 2.4, or any amendment or modification of the terms and conditions of the Revolving Credit Commitments and Loans of the Extending Lenders effected pursuant thereto, shall be deemed to violate
(i) the last sentence of Section 2.6 or Section 2.14 or 9.7 or any other provision of this Agreement requiring the ratable reduction of Revolving Credit Commitments or the ratable sharing of payments or
(ii) require the consent of all Lenders or all affected Lenders under Section 9.1.

(g) The Borrowers, the Administrative Agent and the Extending Lenders may enter into an amendment to this Agreement to effect such modifications as may be reasonably necessary to reflect the terms of the Termination Date Extension Request that has become effective in accordance with the provisions of this Section 2.4. In connection with such amendment, the Borrowers shall, if reasonably requested by the Administrative Agent, deliver a customary opinion of counsel reasonably

acceptable to the Administrative Agent as to the enforceability of such amendment, this Agreement as amended thereby and such other Loan Documents (if any) as may be amended thereby.

2.5 Commitment Fees, etc. (a) The Borrowers agree 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 quarterly in arrears on the last Business Day of each March, June, September and December and on the Revolving Credit Termination Date, commencing on the first of such dates to occur after the date hereof. If there is any change in the Commitment Fee Rate during any quarter, the actual daily amount of the commitment fee shall be computed and multiplied by the Commitment Fee Rate separately for each period during such quarter that such Commitment Fee Rate was in effect.

(b) The Borrowers jointly and severally agree to pay to the Administrative Agent and the Arranger the fees in the amounts and on the dates set forth in the Fee Letters and otherwise from time to time agreed to in writing by the Borrowers, the Administrative Agent and the Lenders.

2.6 Termination or Reduction of Revolving Credit Commitments. The Borrowers shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the aggregate amount of the Revolving Credit Commitments; provided that, no such termination or reduction of Revolving Credit 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 Maximum Facility Availability. Any such reduction (excluding any termination of a portion of the Revolving Credit Commitments pursuant to Section 2.4) shall be in an amount equal to $1,000,000, or a whole multiple thereof (or, if the aggregate Revolving Credit Commitments are less, such lesser amount), and shall reduce permanently the Revolving Credit Commitments then in effect.

2.7 Optional Prepayments. The Borrowers 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 no later than 2:00 P.M. (New York City time) three Business Days prior thereto in the case of Eurodollar Loans and no later than 10:00 A.M. (New York City time) on the day thereto in the case of Base Rate Loans, which Prepayment Notice shall specify the date and amount of such prepayment and whether such prepayment is of Eurodollar Loans or Base Rate Loans; provided that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrowers shall also pay any amounts owing pursuant to Section 2.17. Upon receipt of a Prepayment Notice the Administrative Agent shall promptly notify each relevant Lender thereof. 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 (except in the case of Loans that are Base Rate Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Loans (other than after any principal prepayment with respect to a Borrowing Base Asset made by the relevant Underlying Obligor which, immediately after giving effect to such prepayment, does not result in the Borrower being required to make a mandatory prepayment in accordance with Section 2.8) shall be in an aggregate principal amount of $1,000,000 or a whole multiple of $250,000 thereof (or, if the aggregate outstanding principal amount of the Loans are less, such lesser amount).

2.8 Mandatory Prepayments. If at any date the Total Revolving Extensions of Credit exceed the Maximum Facility Availability calculated as of such date (including, for the avoidance of doubt, if the Borrowing Base decreases due to a Borrowing Base Asset ceasing to qualify as an Eligible Asset), the Borrowers shall prepay the Loans within two Business Days 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 Maximum Facility Availability as of such date.

2.9 Conversion and Continuation Options. (a) The Borrowers may elect from time to time to convert Eurodollar Loans to Base Rate Loans by giving the Administrative Agent prior irrevocable notice of such election with delivery of a Conversion/Continuation Notice no later than 12:00 Noon (New York City time) two Business Days in advance thereof; provided that, any such conversion of Eurodollar Loans may be made only on the last day of an Interest Period with respect thereto. The Borrowers may elect from time to time to convert Base Rate Loans to Eurodollar Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 12:00 Noon (New York City time) two Business Days in advance thereof (which notice shall specify the length of the initial Interest Period therefor); provided that no Base Rate Loan may be converted into a Eurodollar Loan (i) when any Event of Default has occurred and is continuing and the Administrative Agent has, or the Required Lenders have determined in its or their sole discretion not to permit such conversions or (ii) after the date that is one month prior to the Revolving Credit Termination Date (as in effect from time to time). Upon receipt of any such notice, the Administrative Agent shall promptly notify each Lender thereof.

(b) The Borrowers may elect to continue any Eurodollar Loan as such upon the expiration of the then current Interest Period with respect thereto by giving irrevocable notice to the Administrative Agent no later than 12:00 Noon (New York City time) two Business Days in advance thereof; provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has, or the Required Lenders have, determined in its or their sole discretion not to permit such continuations or (ii) after the date that is one month prior to the Revolving Credit Termination Date; and provided further that if Borrower Representative shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso, such Loans shall be converted automatically to Base Rate Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice, the Administrative Agent shall promptly notify each Lender thereof.

2.10 Minimum Amounts and Maximum Number of Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations and optional prepayments of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $1,000,000 or a whole multiple of $250,000 in excess thereof (or, if the aggregate Eurodollar Loans then outstanding are less, such lesser amount).

2.11 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each Base Rate Loan shall bear interest for each day on which it is outstanding at a rate per annum equal to the Base Rate in effect for such day plus the Applicable Margin.

(c) (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 amount 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 Base Rate 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).

(d) Interest shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand during the applicability of Section 2.11(c). 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 2.11(d) shall not relieve, excuse or waive any of the Borrowers' payment or other obligation under the Loan Documents.

2.12 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, except that, with respect to Base Rate Loans, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify Borrower Representative and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify Borrower Representative and the relevant Lenders of the effective date and the amount of each such change in interest 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 Borrowers and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of Borrower Representative, deliver to Borrower Representative a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.11(a) or (b).

2.13 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrowers) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period; provided, that the Administrative Agent has made a similar determination, where permitted, under each other comparable credit facility where the Administrative Agent is the administrative agent (or a capacity similar thereto), or

(b) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period; provided, that such Lenders shall have taken similar action, where permitted, under each other comparable credit facility where such Lender is a lender,

the Administrative Agent shall give telecopy or telephonic notice thereof to Borrower Representative and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as Base Rate Loans and (z) any outstanding Eurodollar Loans shall be converted, on the last day of the then current Interest Period with respect thereto, to Base Rate Loans unless such notice has been withdrawn. Until such notice has been withdrawn by the Administrative Agent, no further

Eurodollar Loans shall be made or continued as such, nor shall the Borrowers have the right to convert Loans to Eurodollar Loans.

2.14 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrowers from the Lenders hereunder, each payment by the Borrowers on account of any commitment fee and any reduction of the Revolving Credit Commitments of the Lenders, shall be made pro rata 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 hereunder 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.

(b) Each payment (including each prepayment) by the Borrowers 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.

(c) The application of any payment of Loans (including optional and mandatory prepayments) shall be made, first, to Base Rate Loans and, second, to Eurodollar Loans. Each payment of the Loans (except in the case of Loans that are Base Rate Loans) shall be accompanied by accrued interest to the date of such payment on the amount paid.

(d) All payments (including prepayments) to be made by the Borrowers hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to the Payment Time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Payment Office, in Dollars and in immediately available funds. Any payment made by the Borrowers after the Payment Time on any Business Day shall be deemed to have been made on the next following Business Day. If any payment hereunder (other than payments on the Eurodollar Loans) 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 Eurodollar Loan 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.

(e) 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, make available to the applicable 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 rate per annum applicable to Base Rate Loans, on demand, from the Borrowers.

(f) Unless the Administrative Agent shall have been notified in writing by Borrower Representative prior to the date of any payment of Loans due to be made by the Borrowers hereunder that the Borrowers will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrowers are 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 Borrowers 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 Borrowers.

(g) 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.

2.15 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 Eurodollar Loan made by it (except for Non-Excluded Taxes imposed on amounts payable by the Borrowers under this Agreement, taxes expressly excluded under the provisions of Section 2.16 in defining "Non-Excluded Taxes" or Other Taxes covered by Section 2.16);

(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 Eurodollar 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, by an amount which such Lender, in its commercially reasonable judgment, deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrowers shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable; provided, however, that with respect to the foregoing, such Lender has made such determination and imposed such increase upon all of its similarly situated borrowers under similar credit facilities. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 2.15, it shall promptly notify Borrower Representative (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 2.15 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender pursuant to this Section 2.15 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies Borrower Representative 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 nine-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) by an amount deemed by such Lender, in its commercially reasonable judgment, to be material, then from time to time, after submission by such Lender to Borrower Representative (with a copy to the Administrative Agent) of a written request therefor, the Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction; provided, however, that with respect to the foregoing, such Lender has made such determination and imposed such increase upon all of its similarly situated borrowers under similar credit facilities.

(d) A certificate as to any additional amounts payable pursuant to this Section 2.15 submitted by any Lender to Borrower Representative (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrowers pursuant to this Section 2.15 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.16 Taxes. (a) All payments made by the Borrowers 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 on any Recipient by the United States, or 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 2.16; (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 (other than pursuant to an assignment request under Section 2.19), or (B) designates a new lending office, except, in each case, to the extent that pursuant to this Section 2.16, 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 any 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.

(b) In addition, without duplication of other amounts payable by the Borrowers or Loan Party pursuant to Section 2.16(a), the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrowers 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 2.16(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 Borrower Representative 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.

(d) Whenever any Non-Excluded Taxes or Other Taxes are payable by the Borrowers, as promptly as possible thereafter Borrower Representative 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 Borrower Representative 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 Borrowers 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 Borrowers 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 2.18(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.

(e) Each Lender shall deliver documentation and information to Borrower Representative and the Administrative Agent, at the times and in form required by applicable law or reasonably requested by Borrower Representative or the Administrative Agent, sufficient to permit Borrower Representative 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 Borrower Representative and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the applicable withholding agent) or promptly notify Borrower Representative and the Administrative Agent in writing of its legal ineligibility to do so. In addition, any Recipient, if reasonably requested by Borrower Representative or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower Representative 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 Borrower Representative 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 Borrower Representative 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 in not a "United States person" as defined in Section 7701(a)(30) of the Code (a "Non-U.S. Lender") shall deliver to Borrower

Representative 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 G-1, G-2, G-3 or G-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 Borrowers 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 Borrower Representative or the Administrative Agent). Each Non-U.S. Lender shall promptly notify Borrower Representative (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 Borrower Representative (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.

(f) 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.

(g) The Administrative Agent shall deliver to Borrower Representative 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 Borrowers 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 Borrower Representative. Notwithstanding anything to the contrary in this Section 2.16, the Administrative Agent shall not be required to provide any documentation that the Administrative Agent is not legally eligible to deliver.

(h) 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 Borrower Representative and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower Representative 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 Borrower Representative or the Administrative Agent as may be necessary for the Borrowers 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.

(i) 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 Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section 2.16, it shall pay over such refund to Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by Borrowers under this Section 2.16 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, Borrowers, upon the request of the Administrative Agent or such Lender, shall repay the amount paid over to Borrowers 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 Borrowers 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.

(j) Nothing in this Section 2.16 shall require the Lender to make available any of its tax returns or any other information that it deems to be confidential or proprietary.

2.17 Indemnity. The Borrowers jointly and severally agree 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 Borrowers in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrowers have given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrowers in making any prepayment after the Borrowers have given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment or conversion of Eurodollar 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, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert 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 Borrower Representative 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.

2.18 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 Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Base Rate Loans to Eurodollar Loans shall forthwith be canceled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall, upon notice to Borrower Representative, be converted automatically to Base Rate Loans 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; provided, however, that with respect to the foregoing, such Lender has made such determination and imposed such conversion upon all

of its similarly situated borrowers under similar credit facilities. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrowers shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.17.

2.19 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.15, 2.16 or 2.18 with respect to such Lender, it will, if requested by Borrower Representative, 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 any Borrower or the rights of any Lender pursuant to Section 2.15, 2.16(a) or 2.18.

2.20 Replacement of Lenders under Certain Circumstances. (a) The Borrowers shall be permitted to replace any Lender that (i) requests reimbursement for amounts owing pursuant to Section 2.15 or 2.16 or gives a notice of illegality pursuant to Section 2.18, (ii) is a Defaulting Lender or
(iii) is a Non-Consenting Lender with a replacement financial institution; provided that (A) such replacement does not conflict with any Requirement of Law, (B) no Event of Default shall have occurred and be continuing at the time of such replacement, (C) prior to any such replacement, such Lender shall not have taken action under Section 2.19 which has eliminated the continued need for payment of amounts owing pursuant to Section 2.15 or 2.16 or which has eliminated the illegality referred to in such notice of illegality given pursuant to Section 2.18, (D) the replacement financial institution shall purchase, at par (or such other amount agreed upon by the replacement financial institution and the replaced Lender), all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (E) the Borrowers shall be liable to such replaced Lender under Section 2.17 (as though Section 2.17 were applicable) if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (F) the replacement financial institution, if not already a Lender, shall be an Eligible Assignee and be reasonably satisfactory to the Administrative Agent, (G) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 9.6 (provided that, if applicable, the Borrowers shall be obligated to pay the registration and processing fee referred to therein), (H) the Borrowers shall pay all additional amounts (if any) required pursuant to Section 2.15 or 2.16, as the case may be, in respect of any period prior to the date on which such replacement shall be consummated, and (I) any such replacement shall not be deemed to be a waiver of any rights that the Borrowers, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) In the event that (i) Borrower Representative or the Administrative Agent has requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment requires the agreement of the Required Lenders, all Lenders or all affected Lenders in accordance with the terms of Section 9.1 and
(iii) the Required Lenders have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "Non-Consenting Lender".

2.21 [Intentionally Omitted].

2.22 Defaulting Lender.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders".

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7.1 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.7 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as Borrower Representative may request (so long as no Default or Event of Default has occurred and is continuing), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and Borrower Representative, to be held in a deposit account and released in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with their Revolving Credit Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.5(a) for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If Borrower Representative and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with their Revolving Credit Commitments, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and provided further that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting

Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.23 Borrower Representative. Borrower Representative hereby (i) is designated and appointed by each Borrower as its representative and agent on its behalf and (ii) accepts such appointment as the representative and agent of the Borrowers, in each case, for the purposes of issuing Borrowing Notices, giving instructions with respect to the disbursement of the proceeds of the Loans, selecting interest rate options, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants, but without relieving any other Borrower of its joint and several obligations to pay and perform the Obligations) on behalf of any Borrower or the Borrowers under the Loan Documents. The Administrative Agent and each Lender may regard any notice or other communication pursuant to any Loan Document from Borrower Representative as a notice or communication from all Borrowers. Each warranty, covenant, agreement and undertaking made on behalf of a Borrower by Borrower Representative shall be deemed for all purposes to have been made by such Borrower and shall be binding upon and enforceable against such Borrower to the same extent as if the same had been made directly by such Borrower.

2.24 Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Loan Document:

(a) Replacing LIBO Rate. On March 5, 2021 the Financial Conduct Authority ("FCA"), the regulatory supervisor of the administrator of LIBO Rate ("IBA"), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-month, 3-month, 6- month and 12-month LIBO Rate tenor settings. On the earlier of (i) the date that all Available Tenors of LIBO Rate have either permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative and
(ii) the Early Opt-in Effective Date, if the then-current Benchmark is LIBO Rate, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

(b) Replacing Future Benchmarks. Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower Representative without any amendment to this Agreement or any other Loan Document, or further action or consent of the Borrowers. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower Representative may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower Representative's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower Representative will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate

Loans. During the period referenced in the foregoing sentence, the component of Base Rate based upon the Benchmark will not be used in any determination of Base Rate.

(c) Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent 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.

(d) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower Representative of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 2.24, 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 may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.24.

(e) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBO Rate), then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

SECTION 3 REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, each Borrower and the Guarantor hereby jointly and severally represent and warrant, 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 the Guarantor as at June 30, 2017, 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 the Guarantor and its consolidated 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 the Guarantor as at December 31, 2016, 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 KPMG 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 the Guarantor and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended.

(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, 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 December 31, 2016 to and including the date hereof there has been no Disposition by the Guarantor and its Subsidiaries of any material part of its business or Property.

3.2 No Change. Since December 31, 2016 there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect, which has not been disclosed by Borrower Representative in accordance with Section 5.7(f) and waived in writing by the Administrative Agent and the Required Lenders.

3.3 Corporate Existence; Compliance with Law; Special Purpose Entity. (a) Each of the Loan Parties (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 Borrower complies with the definition of Special Purpose Entity.

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 each 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 each 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 the borrowings hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, 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 and the use of the proceeds thereof will not violate 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 any Requirement of Law or any such Contractual Obligation. No Requirement of Law or Contractual Obligation applicable to any Loan Party would 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 and the Required Lenders, no litigation, investigation of which any Borrower or the Guarantor has Knowledge or proceeding of or before any arbitrator or Governmental Authority is pending or, to the Knowledge of any Borrower or the Guarantor, threatened in writing by or against any Loan Party 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 would 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 (other than those governing Indebtedness of any Loan Party) in any respect, that could 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 a Borrower in accordance with Section 5.7(a) and waived in writing by the Administrative Agent and the Required Lenders.

3.8 [Intentionally Omitted].

3.9 Taxes. Each of the Loan Parties 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 the Borrowers and the Guarantor, no claim is being asserted against any Loan Party, with respect to any such tax, fee or other charge.

3.10 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, 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 or for any purpose that violates the provisions of the Regulations of the Board.

3.11 Labor Matters. Except as otherwise disclosed by Borrower Representative pursuant to Section 5.7(f) and waived in writing by the Administrative Agent and the Required Lenders, there are no strikes or other labor disputes against any Loan Party pending or, to the Knowledge of the Borrowers, threatened that (individually or in the aggregate) in either case would 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, except as would not reasonably be expected to have a Material Adverse Effect. 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 any Borrower, the Guarantor 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 a Material Adverse Effect, and neither any Borrower nor the Guarantor would become subject to any material liability under ERISA if such Borrower, the 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, except as would not reasonably be expected to have a Material Adverse Effect. No such Multiemployer Plan is in Reorganization or, to the Knowledge of any Borrower, Insolvent.

3.13 Investment Company Act; Other Regulations. No 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 [Intentionally Omitted].

3.15 Use of Proceeds. The proceeds of the Loans shall be used by the Borrowers and their Affiliates (a) to originate loans or other Eligible Assets pursuant to Borrowers' investment guidelines and (b) for operating expenses and general corporate purposes of the Borrowers and their Affiliates (including, without limitation, Restricted Payments to the Intermediate Pledgors and the Guarantor permitted by Section 6.6).

3.16 Environmental Matters. Except with respect to any matters that could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, no Loan Party 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.

3.17 Accuracy of Information, etc. None of the information and data heretofore or contemporaneously furnished in writing 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 and the negotiation of this Agreement or delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make such information and data (taken as a whole), in light of the circumstances under which it was delivered, not materially misleading, provided that, any such information and data with respect to Borrowing Base Assets or Proposed Borrowing Base Assets only, shall be subject to the Knowledge of the Borrowers. 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, the Borrowers represent that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation; it being understood that such projections may vary from actual results and that such variances may be material.

3.18 Security Documents. 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. In the case of the Pledged Stock described in the Pledge Agreement, when any stock certificates representing such Pledged Stock are delivered to the Administrative Agent, and in the case of the other Collateral described in the other Security Documents, when financing statements in appropriate form are filed in the offices specified on

Schedule 3.18 (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 prior and superior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 6.3).

3.19 Representations and Warranties Regarding Borrowing Base Assets. Each Borrowing Base Asset is an Eligible Asset and conforms to the applicable representations and warranties set forth in Annex B attached hereto, except as has been disclosed to the Administrative Agent in an Exception Report prior to approval of such Borrowing Base Asset pursuant to Section 4.3 and otherwise from time to time. Each Borrowing Base Asset has been originated directly by a Borrower or an Affiliate of such Borrower.

3.20 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.

3.21 REIT Status; Guarantor Tax Status. The Guarantor 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 Intermediate Pledgors and each Borrower 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.

3.22 Insurance. The Loan Parties 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 the Guarantor, 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), except to the extent the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

3.23 Compliance with Anti-Terrorism, Embargo and Anti-Money Laundering Laws.

(a) Neither any Borrower, nor any other Loan Party or Controlled Affiliate, has, directly or indirectly, (i) engaged in business dealings with any party listed on, or any party owned or controlled by any party on the Specially Designated Nationals List or other similar lists maintained by OFAC, or in any related Executive Order issued by the President, (ii) conducted business dealings with a party, or in any country or territory, subject to sanctions administered by OFAC or (iii) derived income from business dealings with a party subject to sanctions administered by OFAC.

(b) Neither any 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.

(c) Neither any 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 any Borrowing Base Asset or the proceeds of the Loans or a claim of forfeiture of any Borrowing Base Asset or the proceeds of the Loans.

SECTION 4 CONDITIONS PRECEDENT

4.1 Conditions to the Closing Date. The effectiveness of the Revolving Credit 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 each Borrower, the Guarantor and each Lender party hereto, (ii) the Guarantee and Collateral Agreement, executed and delivered by a duly authorized officer of each Borrower and the Guarantor, (iii) the Pledge Agreement, executed and delivered by a duly authorized officer of each of the Intermediate Pledgors, (iv) the Collection Account Control Agreements, executed and delivered by the Depositary Bank and a duly authorized officer of each Borrower and (v) to the extent requested by any Lender, a Note duly completed and executed by each Borrower and payable to such Lender.

(b) Collection Account. Each Collection Account shall have been established at the Depositary Bank pursuant to documentation reasonably satisfactory to the Administrative Agent.

(c) Servicing Agreement Joinders. The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent, the Servicing Agreement Joinders, executed and delivered by the applicable Servicer and a duly authorized officer of the applicable Borrower.

(d) Financial Condition Covenants. The Administrative Agent shall have received 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 the Guarantor ended June 30, 2017 after giving effect to the transactions contemplated hereby to occur on the Closing Date.

(e) Projections; Financial Statements. The Lenders shall have received
(i) projections with respect to the Guarantor's and its consolidated Subsidiaries' financial performance in form and substance reasonably acceptable to the Administrative Agent and
(ii) audited consolidated financial statements of the Guarantor and its consolidated Subsidiaries for the 2015 and 2016 fiscal years.

(f) 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.

(g) Fees. The Lenders, the Arranger and the Administrative Agent shall have received all fees required to be paid, including pursuant to the Fee Letters, 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), on or before the Closing Date.

(h) Solvency. The Administrative Agent shall have received a certificate (in form and substance reasonably satisfactory to the Administrative Agent) from the chief financial

officer of the Guarantor certifying that the Guarantor and its Subsidiaries, considered as a whole, after giving effect to the transactions contemplated hereby to occur on the Closing Date, are Solvent.

(i) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions in which Uniform Commercial Code financing statement or other filings or recordations should be made to evidence or perfect security interests in all assets of the Loan Parties, and such search shall reveal no Liens on any of the assets of the Loan Parties, except for Liens incurred in the normal course of the Loan Parties' business which are reasonably acceptable to the Administrative Agent; provided, that such Liens on the Collateral are permitted under Section 6.3.

(j) Pledged Membership Interests; Stock Powers; Acknowledgment and Consent. The Administrative Agent shall have received (i) the certificates representing the shares of Capital Stock of each Borrower pledged pursuant to the Pledge Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the applicable Intermediate Pledgor, and (ii) an Acknowledgment and Consent, substantially in the form of Annex I to the Pledge Agreement, duly executed by each Borrower.

(k) 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, prior and superior in right to any other Person (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.

(l) 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.

(m) Legal Opinion. The Administrative Agent shall have received an executed legal opinion of Nelson Mullins Riley & Scarborough LLP, special counsel to the Loan Parties addressed to the Administrative Agent and the Lenders and Hogan Lovells US LLP, Maryland counsel to the Loan Parties, in each case, in form and substance reasonably acceptable to the Administrative Agent. Such legal opinions shall cover such other 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.

(n) USA PATRIOT Act. The Lenders 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.

(o) Borrowing Base Assets. On or prior to the Closing Date, the Administrative Agent shall have received each of the documents required pursuant to Section 4.3 for each Borrowing Base Asset to be included in the Borrowing Base on the Closing Date.

(p) [Intentionally Omitted].

(q) No Material Adverse Effect. No event or condition shall have occurred since the date of the Guarantor's most recent audited financial statements delivered to the Administrative Agent which has had or could reasonably be expected to result in 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) 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, they 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 that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(b) 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.

(c) Borrowing Base Certificate. The Administrative Agent shall have received, and be satisfied in all respects with, a completed Borrowing Base Certificate, containing an accurate representation of the Borrowing Base as of such date, signed by a Principal Financial Officer.

Each borrowing by the Borrowers hereunder shall constitute a representation and warranty by each Borrower as of the date of such extension of credit that the conditions contained in this Section 4.2 have been satisfied.

4.3 Conditions to the Addition of a Borrowing Base Asset. (a) Borrower Representative may request the addition of a Borrowing Base Asset (a "Proposed Borrowing Base Asset") to the Borrowing Base by submitting a request in writing to the Administrative Agent, together with such business and legal materials, third party reports, information and documentation reasonably necessary for the Administrative Agent to determine that such Proposed Borrowing Base Asset will be in compliance with the Borrowing Base Conditions as of the proposed date of addition of such Proposed Borrowing Base Asset (such notice and other materials delivered therewith, a "Borrowing Base Addition Notice").

(b) Within three Business Days of receipt of a Borrowing Base Addition Notice, the Administrative Agent shall notify Borrower Representative that the Administrative Agent has approved such Proposed Borrowing Base Asset (a "Borrowing Base Approval Notice") or that the Administrative Agent has not approved such Proposed Borrowing Base Asset (a "Borrowing Base Disapproval Notice") and specifying the Borrowing Base Conditions that are not met.

(c) If the Administrative Agent delivers a Borrowing Base Approval Notice or fails to deliver a Borrowing Base Disapproval Notice within three Business Days after receipt of a Borrowing Base Addition Notice (the failure to timely deliver a Borrowing Base Disapproval Notice being deemed to be a Borrowing Base Approval Notice), then, the Proposed Borrowing Base Asset shall become a Borrowing Base Asset upon the delivery of a certificate of a Responsible Officer of Borrower Representative, not later than ten (10) Business Days after the receipt of such Borrowing Base Approval Notice or deemed approval, certifying (i) the date such Proposed Borrowing Base Asset was originated

by the applicable Borrower or an Affiliate, (ii) that the Proposed Borrowing Base Asset is an Eligible Asset satisfying each of the Borrowing Base Conditions on such date, (iii) that no Material Default or Event of Default shall have occurred and be continuing immediately prior to and after giving effect to the addition of such Proposed Borrowing Base Asset and (iv) the Guarantor is in compliance with the financial condition covenants set forth in Section 6.1 on a pro forma basis as of the last day of the most recently ended fiscal quarter for which Borrower Representative is required to have delivered a Compliance Certificate pursuant to Section 5.2(b) immediately after giving effect to the addition of such Proposed Borrowing Base Asset.

(d) Borrower Representative or the Guarantor shall have delivered to the Administrative Agent a report of any exceptions to the Borrowing Base Conditions or the representations and warranties in Annex B (an "Exception Report").

(e) In the event that a Proposed Borrowing Base Asset is not an Eligible Asset satisfying each of the Borrowing Base Conditions, such Proposed Borrowing Base Asset may be included in the Borrowing Base upon the prior written consent of the Administrative Agent in its sole discretion.

(f) Upon the effectiveness of any new Borrowing Base Asset added to the Borrowing Base, Borrower Representative may deliver to the Administrative Agent an updated Borrowing Base Certificate giving pro forma effect to such new Borrowing Base Asset as of the date of the most recent Borrowing Base Certificate previously delivered pursuant to Sections 4.2(c), 4.3, 4.4 and 5.11.

4.4 Conditions to the Release of a Borrowing Base Asset. The release of any Borrowing Base Asset at the written request of Borrower Representative delivered to the Administrative Agent shall be subject to the satisfaction of each of the following conditions:

(a) the Administrative Agent shall have received a certificate of a Responsible Officer of Borrower Representative certifying that, after giving effect to the release of such Borrowing Base Asset, (i) each of the remaining Borrowing Base Assets continue to be Eligible Assets satisfying each of the Borrowing Base Conditions, (ii) no Material Default or Event of Default shall have occurred and be continuing on such date immediately prior to or after giving effect to the release of such Borrowing Base Asset from the Borrowing Base (unless such Material Default or Event of Default is caused by, or arises directly in relation to, the Borrowing Base Asset being released, and would be cured by such release) and (iii) all representations and warranties in the Loan Documents are true and accurate in all material respects at the time of such release and immediately after giving effect to such release; provided that (x) to the extent that any such representation or warranty relates to a specific earlier date, they shall be true and correct in all material respects as of such earlier date and (y) any representation and warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language shall be true and correct (after giving effect to qualifications therein) in all respects on such respective dates;

(b) the Administrative Agent shall have received a certificate of a Principal Financial Officer certifying that after giving pro forma effect to the release of such Borrowing Base Asset from the Borrowing Base, the Total Revolving Extensions of Credit shall not exceed the Maximum Facility Availability; and

(c) the Administrative Agent shall have received an updated Borrowing Base Certificate giving pro forma effect to the release of such Borrowing Base Asset from the

Borrowing Base as of the date of the most recent Borrowing Base Certificate previously delivered pursuant to Sections 4.2(c), 4.3, 4.4 and 5.11.

SECTION 5 AFFIRMATIVE COVENANTS

Each Borrower and the Guarantor hereby jointly and severally agree that, so long as the Revolving Credit Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than, after the repayment in full of the Obligations then owing and termination of this Agreement and the other Loan Documents, obligations under the Loan Documents (including contingent reimbursement obligations and indemnity obligations) which, by their express terms, survive termination of this Agreement or such other Loan Document, as the case may be, for which a claim has not yet been made), each Borrower and the Guarantor (in the case of the Guarantor, solely with respect to Sections 5.1, 5.2, 5.3, 5.4, 5.5(a), 5.6, 5.8, 5.11, 5.12, and 5.13) shall, and the Guarantor shall cause each Intermediate Pledgor (solely with respect to Sections 5.3, 5.4, 5.5(a), 5.6, 5.8, 5.12 and 5.13) 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 90 days after the end of each fiscal year of the Guarantor, a copy of the audited consolidated balance sheet of the Guarantor 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 the Guarantor'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 the Guarantor, beginning with the quarter ending September 30, 2017, the unaudited consolidated balance sheet of the Guarantor 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 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 Guarantor'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 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 the Guarantor, 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 the Guarantor 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 the Guarantor 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; provided, however, that public filing of any of the foregoing in this Section 5.2(c) shall constitute delivery to the Administrative Agent and each Lender of the same upon such filing; and

(d) promptly, such additional information regarding the business, legal, financial or corporate affairs of any 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 the books of the relevant Loan Party.

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 reasonable 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 except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law, including Environmental Laws, except to the

extent that failure to comply therewith could not, 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 6.04.

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 by the Loan Parties.

(b) Maintain with insurance companies which the applicable Borrower 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 the good faith judgment of such Borrower).

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 in all material respects and in accordance with GAAP and in all material respects 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 to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Loan Parties with officers and employees of the Loan Parties 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) the occurrence of any Default or Event of Default (and in the case of a Default or Event of Default caused by, or arising directly in relation to, Borrowing Base Assets only, of which any Borrower has Knowledge);

(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 and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, would reasonably be expected to have a Material Adverse Effect;

(c) any pending or threatened (in writing to any Loan Party), litigation or proceeding affecting any Loan Party (i) in which the aggregate actual or estimated liability of the Loan Parties is (x) with respect to the Guarantor or any Intermediate Pledgor, $25,000,000 or more, and (y) with respect to any Borrower, $1,000,000 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, would 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 30 days after the Guarantor 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, would reasonably be expected to result in the payment by the Loan Parties, 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 in Borrower Representative's sole but commercially reasonable judgment, has had or would reasonably be expected to have a Material Adverse Effect;

(g) with respect to any Borrowing Base Asset:

(i) promptly following receipt of written notice or Knowledge that the Real Property underlying such Borrowing Base Asset comprised of real property has been damaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado or other casualty, or otherwise damaged so as to materially and adversely affect the value of such Real Property;

(ii) promptly upon Knowledge that any Borrowing Base Asset is not an Eligible Asset or that any of the representations and warranties set forth in Annex B with respect to any Borrowing Base Asset is untrue or incorrect in any material respect;

(iii) promptly upon Knowledge of (1) any Borrowing Base Asset that becomes a Defaulted Asset, (2) any Lien or security interest (other than security interests created hereby) on, or claim asserted against, any Borrowing Base Asset, or the underlying collateral therefor, other than Liens permitted under Section 6.3 and immaterial Liens permitted under the relevant Borrowing Base Documents, and, or
(3) any event that is reasonably likely to materially and adversely affect the market value of a Borrowing Base Asset or the underlying Real Property;

(iv) promptly, and in any event within ten days after service of process on any Loan Party of any of the following, notice of all litigation, actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are pending or threatened) or other legal or arbitrable proceedings before any Governmental Authority affecting (x) any Loan Party or (y) any of the Borrowing Base Assets that (1) questions or challenges the validity or enforceability of any of the Borrowing Base Asset Documents or any action to be taken in connection with the transactions contemplated thereby, or (2) makes a claim or claims in an aggregate amount greater than (A) in the case of clause (x) above with respect to the Guarantor or any Intermediate Pledgor,
$25,000,000, and with respect to any Borrower, $1,000,000 and (B) in the case of clause (y) above $1,000,000;

(v) promptly upon any transfer of the Real Property underlying any Borrowing Base Asset or any direct or indirect equity interest in any Underlying Obligor,

in violation of a due on sale clause contained in the relevant Borrowing Base Asset Documents;

(vi) promptly after the effectiveness of any written consent, amendment, supplement, waiver, release or other modification for any Borrowing Base Asset, a true correct and complete copy of such consent, amendment, supplement, waiver, release or other modification;

(vii) promptly and in any event within two Business Days of Borrower Representative's written notice of or any Borrower's Knowledge of, (A) notice of any material event or any material change in circumstances that an institutional asset manager would reasonably expect to result in a material adverse effect on any Borrower or any Underlying Obligor in respect of a Borrowing Base Asset, (B) copies of any written notice of any monetary or material non-monetary default or event of default under any Borrowing Base Asset delivered by or to Borrower Representative and
(C) copies of any written notice of any allegation made by any Underlying Obligor in writing that any Borrower has defaulted with respect to its obligations under any Borrowing Base Asset; and

(viii) promptly and in any event within two Business Days of Borrower Representative's written notice of or any Borrower's Knowledge of, to the extent that there exists a mezzanine loan related to a Borrowing Base Asset, which mezzanine loan is not also a Borrowing Base Asset, (A) notice of any material event that an institutional asset manager would reasonably expect to result in a material adverse effect in respect of such mezzanine loan or the applicable mezzanine loan borrower, (B) notice of any default or event of default under any related mezzanine loan documentation, and
(C) notice of any default or event of default under any intercreditor documentation relating to such mezzanine loan and the applicable Borrowing Base Asset;

(h) the failure of the Guarantor to maintain REIT Status; and

(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.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Loan Party proposes to take with respect thereto.

5.8 Further Assurances. From time to time 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, the Borrowers and the Guarantor 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 any Loan Party for such governmental consent, approval, recording, qualification or authorization.

5.9 Servicing of Borrowing Base Assets. (a) Each Borrower shall cause each Borrowing Base Asset to be serviced by the applicable Servicer pursuant to the applicable Servicing Agreement in accordance with servicing practices consistent with practices maintained by other prudent mortgage or mezzanine lenders with respect to mortgage or mezzanine loans of the same type as the Borrowing Base Assets. Notwithstanding the foregoing, neither any Borrowers nor any Servicer shall take any action with respect to any Borrowing Base Asset except as otherwise permitted by Section 6.17.

(b) Any failure by any Servicer to deposit Collections to any Collection Account as set forth in the applicable Servicing Agreement shall be remedied promptly, and in any event within five Business Days after such Collections should have been deposited in accordance with such Servicing Agreement.

(c) The payment of servicing fees and other costs of servicing shall be at the sole expense of the Borrowers and, if any Servicer is an Affiliate of any Borrower, the payment by the Borrowers of such fees and costs shall be subordinated to the payment of the Obligations.

(d) Borrower Representative shall notify the Administrative Agent promptly, and in any event within five Business Days, after any amendment to any Servicing Agreement which does not require the consent of the Required Lenders pursuant to Section 6.17.

5.10 Cash Management. (a) Each Collection Account shall be established at the Deposit Bank on the Closing Date. Each Borrower shall, or shall cause the applicable Servicer to, deposit all Collections in respect of the Borrowing Base Assets directly into the relevant Collection Account (x) in the case of Wells Fargo Bank, National Association, no later than the Business Day following receipt thereof; provided that, if such Borrower or the applicable Servicer receives Collections after 3:00 P.M. (New York City time) on any Business Day, such Collections shall be deposited into such Borrower's Collection Account no later than the second Business Day following receipt thereof and (y) in the case of Situs Asset Management LLC, no later than the second Business Day following receipt thereof; provided that, if such Borrower or the applicable Servicer receives Collections after 2:00 P.M. (New York City time) on any Business Day, such Collections shall be deposited into such Borrower's Collection Account no later than the third Business Day following receipt thereof. Until deposited into such Borrower's Collection Account, any Collections held by such Borrower or the applicable Servicer shall be deemed to be Collateral and shall be held in trust by them for the benefit of the Administrative Agent on behalf of the Secured Parties and shall not be commingled with any other funds or property of any Borrower, the Guarantor or any Servicer. Each Collection Account shall be under the sole dominion and control of the Administrative Agent.

(b) Any time no Material Default or Event of Default has occurred and is continuing, funds on deposit in any Collection Account shall be swept on a daily basis to the relevant Borrower Account.

(c) If at any time, a Material Default or 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.

5.11 Borrowing Base Reports. (a) Beginning with the month ended September 30, 2017, 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 completed Borrowing Base Certificate calculating and certifying the Borrowing Base as of the end of such month, signed on behalf of the Guarantor by a Principal Financial Officer.

(b) Furnish to the Administrative Agent (and the Administrative Agent shall thereafter deliver to each Lender) as soon as practicable and in any event within five Business Days after any Disposition of any Borrowing Base Asset, an updated Borrowing Base Certificate calculating (on a pro forma basis, after giving effect to such Disposition) and certifying such pro forma Borrowing Base as of the end of the most recent month for which a Borrowing Base Certificate was delivered pursuant to Section 4.2(c), 4.3 or 4.4 or this Section 5.11, as applicable. The Borrowing Base set forth in each Borrowing Base Certificate delivered with respect to each month occurring after the fiscal quarter covered by the updated Borrowing Base Certificate described in the preceding sentence and ending prior to any such Disposition shall be calculated on a pro forma basis, after giving effect to such Disposition.

5.12 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 the books of the Guarantor or the applicable Subsidiary).

5.13 Disclosable Events. If any Borrower or the Guarantor obtains Knowledge or receives any written notice that any Loan Party or Controlled Affiliate is in violation of Section 6.22(a), 6.22(b) or (c), including any such violation that could result in the forfeiture of the proceeds of the Loans or a claim of forfeiture of the proceeds of the Loans (any such violation, a "Disclosable Event"), such Borrower or the Guarantor 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 Borrower or the Guarantor 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.

5.14 Appraisals. The Administrative Agent shall have the right to commission an Appraisal for the underlying Real Property securing any Borrowing Base Asset which was originated by a Borrower or an Affiliate thereof more than 150 days prior to the applicable date of determination of the Loan to Value Ratio, at the Borrowers' expense. Any Appraisal received by the Administrative Agent pursuant to this Section 5.14 shall be used to determine the Loan to Value Ratio of the applicable asset.

5.15 Additional Collateral. With respect to any Property acquired after the Closing Date by any Borrower (other than any Excluded Asset (as defined in the Guarantee and Collateral Agreement)) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents 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 and (ii) subject to Section 5.12 of the Guarantee and Collateral Agreement, 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 Property, including without limitation, the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent.

SECTION 6 NEGATIVE COVENANTS

Each Borrower and the Guarantor hereby jointly and severally agree that, so long as the Revolving Credit Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than obligations under the Loan Documents (including contingent reimbursement obligations and indemnity obligations) which, by their express terms, survive termination of this Agreement or such other Loan Document, as the case may be), such Borrower and the Guarantor (in the case of the Guarantor, solely with respect to Sections 6.1, 6.4, 6.8, 6.9, 6.11, 6.12, 6.14,
6.18 and 6.22) shall not, and the Guarantor shall cause any Intermediate Pledgor (solely with respect to Sections 6.3, 6.4, 6.5, 6.6, 6.8, 6.9, 6.12, 6.13, 6.14 and 6.22) not to, directly or indirectly:

6.1 Financial Condition Covenants.

(a) Minimum Fixed Charge Coverage Ratio. Permit the ratio of (i) the Guarantor's EBITDA for any period of four consecutive fiscal quarters of the Guarantor to (ii) the Guarantor's Fixed Charges during such period to be less than 1.75 to 1.00 as determined as soon as practicable after the end of each fiscal quarter, but in no event later than 45 days after the last day of the applicable fiscal quarter.

(b) Minimum Tangible Net Worth. Permit the Guarantor's Tangible Net Worth as of the last day of any fiscal quarter of the Guarantor to fall below the sum of (i) $450,000,000 plus
(ii) 75% of the net cash proceeds of any equity issuance or sale of Capital Stock by the Guarantor that occurs after the Closing Date.

(c) Minimum Cash Liquidity. Permit the Guarantor's Cash Liquidity as of the last day of any fiscal quarter of the Guarantor to be less than the greater of (i) $10,000,000 and (ii) 5% of the Guarantor's Recourse Indebtedness.

(d) Maximum Debt to Equity. Permit the ratio of (i) the Guarantor's Total Indebtedness as of the last day of any fiscal quarter of the Guarantor to (ii) the Guarantor's Shareholder's Equity as of such date to be greater than 3.00 to 1.00 as determined as soon as practicable after the end of each fiscal quarter, but in no event later than 45 days after the last day of the applicable fiscal quarter.

6.2 Indebtedness. In the case of the Borrower only, create, incur, assume or suffer to exist any Indebtedness, except Indebtedness under the Loan Documents.

6.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of the Collateral, any Borrowing Base Asset or any Proposed Borrowing Base Asset, whether now owned or hereafter acquired, except for Liens in favor of the Administrative Agent and the Lenders under the Loan Documents to secure the Obligations and Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings for which adequate reserves with respect thereto are maintained on the books of the Borrowers, the Guarantor or the Intermediate Pledgors, as the case may be, in conformity with GAAP.

6.4 Limitation on Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that the Borrowers may Dispose of any or all of the Borrowing Base Assets, subject to satisfaction of the conditions precedent set forth in Section 4.4 and Guarantor may enter into any merger, consolidation or amalgamation in connection with one or more transactions which do not constitute a Change of Control; provided that (i) the Guarantor shall be the continuing or surviving Person or (ii) simultaneously with such transaction, the continuing or

surviving Person shall become a Guarantor and the Borrowers shall comply with Section 5.8 in connection therewith.

6.5 Dispositions. Make any Disposition of any Collateral, except for Dispositions of any Borrowing Base Asset in accordance with Section 4.4.

6.6 Restricted Payments. In the case of the Borrowers or the Intermediate Pledgors only, make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except for:

(a) each Borrower may make (and incur any obligation (contingent or otherwise) to declare and/or pay) Restricted Payments to the applicable Intermediate Pledgor, each Intermediate Pledgor may make (and incur any obligation (contingent or otherwise) to declare and/or pay) Restricted Payments to the Operating Partnership, and the Operating Partnership may make (and incur any obligation (contingent or otherwise) to declare and/or pay) Restricted Payments to the Guarantor (including, without limitation, Restricted Payments in such amounts necessary to avoid, to the extent possible, the imposition of income tax under Section 857(b) of the Code and the imposition of excise tax under Section 4981 of the Code), provided that, any such Restricted Payment may only be made if (i) at the time of such Restricted Payment, no Default or Event of Default shall have occurred and be continuing and (ii) after giving effect to such Restricted Payment, the Loan Parties shall be in compliance with the financial condition covenants set forth in Section 6.1 on a pro forma basis as of the last day of the most recently ended fiscal quarter for which the Borrowers are required to have delivered a Compliance Certificate pursuant to Section 5.02(b); and

(b) each Borrower may make (and incur any obligation (contingent or otherwise) to declare and/or pay) Restricted Payments to the applicable Intermediate Pledgor, each Intermediate Pledgor, may make (and incur any obligation (contingent or otherwise) to declare and/or pay) Restricted Payments to the Operating Partnership, and the Operating Partnership may make (and incur any obligation (contingent or otherwise) to declare and/or pay) Restricted Payments to the Guarantor, in such amounts necessary to ensure that the Guarantor maintains REIT Status (it being understood and agreed that the Guarantor and the Intermediate Pledgors shall not be required to issue any new equity in order to ensure the same prior to making such Restricted Payments), provided that, such Restricted Payment may only be made if (i) at the time of such Restricted Payment, no Event of Default shall have occurred and be continuing and (ii) after giving effect to such Restricted Payment, the Loan Parties shall be in compliance with the financial condition covenants set forth in Section 6.1 on a pro forma basis.

6.7 Investments. In the case of the Borrowers only, make any Investments, except Investments in Eligible Assets.

6.8 Limitation on Modifications of Organizational Documents. Amend its organizational documents in any manner determined by the Administrative Agent in its good faith, commercially reasonable judgment to be materially adverse to the Lenders, which amendment, in the case of the Guarantor only, is not corrected in a manner reasonably satisfactory to the Administrative Agent on or prior to the date that is 30 days after receipt of notice thereof from the Administrative Agent; provided that the Borrowers may not request any Loans until the Guarantor has so corrected such amendment to its organizational documents.

6.9 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Guarantor, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrowers or the Guarantor as would be obtainable by the Borrowers or the Guarantor 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 [Intentionally Omitted].

6.11 Limitation on Changes in Fiscal Periods. Permit the fiscal year of any Borrower or the Guarantor to end on a day other than December 31 or change any Borrower's or the Guarantor's method of determining fiscal quarters in each case without providing prior written notice thereof to the Administrative Agent.

6.12 Limitation on Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Intermediate Pledgor or any Borrower to create, incur, assume or suffer to exist any Lien upon any of the Collateral, any Borrowing Base Asset or any Proposed Borrowing Base Asset, whether now owned or hereafter acquired, to secure the Obligations or, in the case of a Borrower and the Guarantor, their respective obligations under the Guarantee and Collateral Agreement, other than this Agreement and the other Loan Documents.

6.13 Limitation on Restrictions on Subsidiary Distributions. Solely with respect to or relating to the assets or the proceeds of assets owned by any Borrower, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of the applicable Intermediate Pledgor or such Borrower to (a) make dividends in respect of any Capital Stock held by, or pay any Indebtedness owed to, the Guarantor or any other Loan Party, (b) make investments in the Guarantor or any other Loan Party or (c) transfer any of its assets to the Guarantor or any other Loan Party, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) restrictions imposed by applicable law, (iii) any restrictions imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or any of the Borrowing Base Assets permitted by Section 6.5, and (iv) any restrictions existing under an agreement that amends, refinances or replaces any agreement containing restrictions permitted under the preceding clauses (i),
(ii) or (iii); provided that the terms and conditions of any such agreement, as they relate to any such restrictions are no less favorable to such Borrower than those under the agreement so amended, refinanced or replaced, taken as a whole.

6.14 Limitation on Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses which may lawfully be conducted while maintaining REIT Status.

6.15 [Intentionally Omitted].

6.16 Limitation on Modifications to Borrowing Base Assets. Take any action constituting a consent, amendment, supplement, waiver, release or other modification of any material term of any Borrowing Base Asset, except pursuant to a Permitted Modification.

6.17 Servicing of Borrowing Base Assets. (a) Make any change, or permit any Servicer to make any change, in its instructions to the Underlying Obligors regarding payments to be made with respect to the Borrowing Base Assets to any Collection Account, without the prior written consent of the Required Lenders;

(b) (i) amend or modify Section 4 of any Servicing Agreement Joinder or (ii) otherwise modify any Servicing Agreement in a manner adverse to the Lenders without the consent of the Required Lenders; or

(c) deposit or otherwise credit, or use commercially reasonable efforts to cause to be so deposited or credited, to each Collection Account cash or cash proceeds other than Collections in respect of the Borrowing Base Assets, Proposed Borrowing Base Assets then owned by a Borrower, assets which formerly constituted a part of the Borrowing Base which are still owned by a Borrower or assets otherwise originated by a Borrower for the purpose of adding such assets to the Borrowing Base (whether or not added to the Borrowing Base).

6.18 REIT Status. Permit the Guarantor to fail to meet the requirements for REIT Status.

6.19 [Intentionally Omitted].

6.20 Special Purpose Entity. Permit any Borrower (i) to fail to comply with the requirements set forth in the definition of "Special Purpose Entity" in any material respect (but in no event, in any manner which is reasonably likely to result in the substantive consolidation of such Borrower with any other Person), (ii) to directly or indirectly make any change, amendment or modification to any of the "Special Purpose Provisions" as defined in and set forth in its organizational documents without the prior written consent of the Required Lenders, or (iii) otherwise take any action which would reasonably be expected to result in any Borrower not being a Special Purpose Entity.

6.21 [Intentionally Omitted].

6.22 Disclosable Events. (a) (i) Engage, directly or indirectly, in business dealings with any party listed on, or any party owned or controlled by any party listed on, the Specially Designated Nationals List or other similar lists maintained by OFAC, or in any related Executive Order issued by the President; (ii) conduct business dealings with a party, or in any country or territory, subject to sanctions administered by OFAC; (iii) derive or use income from business dealings with a party subject to sanctions administered by OFAC; or (iv) use the proceeds of the Loans to conduct any business dealings or transaction with any party, or in any country or territory, subject to sanctions administered by OFAC.

(b) 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.

(c) 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.

(d) 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 Borrowers shall fail to pay any principal of any Loan when due in accordance with the terms hereof; or (ii) the Borrowers shall fail to pay (A) any interest on any Loan within three Business Days after any such interest becomes due in accordance with the terms hereof, or (B) any other amount payable hereunder or under any other Loan Document, within three Business Days after notice thereof to the Borrower Representative from the Administrative Agent or any Borrower first obtaining Knowledge; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document (other than the representations and warranties set forth in the first sentence of Section 3.19, Annex B or in an Exception Report delivered to the Administrative Agent in accordance with this Agreement), in any Borrowing Base Certificate, 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 Borrower Representative from the Administrative Agent or any Borrower first obtaining Knowledge thereof; or

(c) (i) any Loan Party shall default in the observance or performance of any agreement contained in Section 5.4(a) (with respect to the Loan Parties only), Section 5.7(a), Section 5.9, Section 5.10, Section 5.11 or Section 6 (other than Section 6.8 with respect to the Guarantor only), and such default shall continue unremedied for a period of five Business Days after the earliest to occur of notice thereof to Borrower Representative from the Administrative Agent or any Borrower first obtaining Knowledge thereof, or (ii) the Guarantor shall default in the observance or performance of Section 6.8; or

(d) any Loan Party shall default in the observance or performance of any other 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 Borrower Representative of a failure to observe or perform such agreement or any Borrower first obtaining Knowledge thereof; or

(e) any Loan Party shall (i) default in making any payment of any principal of any Indebtedness (including, without limitation, any Guarantee Obligation, but excluding the Loans) or any Hedge Recourse Indebtedness on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness or any Hedge Recourse Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness or Hedge Recourse Indebtedness was created; or

(iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or Hedge Recourse Indebtedness or 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 Hedge Recourse 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 or Hedge Recourse 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 or Hedge Recourse Indebtedness having an aggregate outstanding principal amount (including amounts owing to all creditors under any combined or syndicated credit arrangement) of which exceeds in the aggregate, (x) with respect to the Guarantor or any Intermediate Pledgor, $25,000,000, and
(y) with respect to any Borrower, $1,000,000; 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 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 any Borrower or the 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) any Borrower or the 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; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, could, reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against any Loan Party involving for the Loan Parties taken as a whole a liability (not paid or fully covered by insurance or for which adequate reserves have not been established in accordance with GAAP) of (x) with respect to the Guarantor or any Intermediate Pledgor, $25,000,000 or more, and (y) with respect to any Borrower, $1,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 90 days from the entry thereof; or

(i) any of the Security 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) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement 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

(k) any Change of Control shall occur;

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 Borrower, the Revolving Credit Commitments shall immediately and automatically terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately and automatically become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Borrower Representative declare the Revolving Credit Commitments to be terminated forthwith, whereupon the Revolving Credit Commitments shall immediately terminate; and
(ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to Borrower Representative, 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.

Notwithstanding anything to the contrary in the foregoing, in no event shall the Guarantor be deemed to be in default or to have failed to perform its obligations under this Agreement or the other Loan Documents as a result of the occurrence of any Default or Event of Default caused by any other Loan Party, provided that, the Administrative Agent and the Secured Parties shall be entitled to exercise all rights and remedies against the Guarantor under Section 2 of the Guarantee and Collateral Agreement in respect of such Default or Event of Default in accordance with the Loan Documents.

SECTION 8 THE ADMINISTRATIVE AGENT

8.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall have no duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

8.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

8.3 Exculpatory Provisions. (a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for

the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

(b) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any
Disqualified Institution.

8.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Loan Parties), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless such Note shall have been transferred in accordance with Section 9.6 and all actions required by such Section in connection with such transfer shall have been taken. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders, Required Lenders or any other instructing group of Lenders specified by this Agreement) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders, Required Lenders or any other instructing group of Lenders specified by this Agreement), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

8.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent shall have received notice from a Lender or Borrower Representative referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent shall receive such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders, Required Lenders or any other instructing group of Lenders specified by this Agreement); 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 interests of the Lenders.

8.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither any of the Administrative Agent nor any of its Related Parties have made any representations or warranties to it and that no act by the Administrative Agent hereafter taken,

including any review of the affairs of a Loan Party or any Affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of an investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any Affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its Related Parties.

8.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to their respective Revolving Credit Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Revolving Credit Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Revolving Credit Percentages immediately prior to such date), for, and to save the Administrative Agent harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of, the Revolving Credit Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

8.8 Administrative Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though the Administrative Agent were not the Administrative Agent. With respect to its Loans made or renewed by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

8.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon ten days' notice to the Lenders and Borrower Representative. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders or another Person that is an

Eligible Assignee a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 7.1(a) or 7.1(f) with respect to any Borrower shall have occurred and be continuing) be subject to approval by Borrower Representative (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans; provided that, in no event shall any such successor Administrative Agent be a Defaulting Lender or a Disqualified Institution. A resigning Administrative Agent's resignation shall become effective (x) in the case an Event of Default has occurred and is continuing regardless of whether a successor agent has accepted appointment as Administrative Agent by the date that is ten days following a retiring Administrative Agent's notice of resignation, upon the expiration of such ten day period, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above, and (y) in all other cases, only at such time as the Required Lenders appoint a successor agent as provided for above. After the Administrative Agent's resignation as Administrative Agent, the Administrative Agent shall remain indemnified to the extent provided in this Agreement and the other Loan Documents and the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

8.10 Authorization to Release Liens and Guarantees. The Administrative Agent is hereby irrevocably authorized by each of the Lenders to effect any release of guarantee obligations contemplated by Section 9.15 of this Agreement or Section 2 of the Guarantee and Collateral Agreement.

8.11 The Arranger. The Arranger, in its capacity as such, shall have no duties or responsibilities, nor shall the Arranger incur any liability, under this Agreement and the other Loan Documents.

8.12 No Duty to Disclose. The Administrative Agent, the Arranger and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers, the other Loan Parties and their respective Affiliates, and none of the Administrative Agent nor the Arranger has any obligation to disclose any of such interests to any Borrower, any other Loan Party or any of their respective Affiliates.

8.13 Waiver. To the fullest extent permitted by law, each of the Borrowers and the other Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent and the Arranger with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9 MISCELLANEOUS

9.1 Amendments and Waivers. Neither this Agreement or 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 9.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or (with the written consent of the Required Lenders) the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time,

(a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents (including amendments and restatements hereof or thereof) for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as may be specified

in the instrument of waiver, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(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 (x) in connection with 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) that any amendment or modification of defined terms used in the financial condition covenants in this Agreement and (z) that a waiver of any Default, Event of Default or mandatory reduction of the Revolving Credit 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 Revolving Credit 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 Revolving Credit Commitments shall not constitute an extension of any scheduled date of payment or increase in the amount or extend the expiration of the Revolving Credit Commitments;

(ii) amend, modify or waive any provision of this Section, reduce any percentage specified in the definition of "Required Lenders", increase any percentage specified in the definition of "Borrowing Base", consent to the assignment or transfer by any Borrower of any of its rights and obligations under this Agreement and the other Loan Documents or release the Guarantor or the Borrowers from their respective obligations under the Guarantee and Collateral Agreement, in each case without the consent of all of the Lenders;

(iii) amend, modify or waive any provision of Section 8, 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 2.14 without the consent of each Lender directly affected thereby; or

(v) impose restrictions on assignments and participations that are more restrictive than, or additional to, those set forth in Section 9.6 without the consent of each Lender directly affected thereby.

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.

9.2 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 Borrower Representative and the Administrative Agent, as follows, (ii) in the case of the Lenders, as set forth in an Administrative Questionnaire delivered to the Administrative Agent or, 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:

Borrower Representative: BSPRT BB Loan, LLC,
c/o Franklin BSP Realty Trust, Inc.
9 West 57th Street, Suite 4920, New York,
New York 10019
Attention: Micah Goodman, Esq. Telephone: (212) 588-6982
Email: m.goodman@benefitstreetpartners.com

and to: Nelson Mullins Riley & Scarborough, LLP 201 17th Street, Suite 1700
Atlanta, Georgia 30363 Attention: Rusty A. Fleming, Esq.
Email: rusty.fleming@nelsonmullins.com Phone: 404-322-6466
Telecopy: 404-322-6050

Administrative Agent: Barclays Bank PLC
745 Seventh Avenue New York, NY 10019
Attention: Nicholas J. Guzzardo Telephone: (212) 320-6759
Email: Nicholas.Guzzardo@barclays.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 9.2(a), notices and other communications to the Administrative Agent, the Borrowers or the Lenders hereunder may be delivered or furnished by any other electronic communications pursuant to procedures mutually approved by the Administrative Agent and Borrower Representative.

9.3 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 provided by law.

9.4 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.

9.5 Payment of Expenses. The Borrowers jointly and severally agree (a) to pay or reimburse the Administrative Agent for all of its reasonable out-of-pocket costs and expenses actually incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements and other charges of outside counsel to the Administrative Agent and the charges of the Platform, (b) to pay or reimburse each Lender and the Administrative Agent for all their reasonable out- of-pocket costs and expenses actually incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any other documents prepared in connection herewith or therewith, including, without limitation, the fees and disbursements of outside counsel to each Lender and of outside counsel to the Administrative Agent, and (c) to pay, indemnify or reimburse each Lender, the Administrative Agent, their respective Affiliates, and their respective officers, directors, trustees, employees, advisors, agents and controlling persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all other out-of-pocket liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever actually incurred by an Indemnitee or imposed on any Indemnitee in connection with any claim asserted by any third party or by any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, any commitment letter or fee letter in connection therewith, or 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 consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds thereof, (iii) any actual or alleged presence or release of Materials of Environmental Concern on or from any property owned, occupied or operated by any Borrower or any other Loan Party, or any Environmental Liability related in any way to any 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 Pledged Stock of the applicable Borrower pursuant to the Loan Documents following an Event of Default by transferring the respective property or such Pledged Stock 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 (iv) 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 any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"); provided that, the Borrowers shall not have any obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable 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. No Indemnitee shall be liable for any damages arising from the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons unless determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee, or for any

special, indirect, consequential or punitive damages in connection with the Revolving Credit Commitments. No Loan Party (or any of their respective Affiliates, and their respective officers, directors, trustees, employees, advisors, agents and controlling persons) shall be liable for any damages arising from the use by unauthorized persons of information or other materials sent through electronic, telecommunications or other information transmission systems that are intercepted by such persons or for any special, indirect, consequential or punitive damages in connection with the Revolving Credit Commitments unless determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Loan Party (or any of their respective Affiliates, and their respective officers, directors, trustees, employees, advisors, agents and controlling persons); provided that such waiver of special, indirect, consequential or punitive damages shall not otherwise limit the indemnification obligations of the Borrowers under this Section. Without limiting the foregoing, and to the extent permitted by applicable law, each Borrower 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 Borrowers pursuant to this Section shall be submitted to the address of the Borrowers set forth in Section 9.2, or to such other Person or address as may be hereafter designated by Borrower Representative 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 9.5 shall not apply to Taxes, except any Taxes that represent losses or damages arising from any non-Tax claim.

9.6 Successors and Assigns.

(a) Generally. 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 none of the Borrowers nor any other 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 no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (c) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (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 paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and the Loans at the time owing to it) to an Eligible Assignee; provided that, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds

(determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Revolving Credit Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Revolving Credit 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 or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000 and whole increments of $1,000,000 in excess thereof, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, Borrower Representative otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Revolving Credit Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of Borrower Representative (such consent not to be unreasonably withheld or delayed, it being agreed that the Borrower Representative's refusal to consent to an assignment to an Affiliate of a Disqualified Institution shall not be deemed unreasonable) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that, Borrower Representative shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 (it being understood, for the avoidance of doubt, that no Loan Party shall have any obligation to pay, or reimburse the Administrative Agent for, such recordation fee other than as provided in Section 2.20(a)(F)); provided 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.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Guarantor or any of the Guarantor's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of Borrower Representative and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon). Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, 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 2.15, 2.16, 2.18 and 9.5 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting 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 paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at its address referred to in Section 9.2 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Credit Commitments of, 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 Borrowers, the Administrative Agent and the Lenders shall 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. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The Register is intended to cause each Loan and other obligation hereunder to be in registered form within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations and within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Guarantor or any of the Guarantor's Affiliates or Subsidiaries) (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 Revolving Credit 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 Borrowers, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 8.7 with respect to any payments made by such Lender to its Participant(s).

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, modification or waiver that requires the consent of all the Lenders under Section 9.1 that directly affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16 (it being understood that the documentation required under Section 2.16 shall be delivered to the participating Lender)) and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that, such Participant (A) agrees to be subject to the provisions of Sections 2.19 and 2.20 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 2.15 or 2.16, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement 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 Borrower Representative's request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 2.20 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.7(b) as though it were a Lender; provided that such Participant agrees to be subject to Section 9.7(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, 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 (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The Participant Register is intended to cause each Loan and other obligation hereunder to be in registered form within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations and within the meaning of

Sections 163(f), 871(h)(2) and 881(c)(2) of the Code. 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) Certain Pledges. 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.

(f) Disqualified Institutions. (i) No assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the "Trade Date") on which the assigning Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless Borrower Representative has consented to such assignment in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation). Any assignment or participation to a Disqualified Institution without Borrower Representative's consent shall be null and void.

(ii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrowers, the Administrative Agent or any other Lender,
(y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws (a "Debtor Relief Plan"), each Disqualified Institution party hereto hereby agrees (1) not to vote on such Debtor Relief Plan, (2) if such Disqualified Institution does vote on such Debtor Relief Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Debtor Relief Plan in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the bankruptcy court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iii) The Administrative Agent shall have the right, and the Borrowers hereby expressly authorize the Administrative Agent, to post the list of Disqualified Institutions provided by the Borrowers and any updates thereto from time to time on the Platform and/or provide such list to each Lender requesting the same.

9.7 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 the Borrowers pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender or Disqualified Institution), 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 Sections 9.7(c) and (d), 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 the Borrowers, any such notice being expressly waived by each Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrowers 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 the Borrowers, as the case may be. Each Lender agrees promptly to notify the Borrowers 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 Borrower or any other 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 Borrowers against any of the accounts, property or assets of any Borrower or any other Loan Party held by such Lender without the prior written approval of the Required Lenders.

(d) In the event that any Defaulting Lender shall exercise any such right of setoff, all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.22 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders.

9.8 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 Borrower Representative and the Administrative Agent.

9.9 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.

9.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrowers, the Administrative Agent, the Arranger and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Arranger, 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.

9.11 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.

9.12 Submission To Jurisdiction; Waivers. Each of the Borrowers 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 Borrower Representative or the Administrative Agent, as applicable, at its address set forth in Section 9.2 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.

9.13 Acknowledgements. Each of the Borrowers and Guarantor 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) none of the Arranger, the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrowers or the Guarantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Arranger, the Administrative Agent and the Lenders, on one hand, and the Borrowers and the Guarantor, 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 Arranger, the Administrative Agent and the Lenders or among the Borrowers, the Guarantor and the Lenders.

9.14 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 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 Arranger, 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, other than a Disqualified Institution, 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 (other than a Disqualified Institution) 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 or (j) in connection with the exercise of any remedy hereunder or under any other Loan Document; 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, provide Borrower Representative with reasonable advance notice of such disclosure.

9.15 Release of Guarantee Obligations. Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations have been paid in full (other than obligations under the Loan Documents (including contingent reimbursement obligations and indemnity obligations) which, by their express terms, survive termination of this Agreement or such other Loan

Document, as the case may be) and all Revolving Credit Commitments have terminated or expired, upon request of Borrower Representative, 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 Borrower or the Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or the Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

9.16 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 Borrower Representative 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 a Borrower's 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 Borrower Representative, 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.

9.17 Waivers of Jury Trial. THE BORROWERS, 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.

9.18 Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

9.19 Joint and Several Liability. Each Borrower 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 each Borrower and in consideration of the undertakings of each other Borrower to accept joint and several liability for the Loans and the other Obligations hereunder. Each Borrower, 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 other Borrower, 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 Borrowers without preferences or distinction among them. If and to the extent that any 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 Borrower will make such payment with respect to, or perform, such Obligation.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

BSPRT BB LOAN, LLC,
as a Borrower

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT FINANCE SUB-LENDER II, LLC,
as a Borrower

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

FRANKLIN BSP REALTY TRUST, INC. F/K/A BENEFIT STREET PARTNERS REALTY TRUST, INC.,
as the Guarantor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BARCLAYS BANK PLC,
as Administrative Agent, Arranger and Lender

By:____ Name:
Title:

Annex A

Commitments

Lender	Revolving Credit Commitment
BARCLAYS BANK PLC	$250,000,000
Total Commitments	$250,000,000

Annex A

Annex B

Representations and Warranties Regarding Borrowing Base Assets

Attached.

DISQUALIFIED INSTITUTIONS

All Affiliates, successors and assigns of the entities listed on this Schedule 1.1(a), in each case to the extent readily identifiable as an Affiliate, successor or assign of such entity on the basis of its name, and such other Persons indicated in writing by Borrower Representative from time to time to the Lenders in accordance with Section 9.6(f)(iii), shall be a Disqualified Institution, as defined and used in this Agreement.

1. Annaly Commercial Real Estate Group
2. Apollo Global Management
3. Arbor Capital Group, Inc.
4. Argentic Investment Management
5. Ares Management
6. Berkadia Commercial Mortgage LLC
7. Blackstone
8. C-III Commercial Mortgage
9. Cantor Commercial Real Estate
10. CBRE Group Inc.
11. Cerberus Capital Management
12. Colony Capital
13. Crexus Investment Corp.
14. Greystone
15. Guggenheim Partners, LLC
16. Ellington Management Group
17. Elliot Management
18. Fortress Investment Group
19. Jefferies LoanCore
20. KKR
21. Ladder Capital Finance
22. LStar Capital
23. Mesa West
24. money360
25. Newcastle Investment Group
26. Oaktree Capital Management
27. Principal Commercial
28. Prime Finance
29. Rialto Capital Management
30. ReadyCap Lending
31. Shelter Growth Capital Partners
32. Silverpeak Real Estate Partners
33. Starwood Mortgage Capital
34. Voya Financial
35. Walker & Dunlop Inc.
36. Waterfall Asset Management

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Schedule 3.18

FILING OFFICES

Intermediate Pledgors	Delaware Secretary of State
Borrowers	Delaware Secretary of State

EXHIBIT 2

Form of Acknowledgment and Consent

[Attached]

ACKNOWLEDGMENT AND CONSENT

Reference is made to (a) the FOURTH AMENDMENT TO CREDIT AGREEMENT, dated as of December 1, 2021 (the "Fourth Amendment"), to the Credit Agreement, dated as of September 19, 2017 (as amended by that certain First Amendment to Credit Agreement, dated as of July 30, 2018, Second Amendment to Credit Agreement, dated as of September 12, 2019, and Third Amendment to Credit Agreement, dated as of September 8, 2021, and as further amended, restated, supplemented or otherwise modified in writing from time to time, including pursuant to the Fourth Amendment, the "Credit Agreement"), among BSPRT BB LOAN LLC, a Delaware limited liability company ("Borrower Representative"), BSPRT FINANCE SUB-LENDER II, LLC, a Delaware limited liability company ("BSPRT Finance Sub-Lender" and together with Borrower Representative, the "Borrowers", and each a "Borrower"), FRANKLIN BSP REALTY TRUST, INC. (F/K/A BENEFIT STREET PARTNERS REALTY TRUST, INC.),
a Maryland corporation (the "Guarantor"), the several banks and other financial institutions or entities from time to time parties thereto (the "Lenders") and BARCLAYS BANK PLC, as administrative agent (in such capacity, the "Administrative Agent"), (b) the GUARANTEE AND COLLATERAL AGREEMENT, dated as of September 19, 2017 (as amended, restated, supplemented or otherwise modified in writing from time to time, the "Guarantee and Collateral Agreement"), made by the Borrowers and the Guarantor, in favor of the Administrative Agent for the Lenders, (c) the PLEDGE AGREEMENT, dated as of September 19, 2017 (as amended, restated, supplemented or otherwise modified in writing from time to time, the "Conduit Lender Pledge Agreement"), made by BSPRT Finance, LLC (n/k/a BSPRT CMBS Finance, LLC), a Delaware limited liability company (the "Conduit Lender Pledgor"), in favor of the Administrative Agent for the Lenders and (d) the PLEDGE AGREEMENT, dated as of September 13, 2019 (as amended, restated, supplemented or otherwise modified in writing from time to time, the "CRE Finance Pledge Agreement"), made by BSPRT CRE Finance, LLC, a Delaware limited liability company (the "CRE Finance Pledgor"), in favor of the Administrative Agent for the Lenders. Unless otherwise defined herein, capitalized terms used herein and defined in the Credit Agreement are used herein as therein defined.

Each of the undersigned parties to the Credit Agreement, the Guarantee and Collateral Agreement, the Conduit Lender Pledge Agreement, the CRE Finance Pledge Agreement and the other Security Documents, as applicable, hereby (a) consents to the transactions contemplated by the Fourth Amendment and (b) acknowledges and agrees that the guarantees and grants of security interests made by such party contained in the Credit Agreement, the Guarantee and Collateral Agreement, the Conduit Lender Pledge Agreement, the Operating Partnership Pledge Agreement and the other Security Documents, as applicable, are, and shall remain, in full force and effect after giving effect to the Fourth Amendment.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Acknowledgment and Consent to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

BSPRT BB LOAN LLC,
as a Borrower

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT FINANCE SUB-LENDER II, LLC,
as a Borrower

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

FRANKLIN STREET REALTY TRUST, INC. F/K/A BENEFIT STREET PARTNERS REALTY TRUST, INC.,
as Guarantor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT CMBS FINANCE, LLC,
as Conduit Lender Pledgor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

BSPRT CRE FINANCE, LLC,
as CRE Finance Pledgor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

EXECUTION

AMENDMENT NO. 10 TO PRICING SIDE LETTER

Amendment No. 10 to Pricing Side Letter, dated as of November 3, 2021 (this "Amendment"), among Column Financial, Inc. ("Column"), as Administrative Agent on behalf of Buyers (in such capacity, the "Administrative Agent"), Credit Suisse AG, a company incorporated in Switzerland, acting through its Cayman Islands Branch ("CS Cayman" and a "Buyer"), Alpine Securitization LTD ("Alpine" and a "Buyer" and together with CS Cayman, the "Buyers"), BSPRT Finance Sub-Lender I, LLC, BSPRT CS Loan, LLC (collectively, the "Sellers") and Franklin BSP Realty Trust, Inc. (the "Guarantor").

RECITALS

The Administrative Agent, the Buyers, the Sellers and the Guarantor are parties to (i) that certain Master Repurchase Agreement, dated as of August 31, 2017 (as amended, restated, supplemented or otherwise modified from time to time the "Repurchase Agreement") and (ii) that certain Pricing Side Letter, dated as of August 31, 2017 (as amended by Amendment No. 1, dated as of December 13, 2017, that certain Omnibus Amendment and Joinder Agreement, dated as of February 7, 2018, Amendment No. 2, dated as of June 20, 2018, Amendment No. 3, dated as of July 19, 2018, Amendment No. 4, dated as of September 19, 2018, Amendment No. 5, dated as of March 26, 2019, Amendment No. 6, dated as of March 20, 2020, Amendment No. 7, dated as of August 28, 2020, Amendment No. 8, dated as of August 12, 2021 and Amendment No. 9, dated as of September 28, 2021, the "Existing Pricing Side Letter"; and as further amended by this Amendment, the "Pricing Side Letter"). The Guarantor is party to that certain Guaranty, dated as of August 31, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"), made by the Guarantor in favor of Administrative Agent for the benefit of Buyers. Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement, the Existing Pricing Side Letter or the Guaranty, as applicable.

The Administrative Agent, the Buyers, the Sellers and the Guarantor have agreed, subject to the terms and conditions of this Amendment, that the Existing Pricing Side Letter be amended to reflect certain agreed upon revisions to the terms of the Existing Pricing Side Letter. As a condition precedent to amending the Existing Pricing Side Letter, the Administrative Agent has required the Guarantor to ratify and affirm the Guaranty on the date hereof after giving effect to this Amendment.

Accordingly, the Administrative Agent, the Buyers, the Sellers and the Guarantor hereby agree, in consideration of the mutual promises and mutual obligations set forth herein, that the Existing Pricing Side Letter is hereby amended as follows:

SECTION 1. Definitions. Section 1 of the Existing Pricing Side Letter is hereby amended by deleting the definition of "Maximum Aggregate Purchase Price" in its entirety and replacing it with the following:

"Maximum Aggregate Purchase Price" means (a) THREE HUNDRED MILLION DOLLARS ($300,000,000), or (b) such other amount as mutually agreed to by Administrative Agent and Sellers in writing not to exceed FOUR HUNDRED MILLION ($400,000,000).

SECTION 2. Facility Fee. Sellers shall pay to Administrative Agent on behalf of Buyers in immediately available funds, earned on the date hereof, a non-refundable fee (the "Facility Fee") in an amount equal to the product of (a) 0.25% multiplied by (b) $100,000,000; provided that if the Maximum Aggregate Purchase Price is increased pursuant to clause (b) of the definition thereof, Sellers shall pay to Administrative Agent on the date of such increase an additional Facility Fee in an amount equal to the product of (a) 0.25% multiplied by (b) the lesser of (i) $100,000,000 and (ii) such amount increased. All payments of the Facility Fee shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to Administrative Agent on behalf of Buyers at such account designated by Administrative Agent.

SECTION 3. Conditions Precedent. This Amendment shall become effective as of the date hereof (the "Amendment Effective Date"), subject to the satisfaction of the following conditions precedent:

3.1 Delivered Documents. On the date hereof, the Administrative Agent on behalf of Buyers shall have received the following documents, each of which shall be satisfactory to the Administrative Agent in form and substance:

(a) this Amendment, executed and delivered by duly authorized officers of the Administrative Agent, the Buyers, the Sellers and the Guarantor; and

(b) such other documents as the Administrative Agent or counsel to the Administrative Agent may reasonably request.

3.2 Facility Fees. On the Amendment Effective Date, the Sellers shall remit to the Administrative Agent that portion of the Facility Fee due and payable on the date hereof.

SECTION 4. Representations and Warranties. Each Seller hereby represents and warrants to the Administrative Agent and the Buyers that it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, and that no Event of Default has occurred or is continuing, and hereby confirms and reaffirms the representations and warranties contained in Section 13 of the Repurchase Agreement.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Existing Pricing Side Letter shall continue to be, and shall remain, in full force and effect in accordance with its terms. From and after the date hereof any reference in the Program Agreements to the Pricing Side Letter shall be deemed a reference to the Pricing Side Letter, as amended hereby.

SECTION 6. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, and all such counterparts shall together constitute one and the same instrument. Delivery by electronic mail of an executed counterpart of a signature page of this Amendment in Portable Document Format (PDF) or by facsimile shall be effective as delivery of a manually executed original counterpart of this Amendment. The parties agree that this Amendment, any addendum or amendment hereto or any other document necessary for the consummation of the transactions contemplated by this

Amendment may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 *et seq.*, the Official Text of the Uniform Electronic Transactions Act as approved by the National Conference of Commissioners on Uniform State Laws at its Annual Conference on July 29, 1999 and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service with appropriate document access tracking, electronic signature tracking and document retention as may be approved by the Administrative Agent in its sole discretion.

SECTION 7. Severability. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

SECTION 8. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

SECTION 9. Reaffirmation of Guaranty. The Guarantor hereby ratifies and affirms all of the terms, covenants, conditions and obligations of the Guaranty and acknowledges and agrees that the term "Obligations" as used in the Guaranty shall apply to all of the Obligations of Sellers to Administrative Agent under the Repurchase Agreement and related Program Agreements, as amended hereby.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed as of the date first above written.

COLUMN FINANCIAL, INC., as Administrative Agent

By:/s/ Jack Hempling

Name: Jack Hempling
Title: Authorized Signatory

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Buyer

By:/s/ Jack Hempling

Name: Jack Hempling
Title: Authorized Signatory

By:/s/ Patrick J. Hart

Name: Patrick J. Hart
Title: Authorized Signatory

ALPINE SECURITIZATION LTD, as a Buyer,
by Credit Suisse AG, New York Branch as Attorney-in-fact

By: /s/ Patrick J. Hart
Name: Patrick J. Hart

By: /s/ Marcus DiBrito
Name: Marcus DiBrito

BSPRT FINANCE SUB-LENDER I, **LLC,** as a Seller

By: /s/: Micah Goodman
Name: Micah Goodman
Title: Authorized Signatory

BSPRT CS LOAN, LLC, as a Seller

By: /s/: Micah Goodman
Name: Micah Goodman
Title: Authorized Signatory

FRANKLIN BSP REALTY TRUST, INC, as Guarantor

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

EXECUTION VERSION

FIRST AMENDMENT TO GUARANTEE AGREEMENT

This First Amendment to Guarantee Agreement (this "Amendment") is made and entered into as of September 30, 2021, by and between BENEFIT STREET PARTNERS REALTY TRUST, INC., a Maryland corporation ("Guarantor"), and Wells Fargo Bank, National Association ("Buyer").

W I T N E S S E T H:

WHEREAS, Buyer and BSPRT WFB Loan, LLC ("Seller") entered into that certain Master Repurchase and Securities Contract, dated as of November 21, 2018 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Repurchase Agreement"; capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Repurchase Agreement);

WHEREAS, in connection with the Repurchase Agreement, Guarantor executed and delivered to Buyer that certain Guarantee Agreement, dated as of November 21, 2018 (as amended hereby, and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Guarantee Agreement"); and

WHEREAS, Guarantor and Buyer have agreed to amend certain provisions of the Guarantee Agreement in the manner set forth herein, and Guarantor hereby further agrees to make the acknowledgements set forth herein.

NOW THEREFORE, for and in consideration of the foregoing and for ten dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. ***Amendments.***

(a) The definitions of "Fixed Charges" and "Recourse Indebtedness" contained in Section 1 of the Guarantee Agreement are each hereby amended and restated in their entirety to read as follows:

> "Fixed Charges" shall mean, with respect to any Person and its consolidated Subsidiaries and for any fiscal quarter, the sum of (a) all cash interest paid or accrued during such period and all scheduled principal amortization payments, interest, fees and other debt service payable by such Person and its consolidated Subsidiaries during such period, (b) Capitalized Lease Obligations paid or accrued during such period, (c) capital expenditures (if any) incurred by such Person and its consolidated Subsidiaries during such period, (d) any amounts payable during such period under any ground lease, and (e) all amounts paid or accrued during such period in respect of any Interest Rate Protection Agreements or other derivative contracts.

"Recourse Indebtedness" shall mean, with respect to any Person, for any applicable period, without duplication, the aggregate Indebtedness of such Person and its consolidated Subsidiaries during such period for which such Person or any of such Subsidiaries is directly responsible or liable as obligor or guarantor; provided, that Recourse Indebtedness shall not include Indebtedness owing pursuant to repurchase agreements secured by residential adjustable-rate mortgage securities issued and guaranteed by government-sponsored enterprises or by an agency of the federal government.

(b) Section 9(a)(ii) of the Guarantee Agreement is hereby amended and restated in its entirety to read as follows:

"(ii) permit (a) the ratio of Guarantor's Total Indebtedness to Guarantor's Tangible Net Worth at any time to be greater than 3.0 to 1.0; provided, that for purposes of this clause (a), Guarantor's Total Indebtedness shall be calculated excluding all Indebtedness owing pursuant to repurchase agreements secured by residential adjustable-rate mortgage securities issued and guaranteed by government-sponsored enterprises or by an agency of the federal government, or (b) so long as any of Guarantor's Indebtedness secured by residential adjustable-rate mortgage securities remains outstanding, the ratio of Guarantor's Total Indebtedness to Guarantor's Tangible Net Worth at any time to be greater than 8.0 to 1.0;".

2. ***Conditions Precedent***. This Amendment and its provisions shall become effective on the first date (the "Amendment Effective Date") on which this Amendment is executed and delivered by a duly authorized officer of each of Buyer and Guarantor, along with such other documents as Buyer may reasonably request.

3. ***Representations, Warranties and Covenants***. Guarantor hereby represents and warrants to Buyer, as of the date hereof and as of the Amendment Effective Date, that (i) it is in full compliance with all of the terms and provisions set forth in each Repurchase Document to which it is a party on its part to be observed or performed, and (ii) no Default or Event of Default has occurred or is continuing. Guarantor hereby confirms and reaffirms its representations, warranties and covenants contained in each Repurchase Document to which it is a party are true and correct in all material respects (except such materiality qualifier shall not be applicable to any representations, warranties or covenants that are already qualified or modified as to materiality or "Material Adverse Effect" in the text thereof, which covenants, representations and warranties shall be true and correct in all respects subject to such qualifier), except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date).

4. ***Acknowledgements of Guarantor.*** Notwithstanding the terms of this Amendment and any impact of such terms on Section 9 of the Guarantee Agreement, Guarantor hereby acknowledges that Section 21 of the Guarantee Agreement remains in full force and effect.

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

6. ***Limited Effect***. Except as expressly amended and modified by this Amendment, the Guarantee Agreement (including, without limitation, Section 21 thereof) and each of the other Repurchase Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the Amendment Effective Date, each (x) reference therein and herein to the "Repurchase Documents" shall be deemed to include, in any event, this Amendment, (y) each reference to the "Guarantee Agreement" in any of the Repurchase Documents shall be deemed to be a reference to the Guarantee Agreement, as amended hereby, and (z) each reference in the Guarantee Agreement to "this Guarantee", "hereof", "herein" or words of similar effect in referring to the Guarantee Agreement shall be deemed to be references to the Guarantee Agreement, as amended by this Amendment.

7. ***No Novation, Effect of Repurchase Agreement***. The parties hereto have entered into this Amendment solely to amend the terms of the Guarantee Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owning by Seller, Pledgor, Guarantor or any of their respective Affiliates (the "Repurchase Parties") under or in connection with the Repurchase Agreement or any of the other Repurchase Documents. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the Repurchase Obligations of the Repurchase Parties under the Repurchase Agreement 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 Guarantee Agreement in any such Repurchase Document shall be deemed to also reference this Amendment.

8. ***Headings***. The headings used in this Amendment are for reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

9. ***Expenses***. Guarantor agrees to pay and reimburse Buyer for all third-party out-of-pocket costs and expenses incurred by Buyer in connection with the preparation, execution and delivery of this Amendment.

10. ***Counterparts***. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

11. ***GOVERNING LAW*. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO OR IN CONNECTION WITH THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLES OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.**

[*Signatures on the Following Page*]

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

BUYER:

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By: /s/: Michael P. Duncan

Name: Michael P. Duncan
Title: Director

GUARANTOR:

BENEFIT STREET PARTNERS REALTY TRUST, INC.

By: /s/: Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

Exhibit 10.40

EXECUTION VERSION

October 15, 2021

BSPRT WFB Loan, LLC
142 West 57th Street, 12th Floor New York, New York 10019

Re: Upsize Confirmation Letter

Ladies and Gentlemen:

Reference is made to that certain Master Repurchase and Securities Contract, dated as of November 21, 2018, between BSPRT WFB Loan, LLC, a Delaware limited liability company ("Seller") and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Buyer") (as amended by that certain First Amendment to Master Repurchase and Securities Contract, dated as of July 30, 2020, between Seller and Buyer, and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Agreement"). Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed thereto in the Agreement.

1. Upsize Confirmation.

This confirmation letter (the "Confirmation Letter") shall serve as confirmation that Seller has requested, and Buyer has approved, the exercise of an Upsize Option pursuant to Section 3.06(c) of the Agreement. Therefore, from and after the date of this Confirmation Letter, (A) the Maximum Amount under the Agreement has been increased from $175,000,000 to $275,000,000, and (B) there shall be no further options to further increase the Maximum Amount pursuant to Section 3.06(c) of the Agreement or otherwise.

Buyer and Seller acknowledge and agree that, notwithstanding anything in Section 3.06(c) of the Agreement to the contrary, the exercise by Seller, and the granting by Buyer, of the Upsize Option described herein shall be deemed to comply with the timing requirements specified in Section 3.06(c) of the Agreement and with the requirements specified in clause (ii) of the fourth sentence of Section 3.06(c) of the Agreement.

By signing this Confirmation Letter below, Seller hereby represents and warrant that, as of the date of this Confirmation Letter: (i) it has paid to Buyer the applicable Upsize Fee due in connection with the exercise of the Upsize Option described herein, (ii) each of the representations and warranties made by Seller in the Agreement is true and correct as if made on and as of the date of this Confirmation Letter,
(iii) Seller has performed all agreements and satisfied all conditions that the Agreement provides shall be performed or satisfied by it as of the date hereof, (iv) no Default or Event of Default has occurred and is continuing, and (v) no unsatisfied Margin Deficit is outstanding.

2. Miscellaneous.

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

B. THIS CONFIRMATION LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS OR CHOICE OF LAW PROVISIONS THEREOF (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW). This Confirmation Letter may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery by electronic transmission (including a .pdf e-mail transmission) of an executed counterpart of a signature page to this Confirmation Letter shall be effective as delivery of an original executed counterpart hereof.

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

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

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

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

Please indicate your acknowledgment of, and agreement to, the terms of this Confirmation Letter by executing and returning a counterpart of this Confirmation Letter to Buyer.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By: /s/: Michael P. Duncan
Name: Michael P. Duncan Title: Director

Acknowledged and agreed:

BSPRT WFB LOAN, LLC

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

Pledgor:

BSPRT CRE FINANCE, LLC

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

Guarantor:

BENEFIT STREET PARTNERS REALTY TRUST, INC.

By: /s/ Micah Goodman Name: Micah Goodman
Title: Authorized Signatory

AMENDMENT NO. 2 TO MASTER REPURCHASE AND SECURITIES CONTRACT

AMENDMENT NO. 2 TO MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of November 19, 2021 (this "Amendment"), by and between **BSPRT WFB LOAN, LLC** ("Seller"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase and Securities Contract, dated as of November 21, 2018 (as amended by that certain First Amendment to Master Repurchase and Securities Contract, dated as of July 30, 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 has requested, and Buyer has agreed, to amend the Repurchase Agreement as set forth in this Amendment, and each of Seller and Franklin BSP Realty Trust, Inc. (f/k/a Benefit Street Partners Realty Trust, Inc.) ("Guarantor") have agreed to make the acknowledgements set forth herein.

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

SECTION 1. Amendments to the Repurchase Agreement. The Repurchase Agreement is hereby amended to delete the red, stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the blue, double underlined text (indicated in the same manner as the following example: underlined text) as attached hereto on Exhibit A. The Exhibits, Schedules and Annexes to the Repurchase Agreement (other than as set forth in Section 2 of this Amendment) shall not be modified by this Amendment and shall remain Exhibits, Schedules and Annexes to the Repurchase Agreement.

SECTION 2. Amendments to the Exhibits and Schedules to the Repurchase Agreement.

(a) Exhibit A to the Repurchase Agreement is hereby amended and restated in its entirety to read as follows: "Reserved".

(b) Exhibit B to the Repurchase Agreement is hereby amended and restated in its entirety to read as attached hereto on Annex I.

SECTION 3. Conditions Precedent. This Amendment and its provisions shall become effective on the first date on which (i) this Amendment is executed and delivered by a duly authorized officer of each of Seller, Buyer and Guarantor, (ii) Buyer receives duly executed copies of each of (x) that certain Second Amendment to Guarantee Agreement, dated as of the date hereof (the "Guarantee Amendment"), between Guarantor and Buyer and (y) that certain Amended and Restated Fee and Pricing Letter, dated as of the date hereof, between Seller and Buyer (the "Fee Letter Amendment"), and (iii) Seller has paid to Buyer the Amendment Structuring Fee (as defined in the Fee Letter Amendment) (such effective date, the "Amendment Effective Date").

SECTION 4. Conditions Subsequent. Within ten (10) Business Days following the Amendment Effective Date (or such longer period as Buyer may agree to in its sole discretion), Seller shall provide Buyer with bring down letters or new opinions affirming the opinions provided to Buyer on the Closing Date, each, in form and substance acceptable to Buyer and its counsel. The failure of Seller and Guarantor to do so on a timely basis shall constitute an immediate Event of Default under the Repurchase Agreement.

SECTION 5. Representations, Warranties and Covenants. Seller and Guarantor each hereby represents and warrants to Buyer, as of the Amendment Effective Date, that (i) each of Guarantor and Seller is in full compliance with all of the terms and provisions set forth in each Repurchase Document to which it is a party on its part to be observed or performed, and (ii) Seller hereby represents and warrants to Buyer, as of the Amendment Effective Date, no Default or Event of Default has occurred or is continuing. Each of Guarantor and Seller hereby confirms and reaffirms its representations, warranties and covenants contained in each Repurchase Document to which it is a party.

SECTION 6. Acknowledgements. Each of Guarantor and Seller hereby acknowledges that Buyer is in compliance with its undertakings and obligations under the Repurchase Agreement, the Guarantee Agreement and the other Repurchase Documents. Guarantor further acknowledges the execution and delivery of this Amendment and agrees that it continues to be bound by the Guarantee Agreement (as amended by the Guarantee Amendment), notwithstanding the execution and delivery of this Amendment and the Fee Letter Amendment and the impact of the changes set forth herein and therein.

SECTION 7. Limited Effect. Except as expressly amended and modified by this Amendment, the Fee Letter Amendment or the Guarantee Amendment, as applicable, the Repurchase Agreement, the Fee Letter, the Guarantee Agreement and each of the other Repurchase Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the Amendment Effective Date, each (x) reference therein and herein to the "Repurchase Documents" shall be deemed to include, in any event, this Amendment, (y) each reference to the "Repurchase Agreement", the "Master Repurchase and Securities Contract", the "Fee Letter", the "Fee and Pricing Letter", the "Guarantee" or the "Guarantee Agreement" in any of the Repurchase Documents shall be deemed to be a reference to the Repurchase Agreement, the Fee Letter or the Guarantee Agreement, as applicable, as amended hereby or thereby, and (z) each reference in the Repurchase Agreement, the Fee Letter or the Guarantee Agreement, as applicable, to this "Agreement", this "Master Repurchase and Securities Contract", this "Fee Letter", this "Fee and Pricing Letter", this "Guarantee", "hereof", "herein" or words of similar effect in referring to the Repurchase Agreement, the Fee Letter or the Guarantee Agreement, as applicable, shall be deemed to be references to the Repurchase Agreement, the Fee Letter or the Guarantee Agreement, as applicable, as amended by this Amendment, the Fee Letter Amendment or the Guarantee Amendment, as applicable.

SECTION 8. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 9. Expenses. Seller agrees to pay and reimburse Buyer for all out-of-pocket costs and expenses incurred by Buyer in connection with the preparation, execution and delivery of this Amendment, the Fee Letter Amendment and the Guarantee Amendment,

including, without limitation, the fees and disbursements of Cadwalader, Wickersham & Taft LLP, counsel to Buyer

SECTION 10.GOVERNING LAW. **THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.**

SECTION 11. No Novation, Effect of Agreement. The parties hereto have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owning by Seller, Pledgor, Guarantor or any of their respective Affiliates (the "Repurchase Parties") under or in connection with the Repurchase Agreement or any of the other Repurchase Documents. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the Repurchase Obligations of the Repurchase Parties under the Repurchase Agreement are preserved, and (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect.

SECTION 12. Waivers. (a) Each of Seller and Guarantor acknowledges and agrees that it has no defenses, rights of setoff, claims, counterclaims or causes of action of any kind or description against Buyer arising under or in respect of the Repurchase Agreement, the Guarantee Agreement or any other Repurchase Document and any such defenses, rights of setoff, claims, counterclaims or causes of action which may exist as of the date hereof are hereby irrevocably waived, and (b) in consideration of Buyer entering into this Amendment, Seller and Guarantor hereby waive, release and discharge Buyer and Buyer's officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arise out of or from or in any way relating to or in connection with the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents, including, but not limited to, any action or failure to act under the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents on or prior to the date hereof, except, with respect to any such Person being released hereby, any actions, causes of action, claims, demands, damages and liabilities arising out of such Person's gross negligence, willful misconduct or bad faith in connection with the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Document.

[SIGNATURES FOLLOW]

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

SELLER:

BSPRT WFB LOAN, LLC, a Delaware limited liability company

By: /s/ Micah Goodman
Name: Micah Goodman
Title: Authorized Signatory

ACKNOWLEDGED AND AGREED:

GUARANTOR:

FRANKLIN BSP REALTY TRUST, INC., a Maryland corporation

By: /s/ Micah Goodman
Name: Micah Goodman
Title: Authorized Signatory

BUYER:

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association

By: /s/ Michael P. Duncan
Name: Michael P. Duncan
Title: Director

Exhibit A

[See attached.]

MASTER REPURCHASE AND SECURITIES CONTRACT

BSPRT WFB LOAN, LLC,
("Seller")

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
("Buyer")

Dated as of November 21, 2018

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THIS MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of November 21, 2018 (as amended, restated, supplemented or otherwise modified and in effect from time to time, (this "Agreement"), is made by and between **BSPRT WFB LOAN, LLC**, a Delaware limited liability company, as Seller (as more specifically defined below, "Seller") and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as buyer (as more specifically defined below, "Buyer"). Seller and Buyer (each also a "Party" and, collectively, the "Parties") hereby agree as follows:

ARTICLE 1

APPLICABILITY

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

ARTICLE 2

DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions.

"Accelerated Repurchase Date": Defined in Section 10.02.

"Actual Knowledge": With respect to any Person, the actual knowledge of such Person without further inquiry or investigation; provided, that for the avoidance of doubt, such actual knowledge shall include the actual knowledge of such Person and each of its (i) employees, officers and directors and (ii) any agent to the extent that such agent has responsibility in connection with Seller, Pledgor, Guarantor, the Repurchase Documents and/or the origination, acquisition, servicing, administrator and/or management of any Purchased Asset.

"Advisor": Benefit Street Partners L.L.C., a Delaware limited liability company.

"Advisory Agreement": The Amended and Restated Advisory Agreement, dated as of January 19, 2018, between and among Operating Partnership, Advisor and Guarantor.

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

"Agreement": The meaning set forth in the initial paragraph hereof.

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

"Amendment Effective Date": November 19, 2021.

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

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

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

"Applicable Percentage": For each Purchased Asset, the applicable percentage determined by Buyer for such Purchased Asset on the Purchase Date therefor and as thereafter adjusted as provided in Section 4.01(a), in each case as specified in the most recent Confirmation entered into in respect of such Purchased Asset, but in no event greater than the Maximum Applicable Percentage.

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

"Appraisal": An appraisal of the related Mortgaged Property conducted by an Independent Appraiser in accordance with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended, and, in addition, certified by such Independent Appraiser as having been prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, addressed to (either directly or pursuant to a reliance letter in favor of Buyer or reliance language in such Appraisal running to the benefit of Buyer as a successor and/or assign) and reasonably satisfactory to Buyer.

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

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

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

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

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

"Basic Mortgage Asset Documents": The following original (except as otherwise permitted in Section 2.01 of the Custodial Agreement), fully executed and complete documents: (1) the Mortgage Note and/or, in the case of a Senior Interest consisting of a participation interest, the related participation certificate, with a certified true and correct copy of the related Mortgage Note, (2) the Mortgage and UCC-1 financing statements executed in connection therewith, (3) the assignment of leases and rents, if any, (4) the Interim Assignment Documents and (5) the Blank Assignment Documents.

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

"Benchmark Replacement": With respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by Buyer as the replacement for the then-current Benchmark and (b) the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Repurchase Documents.

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

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

is reasonably necessary in connection with the administration of this Agreement and the other Repurchase Documents).

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

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

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark has been determined and announced by the regulatory supervisor for the administrator of such Benchmark to be no longer representative or to be non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided, that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (3) even if such Benchmark continues to be provided on such date.

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

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

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

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark announcing that such Benchmark is not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

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

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

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

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

"Book Value": For each Purchased Asset, as of any date, an amount, as certified by Seller in the related Confirmation, equal to the lesser of (a) the outstanding principal amount or par value thereof as of such date, and (b) the price that Seller initially paid or advanced in respect thereof *plus* any additional amounts advanced by Seller in connection with Seller's future funding obligations under the related Purchased Asset Documents subject to Future Funding Transactions and sold to Buyer under this Agreement, *minus* Principal Payments received by Seller and as further reduced by losses realized and write-downs taken by Seller, together with all other reductions in the unpaid balance due in connection with the related Whole Loan (including, with respect to any Senior Interest that is a participation, any reduction in the principal balance of the related Whole Loan, to the extent allocable to such Senior Interest under the related Purchased Asset Documents).

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

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

"Capitalized Lease Obligations": Obligations 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 equity ownership interests in a Person which is not a corporation, including, without limitation, any and all member or other equivalent interests (certificated or uncertificated) in any limited liability company, and any and all partnership or other equivalent interests in any partnership or limited partnership, and any and all warrants or options to purchase any of the foregoing.

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

"Change of Control": The occurrence of any of the following events: (a) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the

beneficial owner, directly or indirectly, of 20% or more of the total voting power of all classes of Equity Interests of Guarantor entitled to vote generally in the election of the directors; (b) Guarantor shall cease to own and Control, of record, beneficially and directly or indirectly, 100% of the outstanding Capital Stock of Operating Partnership; (c) Operating Partnership shall cease to own and Control, of record, beneficially and directly, 100% of the outstanding Capital Stock of Pledgor; (d) Pledgor shall cease to own and Control, of record, beneficially and directly, 100% of the outstanding Capital Stock of Seller; (e) the occurrence of any sale, merger, consolidation or reorganization of Advisor with or into any entity that is not an Affiliate of Advisor or Franklin Resources, Inc., a Delaware corporation, as of the Closing Date, or (f) Advisor (or any such permitted successor under the preceding clause (e)) ceases for any reason to act as the advisor of Seller, Guarantor or the Purchased Assets under or in accordance with the Advisory Agreement.

"Class": With respect to an Asset, such Asset's classification as either a Whole Loan or a Senior Interest.

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

"Closing Date": November 21, 2018.

"Code": The Internal Revenue Code of 1986, as amended, or any successor thereto.

"Co-Lender": With respect to any Senior Interest, any co-participant, any co-lender or any other Person having an interest in the related Whole Loan that is junior to, *pari passu* with, or senior to (in right of payment or priority), the rights of the holder of such Senior Interest.

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

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

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

"Confirmation": A purchase confirmation in the form of Exhibit B, duly completed, executed and delivered by Seller and Buyer in accordance with either Section 3.01 or Section 4.01(d).

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

"Contingent Liabilities": With respect to any Person as of any date of determination, all of the following as of such date (determined on a consolidated basis): (a) liabilities and obligations (including any Guarantee Obligations) of such Person in respect of "off-balance sheet arrangements" (as defined in the Off-Balance Sheet Rules defined below in this definition), (b) obligations of such Person, including Guarantee Obligations, whether or not required to be disclosed in the footnotes to such Person's financial statements, guaranteeing in whole or in part any Non-Recourse Indebtedness, lease, dividend or other obligation, excluding, however (i) contractual indemnities (including any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets) and (ii) guarantees of non-monetary

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

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

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

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

"Current Mark-to-Market Value": For any Purchased Asset as of any date, the market value for such Purchased Asset as of such date as determined by Buyer in its sole discretion exercised in good faith.

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

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

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

"Decrease Option": Defined in Section 3.06(d).

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

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

"Defaulted Asset": Any Asset or Purchased Asset and, in the case of any Senior Interest, any related Whole Loan, as applicable, (a) that is thirty (30) or more days (or, in the case of payments due at maturity, one (1) day) delinquent in the payment of principal, interest, fees, distributions or any other amounts payable under the related Purchased Asset Documents, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents, other than those that were either disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset or consented to by Buyer in accordance with the terms of this Agreement, (b) with respect to which a Representation Breach exists, other than an Approved Representation Exception, unless such Purchased Asset has been repurchased pursuant to Section 3.04(c), (c) with respect to which a material non-monetary default has continued under the related Purchased Asset Documents beyond any applicable notice or cure period, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents other than those that were disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset or consented to by Buyer in writing in accordance with the terms of this Agreement, (d) as to which an Insolvency Event has occurred with respect to the Underlying Obligor or, in the case of any Senior Interest, with respect to any Co-Lender, (e) with respect to which there has been a Material Modification (including, without limitation, a Material Modification with respect to any Whole Loan related to any Senior Interest) that has not been consented to in writing by Buyer in accordance with the terms of this Agreement, or (f) for which Seller or a Servicer has received notice of the foreclosure or proposed foreclosure of any Lien on the related Mortgaged Property; provided that with respect to any Senior Interest, in addition to the foregoing such Senior Interest will also be considered a Defaulted Asset to the extent that the related Whole Loan would be considered a Defaulted Asset as described in this definition, provided, further, in each case, without regard to any waivers or modifications of, or amendments to, the related Purchased Asset Documents.

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

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

"Deposit Account Bank": Wells Fargo Bank, National Association, or any other bank approved by Buyer.

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

"Derivatives Termination Value": With respect to any one or more Derivatives Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Derivatives Contracts, (a) for any date on or after the date such Derivatives Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in the preceding clause (a), the amount(s) determined as the mark–to–market value(s) for such Derivatives

Contracts, as determined based on one or more mid–market or other readily available quotations provided by any recognized dealer in such Derivatives Contracts (which may include Buyer).

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

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

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

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

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

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

"Early Repurchase Date": Defined in Section 3.04.

"Eligible Asset": An Asset:

(a) that has been approved as a Purchased Asset by Buyer;

(b) that is not a Defaulted Asset;

(c) that pays interest at a floating rate with a base rate of 1-month LIBOR or based on SOFR;

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

(e) that as of the related Purchase Date, and immediately following the satisfaction of any Margin Call, satisfies the applicable Maximum Purchased Asset PPV Requirement;

(f) if the underlying Mortgaged Property is a hotel, (i) the hotel is a national flag hotel, (ii) Buyer has received a copy of the franchise agreement and related documents for operation of the hotel under the national flag, all reports issued by the franchisor and delivered to Seller, and a comfort letter from the franchisor running to the benefit of successors and assigns of the lender, (iii) the hotel management is acceptable to Buyer, and (iv) the hotel manager has entered into a subordination of management agreement, all of which are acceptable to Buyer;

(g) if the underlying Mortgaged Property is located in the United States, the Underlying Obligors are domiciled in the United States, and all obligations under the Asset and the Purchased Asset Documents are denominated and payable in Dollars;

(h) for which the underlying Mortgaged Property is not under construction, conversion or rehabilitation, and is not a condominium regime established for sale of individual units;

(i) with respect to such Asset, none of the Underlying Obligors (nor any of their respective Affiliates) related to such Asset are Sanctioned Targets;

(j) that does not constitute an Equity Interest of Seller, Pledgor, Advisor, Operating Partnership or Guarantor or any Affiliate of Seller, Pledgor, Advisor or Guarantor that would result in (i) an actual or potential conflict of interest, (ii) an affiliation with an Underlying Obligor which results or could result in the loss or impairment of any material rights of the holder of the related Purchased Asset; provided, Seller shall disclose to Buyer before the Purchase Date each Equity Interest held or to be held by Seller, Pledgor, Advisor, Operating Partnership or Guarantor or any Affiliate of Seller, Pledgor, Advisor, Operating Partnership or Guarantor with respect to such related Purchased Asset whether or not it satisfies either of the preceding clauses (i) or (ii);

(k) that is secured by or, with respect to a Senior Interest, the related Whole Loan is secured by a perfected, first-priority security interest on either a "fully stabilized" or a "light transitional" commercial, retail, industrial, office, self-storage, mixed-use, hospitality or multi-family property, in each case as determined by Buyer in its sole discretion;

(l) as to which all escrows, reserves and other collateral accounts are subject to a perfected security interest in favor of Seller, and each such security interest has been assigned to Buyer as required herein;

(m) with respect to which Seller or paying agent has not failed to remit to Servicer for deposit into the Servicer Account all related Income and other amounts as required by Sections 5.01, 8.07, and other provisions of this Agreement when due;

(n) as to which all obligations included in Retained Interests, funding obligations or any other obligations of any kind remain, in each case, the sole obligation of Seller; and

(o) if any portion of the Mortgaged Property related to such Asset is subject to a partial release, Buyer shall have received, on or before the effective date of such partial release, an Appraisal specifying the value of the Mortgaged Property which remains as security for the related Asset following the date of consummation for such partial release (which Appraisal, for the avoidance of doubt, may be the same Appraisal that was delivered to Buyer on or before the Purchase Date, provided that it complies with this clause (o)).

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

"Eligible Assignee": Any of the following Persons designated by Buyer: (a) any Qualified Assignee other than, prior to the occurrence and during the continuance of an Event of

Default, any Prohibited Assignee, and (b) any other Person to which Seller has consented; provided, that such consent of Seller shall not be unreasonably withheld, delayed or conditioned, and no consent shall be required at any time when an Event of Default exists.

"Environmental Laws": Any federal, state, foreign or local statute, law, rule, regulation, ordinance, code, guideline, written policy and rule of common law now or hereafter in effect, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, employee health and safety or hazardous materials, including CERCLA, RCRA, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Oil Pollution Act of 1990, the Emergency Planning and the Community Right-to-Know Act of 1986, the Hazardous Material Transportation Act, the Occupational Safety and Health Act, and any state and local or foreign counterparts or equivalents.

"Equity Interests": With respect to any Person, (a) any share, interest, participation and other equivalent (however denominated) of Capital Stock of (or other ownership, equity or profit interests in) such Person, (b) any warrant, option or other right for the purchase or other acquisition from such Person of any of the foregoing, (c) any security convertible into or exchangeable for any of the foregoing, and (d) any other ownership or profit interest in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized but unissued on any date.

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

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

"Event of Default": Defined in Section 10.01.

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

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

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

"Extension Conditions": Defined in Section 3.06(a).

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

"Extension Option": Defined in Section 3.06(a).

"Extension Period": Defined in Section 3.06(a).

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

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

"FDIA": Defined in Section 14.03.

"FDICIA": Defined in Section 14.04.

"Fee Letter": The fee and pricing letter, dated as of the date hereof, between Buyer and Seller, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

"Fitch": Fitch, Inc. or, if Fitch, Inc. is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

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

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

"Future Funding Amount": With respect to any Purchased Asset for which a Future Funding Transaction has been requested by Seller and approved by Buyer pursuant to Section 3.10, the amount funded by Buyer in connection with such Future Funding Transaction; provided that, in no event shall a future funding amount exceed the product of (a) the amount that Seller is funding as a post-closing advance on the related Future Funding Date as required by the related Purchased Asset Documents relating to such Purchased Asset, and (b) the Applicable Percentage for such Purchased Asset; and provided, further in no event shall the aggregate amount so requested by Seller exceed the amount of future funding set forth on the related Confirmation for the initial Transaction relating to such Purchased Asset, *minus* all previous Future Funding Amounts funded by Buyer relating to such Purchased Asset.

"Future Funding Confirmation": Defined in Section 3.10(i).

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

"Future Funding Request Package": With respect to one or more Future Funding Transactions, the following, to the extent applicable and available, unless any such items were previously delivered to Buyer and have not been modified since the date of each such delivery: (a) the related request for advance, executed by the related Underlying Obligor (which shall include evidence of Seller's approval of the related Future Funding Transaction), and any other documents that require Seller to fund; (b) the related request for borrowing (or similar affidavit or certification) executed by the related Underlying Obligor which covers such issues as Buyer shall request, and any other related documents; (c) the executed fund control agreement, if any (or the executed escrow agreement, if funding through escrow); (d) the title policy endorsement for the advance; (e) unless, in each case, otherwise agreed to by Buyer in its sole, but commercially reasonable, discretion; (i) certified copies of all relevant trade contracts; (ii) certified copies of any tenant leases; (iii) certified copies of any service contracts; (iv) updated financial statements, operating statements and rent rolls; (v) evidence of required insurance; and (vi) engineering reports and updates to the engineering reports; (f) an updated Underwriting Package for the related Purchased Asset; and (g) copies of any additional documentation as required in connection therewith, or as otherwise requested by Buyer.

"Future Funding Transaction": Any Transaction approved by Buyer pursuant to Section 3.10.

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

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

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

"Guarantee Agreement": The Guarantee Agreement dated as of the date hereof, made by Guarantor in favor of Buyer.

"Guarantee Obligation": With respect to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit) to induce the creation of the obligations for which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends, Contractual Obligation, Derivatives Contract or other obligations or Indebtedness (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation, or (2) to maintain working capital or equity capital of the primary obligor or otherwise to

maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term "Guarantee Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the maximum stated amount of the primary obligation relating to such Guarantee Obligation (or, if less, the maximum stated liability set forth in the instrument embodying such Guarantee Obligation). In the absence of any stated amount or stated liability of a guaranteeing person, the amount of such Guarantee Obligation shall be such guaranteeing person's maximum anticipated liability in respect thereof as reasonably determined by Buyer.

"Guarantor": Franklin BSP Realty Trust, Inc., a Maryland corporation.

"Hotel Asset": Any Purchased Asset that is secured by (or with respect to any Senior Interest, the related Whole Loan is secured by) one or more Mortgaged Properties that are hotel properties.

"Income": With respect to any Purchased Asset, all of the following (in each case with respect to the entire par amount of such Purchased Asset and not just with respect to the portion of the par amount represented by the Purchase Price advanced against such Asset) without duplication: (a) all Principal Payments, (b) all Interest Payments, and (c) all other income, distributions, receipts, payments, collections, prepayments, recoveries, proceeds (including insurance and condemnation proceeds) and other payments or amounts of any kind paid, received, collected, recovered or distributed on, in connection with or in respect of such Purchased Asset, including principal and interest payments, prepayment fees, extension fees, exit fees, defeasance fees, transfer fees, make whole fees, late charges, late fees and all other fees or charges of any kind or nature, premiums, yield maintenance charges, penalties, default interest, dividends, gains, receipts, allocations, rents, interests, profits, payments in kind, returns or repayment of contributions, net sale, foreclosure, liquidation, securitization or other disposition proceeds, insurance payments, settlements and proceeds; provided, that any amounts that under the applicable Purchased Asset Documents are required to be deposited into and held in escrow or reserve to be used for a specific purpose, such as taxes and insurance, shall not be included in the term "Income" unless and until (i) an event of default exists under such Purchased Asset Documents, (ii) the holder of the related Purchased Asset has exercised or is entitled to exercise rights and remedies with respect to such amounts, (iii) such amounts are no longer required to be held for such purpose under such Purchased Asset Documents, or (iv) such amounts may be applied to all or a portion of the outstanding indebtedness under such Purchased Asset Documents.

"Indebtedness": With respect to any Person and any date, all of the following with respect to such Person as of such date, without duplication: (a) obligations in respect of money borrowed (including principal, interest, assumption fees, prepayment fees, yield maintenance charges, penalties, exit fees, contingent interest and other monetary obligations whether choate or inchoate and whether by loan, the issuance and sale of debt securities or the sale of property or assets to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets, or otherwise), (b) obligations, whether or not for money borrowed: (i) represented by notes payable, letters of credit or drafts accepted, in each case representing extensions of credit, (ii) evidenced by bonds, debentures, notes or similar instruments, (iii) constituting purchase money indebtedness, conditional sales contracts, title retention debt instruments or other similar instruments, upon which interest charges are customarily paid or that are issued or assumed as full or partial payment for property or services rendered, or (iv) in connection with the issuance of Preferred Equity or trust preferred securities,

(c) Capitalized Lease Obligations, (d) reimbursement obligations under any letters of credit or acceptances (whether or not the same have been presented for payment), (e) Off–Balance Sheet Obligations, (f) obligations to purchase, redeem, retire, defease or otherwise make any payment in respect of any mandatory redeemable stock issued by such Person or any other Person (inclusive of forward equity contracts), valued at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends, (g) as applicable, all obligations of such Person (but not the obligations of others) in respect of any keep well arrangements, credit enhancements, contingent or future funding obligations under any Purchased Asset or any obligation senior to any Purchased Asset, unfunded interest reserve amount under any Purchased Asset or any other obligation of such Person with respect to such Purchased Asset that is senior to such Purchased Asset, purchase obligation, repurchase obligation, sale/buy-back agreement, takeout commitment or forward equity commitment, in each case evidenced by a binding agreement (excluding any such obligation to the extent the obligation can be satisfied by the issuance of Equity Interests (other than mandatory redeemable stock)), (h) net obligations under any Derivatives Contract not entered into as a hedge against existing indebtedness, in an amount equal to the Derivatives Termination Value thereof, (i) all Non-Recourse Indebtedness, recourse indebtedness and all indebtedness of other Persons that such Person has guaranteed or is otherwise recourse to such Person, (j) all indebtedness of another Person secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such indebtedness or other payment obligation; provided, that if such Person has not assumed or become liable for the payment of such indebtedness, then for the purposes of this definition the amount of such indebtedness shall not exceed the market value of the property subject to such Lien, (k) all Contingent Liabilities, (l) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person or obligations of such Person to pay the deferred purchase or acquisition price of property or assets, including contracts for the deferred purchase price of property or assets that include the procurement of services, (m) indebtedness of general partnerships of which such Person is liable as a general partner (whether secondarily or contingently liable or otherwise), and (n) obligations to fund capital commitments under any Governing Document, subscription agreement or otherwise. Notwithstanding the foregoing, Indebtedness shall not include any Non-Recourse Indebtedness owing pursuant to real estate mortgage investment conduits or other similar securitization transactions that are not issued by Guarantor, Affiliates of Guarantor and/or Affiliates of Advisor (e.g., commercial real estate CLOs) that result from the consolidation of "variable interest entities" under the requirements of the Accounting Standards Codification Section 810, as amended, modified or supplemented from time to time.

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

"Indemnified Persons": Defined in Section 13.01(a).

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

"Independent Appraiser": A professional real estate appraiser that (i) is approved by Buyer in its sole discretion; (ii) was not selected or identified by the Underlying Obligor and is not affiliated with the Originator or the Underlying Obligor; (iii) if engaged by Seller or any of its Affiliates, Seller or such Affiliate, as applicable, is a "financial services institution" within the meaning of the Interagency Guidelines on Evaluations and Appraisals, (iv) is a member in good standing of the American Appraisal Institute; and (v) is certified or licensed in the state where the subject Mortgaged Property is located.

"Independent Director" or "Independent Manager": An individual who has prior experience as an independent director, independent manager or independent member with at least three (3) years of employment experience and who is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, or Lord Securities Corporation or, if none of those companies is then providing professional Independent Directors or Independent Managers, another nationally recognized company approved by Buyer, in each case that is not an Affiliate of Seller and that provides professional independent directors, independent managers and/or other corporate services in the ordinary course of its business, and which individual is duly appointed as Independent Director or Independent Manager and is not, has never been, and will not while serving as Independent Director or Independent Manager be, any of the following:

(p) a member, partner, equity holder, manager, director, officer or employee of Seller, Pledgor, or any of their respective equity holders or Affiliates (other than as an Independent Director or Independent Manager of Seller or Pledgor, or an Affiliate of Seller or Pledgor that does not own a direct or indirect ownership interest in Seller or Pledgor and that is required by a creditor to be a single purpose bankruptcy remote entity, provided, however, that such Independent Director or Independent Manager is employed by a company that routinely provides professional Independent Directors or Independent Managers);

(q) a creditor, supplier or service provider (including provider of professional services) to Seller, Pledgor or any of their respective equity holders or Affiliates (other than through a nationally-recognized company that routinely provides professional Independent Directors, Independent Managers and/or other corporate services to Seller, Pledgor or any of their respective equity holders or Affiliates in the ordinary course of business);

(r) a family member of any such member, partner, equity holder, manager, director, officer, employee, creditor, supplier or service provider; or

(s) a Person who controls (whether directly, indirectly or otherwise) any of the individuals described in the preceding clauses (a), (b) or (c).

An individual who otherwise satisfies the preceding definition and satisfies subparagraph (a) by reason of being the Independent Director or Independent Manager of a Single Purpose Entity affiliated with Seller or Pledgor that does not own a direct or indirect ownership interest in Seller or Pledgor shall be qualified to serve as an Independent Director or Independent Manager of Seller or Pledgor if the fees that such individual earns from serving as Independent Director or Independent Manager of Affiliates of Seller or Pledgor in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

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

"Insolvency Event": With respect to any Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises with respect to such Person or any substantial part of its assets or property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of thirty (30) days, (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect,

(c) the consent by such Person to the entry of an order for relief in an involuntary case under any Insolvency Law, (d) the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property, (e) the making by such Person of any general assignment for the benefit of creditors, (f) the admission in a legal proceeding of the inability of such Person to pay its debts generally as they become due, (g) the failure by such Person generally to pay its debts as they become due, or (h) the taking of action by such Person in furtherance of any of the foregoing.

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

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

"Interest Expense": With respect to any Person and for any relevant time period, the amount of total interest expense incurred by such Person, and its consolidated Subsidiaries, including capitalized or accruing interest (but excluding interest funded under a construction loan), *plus* such Person's proportionate share of interest expense from the joint venture investments and unconsolidated Affiliates of such Person, all with respect to such period.

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

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

"Interim Assignment Documents": The allonge, assignment of Mortgage, assignment of assignment of leases and rents, general assignment, UCC-3 financing statements and/or, in the case of a Senior Interest consisting of a participation interest, the assignment of related participation certificate and/or, in the case of a Senior Interest consisting of a promissory note, the related allonge and assignment and assumption agreement and all other applicable documents evidencing the assignment of the related Purchased Asset from related Originator to Seller.

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

"Investment": With respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, whether by means of (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, guaranty or credit enhancement of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a

series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person. Any binding commitment or option exercisable without the consent of such Person which would obligate such Person to make an Investment in any other Person shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in this Agreement, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

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

"Investor": Any Person that is admitted to either Seller or Guarantor as a member in accordance with the applicable operating agreement or limited liability company agreement, as applicable, of Seller or Guarantor, respectively.

"Irrevocable Redirection Notice": A notice in a form acceptable to Buyer, to be signed by the Underlying Obligor (if applicable) and Seller, or by Servicer on Seller's behalf, with respect to each Purchased Asset, directing the remittance of all Income with respect to a Purchased Asset to an account designated by Buyer, which notice may be delivered to the applicable Underlying Obligor in accordance with this Agreement.

"IRS": The United States Internal Revenue Service.

"Knowledge": With respect to any Person, means collectively (i) the Actual Knowledge of such Person, (ii) notice of any fact, event, condition or circumstance that would cause a reasonably prudent Person to conduct an inquiry that would give such Person Actual Knowledge, whether or not such Person actually undertook such an inquiry, and (iii) all knowledge that is imputed to a Person under any statute, rule, regulation, ordinance, or official decree or order.

"LIBOR": The rate of interest *per annum* determined by Buyer on the basis of the rate for deposits in Dollars for delivery on the first (1st) day of each Pricing Period, for a one-month period commencing on (and including) the first day of such Pricing Period and ending on (but excluding) the same corresponding date in the following month, as reported on Reuters Screen LIBOR01 Page (or any successor page) at approximately 11:00 a.m., London time, on the Pricing Rate Determination Date (or if not so reported, then as determined by Buyer in a commercially reasonable manner from another recognized source or interbank quotation); provided, that in no event shall LIBOR be less than the Floor. If the calculation of LIBOR results in a LIBOR rate of less than the Floor, LIBOR shall be deemed to be the Floor for all purposes of this Agreement. Each calculation by Buyer of LIBOR shall be conclusive and binding for all purposes, absent manifest error.

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

"LIBOR Based Transaction": Subject to Section 12.01(a), any Transaction (A) for which the related Purchase Date occurred prior to the Amendment Effective Date (and with respect to which Buyer and Seller have not entered into an amended and restated Confirmation following the Amendment Effective Date expressly re-designating such Transaction as a "SOFR

Based Transaction") or (B) that is expressly designated as a "LIBOR Based Transaction" in the related Confirmation therefor; provided that, for the avoidance of doubt, from and after the Rate Conversion Effective Date, all Transactions under this Agreement shall be SOFR Based Transactions for all purposes of this Agreement and the Repurchase Documents, and no Transactions hereunder shall be LIBOR Based Transactions.

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

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

"Margin Call": Defined in Section 4.01(a).

"Margin Deficit": Defined in Section 4.01(a).

"Margin Excess": For any Purchased Asset, as of any date of determination, the amount by which (a) the related Applicable Percentage for such Purchased Asset on each such determination date (after giving effect to any increase to such Applicable Percentage, if any, made by Buyer in its sole discretion pursuant to Section 4.01(a)), multiplied by its Market Value on such date of determination exceeds (b) the current outstanding Purchase Price of such Purchased Asset, but in no event shall Margin Excess cause the Purchase Price of any Purchased Asset to exceed the Purchase Price thereof on the related Purchase Date unless Buyer has, after the Purchase Date of the related Purchased Asset, determined in its sole and absolute discretion, to increase the Applicable Percentage and/or Purchase Price of such Purchased Asset pursuant to Section 4.01(a) as set forth in an amended and restated Confirmation.

"Market Disruption Event": Any event or events that, in the determination of Buyer, results in (a) the effective absence of a "repo market" or related "lending market" for purchasing (subject to repurchase) or financing debt obligations secured by commercial mortgage loans or securities, (b) Buyer's not being able to finance Purchased Assets through the "repo market" or "lending market" with traditional counterparties at rates that would have been reasonable prior to the occurrence of such event or events, (c) the effective absence of a "securities market" for securities backed by Purchased Assets, or (d) Buyer's not being able to sell securities backed by Purchased Assets at prices that would have been reasonable prior to the occurrence of such event or events.

"Market Value": For any Purchased Asset as of any date, the lower of the Current Mark-to-Market Value and Book Value for such Purchased Asset as determined by Buyer in accordance herewith by taking into account such criteria as Buyer deems appropriate, including as appropriate current interest rates, spreads and other market conditions, credit quality, liquidity of position, eligibility for inclusion in structured finance or securitization transactions, subordination, delinquency status and aging and any amounts owing to or by Seller under any related Interest Rate Protection Agreement, which market value, in each case, may be determined to be zero, as of such date as determined by Buyer; provided that, notwithstanding any other provision of this Agreement, the Market Value of a Purchased Asset shall not exceed the lower of (x) the Market Value assigned to such Purchased Asset as of the Purchase Date, and (y) the par value of such Purchased Asset as of such date of determination; provided, further that the Market Value of a particular Purchased Asset shall be automatically set at zero if, with respect to such Purchased Asset:

(t) the requirements of the definition of Eligible Asset are not satisfied, as determined by Buyer (except to the extent waived by Buyer as provided in the last paragraph of the definition hereinabove of "Eligible Asset");

(u) any material statement, affirmation or certification made or any information, document, agreement, report or notice delivered by Seller to Buyer was untrue in any material respect when made or delivered;

(v) any Retained Interest, funding obligation or any other obligation of any kind has been transferred to Buyer;

(w) Seller fails to repurchase such Purchased Asset by the Repurchase Date therefor;

(x) an Insolvency Event has occurred with respect to any Underlying Obligor or, in the case of any Senior Interest, with respect to any Co-Lender;

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

(z) any material Purchased Asset Document has been released from the possession of Custodian under the Custodial Agreement to Seller or any other Person for more than twenty (20) days (unless Buyer has consented in writing and in advance to such extension of time);

(aa) Seller fails to observe or perform in any material respect any obligation of Seller under the Purchased Asset Documents (relating to such Purchased Asset) to which Seller is a party; or

(ab) Seller fails to deliver any reports required hereunder where such failure materially adversely affects the Market Value thereof or adversely affects Buyer's ability to determine Market Value therefor; provided, however, that if such failure is due to Seller's inability to obtain any such report from the related Underlying Obligor due solely to such Underlying Obligor failing to deliver such report, then (i) Seller shall make commercially reasonable efforts to obtain such report from the related Underlying Obligor as soon as practicable, (ii) during the thirty (30) day period following Seller's initial failure to deliver any such report, unless and until Seller delivers the applicable report, Buyer may re-determine the Market Value of the applicable Purchased Asset for purposes of a Margin Call and, in connection with such re-determination, Buyer may draw any adverse inference from any missing information that Buyer deems to be reasonable under the circumstances, and (iii) the Market Value of such Purchased Asset shall be zero at any time after the thirtieth (30th) day following Seller's initial failure to deliver such report unless Seller delivers such report to Buyer on or prior to such date.

"Material Adverse Effect": Any event, development or circumstance that has a material adverse effect on or material adverse change in or to (a) the property, assets, business, liabilities (actual or contingent), operations, financial condition of Seller, Pledgor, Advisor, Operating Partnership or Guarantor, (b) the ability of Seller to pay and perform any of its respective duties, obligations or agreements under the Repurchase Obligations, (c) the validity, legality, binding effect or enforceability of any Repurchase Document, Purchased Asset Document with respect to any Purchased Asset or security interest granted thereunder, (d) the rights and remedies of Buyer or any Indemnified Person under any Repurchase Document, Purchased Asset Document or Purchased Asset, (e) the Current Mark-to-Market Value, rating (if applicable) or liquidity of a material portion of the Purchased Assets, as determined by Buyer in

accordance herewith, or (f) the perfection or priority of any Lien granted under any Repurchase Document or Purchased Asset Document with respect to any Purchased Asset.

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

"Material Modification": Any (i) material amendment, waiver, termination, rescission, cancellation or other modification to the terms of, or any collateral, guaranty or indemnity for, or the exercise of any material right or remedy of a holder (including all lending, corporate rights, remedies, consents, approvals and waivers) of, any Purchased Asset, or any related Purchased Asset Document (including, without limitation, any such document with respect to any Whole Loan related to any Senior Interest), or (ii) extension or release of any collateral for any Purchased Asset or any related Whole Loan (in each case, other than as required by the express terms of the related Purchased Asset Documents and for which there is no lender discretion) provided that, non-material, administrative or ministerial modifications or actions with either *de minimis* or no economic effect on the value of the related Purchased Asset or related Mortgaged Property, including, without limitation, consent rights over leases, budgets, utilization of reserves or the release thereof, approval of escrows and bonding amounts for mechanics' or materialmen's liens, tax abatements or tax challenges, shall not be considered a Material Modification.

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

"Maturity Date": The earliest to occur of (a) November 21, 2023, as such date may be extended pursuant to Section 3.06(a), (b) any Accelerated Repurchase Date, and (c) any date on which the Maturity Date shall otherwise occur in accordance with the provisions hereof or Requirements of Law.

"Maximum Amount": As of the Amendment Effective Date, $375,000,000, as such amount may be increased and (if applicable) decreased subject to, and in accordance with, the terms and conditions of Sections 3.06(c) and 3.06(d), as applicable. The Maximum Amount shall not be increased by any Future Funding Transaction or reduced upon the repurchase of any Purchased Assets prior to the earlier to occur of the Revolving Period Expiration Date and the Maturity Date; provided, that (i) during any Extension Period (if any) that occurs following the Revolving Period Expiration Date but prior to the third Extension Period (if any), the Maximum Amount on any date shall be an amount equal to the sum of (a) the then-current Aggregate Amount Outstanding, and (b) the Applicable Percentage of those remaining future funding obligations that are scheduled in the Confirmations for each related Purchased Asset, as such amounts decline as Future Funding Transactions under Section 3.10 are funded, Purchased Assets are repurchased (in whole or in part) and Margin Deficits are satisfied, and (ii) during the third Extension Period (if any), the Maximum Amount on any date shall be an amount equal to the then-current Aggregate Amount Outstanding, as such amount declines as Purchased Assets are repurchased (in whole or in part) and Margin Deficits are satisfied, in each case, all in accordance with the applicable terms of this Agreement.

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

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

"Moody's": Moody's Investors Service, Inc. or, if Moody's Investors Service, Inc. is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

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

"Mortgage Asset File": The meaning specified in the Custodial Agreement.

"Mortgage Loan Documents": With respect to any Whole Loan, those documents executed in connection with and/or evidencing or governing such Whole Loan, including, without limitation, any Interest Rate Protection Agreements relating to such Whole Loan and any other documents that are required to be delivered to Custodian under the Custodial Agreement.

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

"Mortgaged Property": The real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral directly or indirectly securing repayment of the debt evidenced by (a) in the case of a Whole Loan, the related Mortgage Note or (b) in the case of a Senior Interest, the related Senior Interest Note.

"Mortgagee": The record holder of a Mortgage Note secured by a Mortgage.

"Mortgagor": The obligor on a Mortgage Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder, and the grantor of the related Mortgage.

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

"Non-Controlling Participation": The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

"Non-Recourse Indebtedness": With respect to any Person and any date, indebtedness of such Person as of such date for borrowed money in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, Insolvency Events, non-approved transfers or other events) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

"Off-Balance Sheet Obligations": With respect to any Person and any date, to the extent not included as a liability on the balance sheet of such Person, all of the following with respect to such Person (determined on a consolidated basis) as of such date: (a) monetary obligations under any financing lease or so–called "synthetic," tax retention or off-balance sheet lease transaction that, upon the application of any Insolvency Laws, would be characterized as indebtedness, (b) monetary obligations under any sale and leaseback transaction that does not create a liability on the balance sheet of such Person, or (c) any other monetary obligation arising with respect to any other transaction that (i) is characterized as indebtedness for tax purposes but not for accounting purposes, or (ii) is the functional equivalent of or takes the place of borrowing but that does not constitute a liability on the balance sheet of such Person (for purposes of this clause (c), any transaction structured to provide Tax deductibility as Interest Expense of any

dividend, coupon or other periodic payment will be deemed to be the functional equivalent of a borrowing).

"Operating Partnership": Benefit Street Partners Realty Operating Partnership, L.P., a Delaware limited partnership.

"Originator": With respect to each Purchased Asset, the Person or Persons who originated or issued, as applicable, such Purchased Asset.

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

"Other Taxes": Any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under any Repurchase Document or from the execution, delivery, performance, or enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Repurchase Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

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

"Participant Register": Defined in Section 18.08(g).

"Party": The meaning set forth in the preamble to this Agreement.

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

"Permitted Transferor": Operating Partnership, Pledgor, or any Affiliate of such Persons that is added (in a manner and in form and substance satisfactory to Buyer and counsel for Buyer) to the coverage of the Initial True Sale Opinion, or with respect to which a separate true sale opinion in the form and substance satisfactory to Buyer and counsel for Buyer is given following the date hereof, as provided in Section 7.11.

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

"Plan": An employee benefit or other plan established or maintained by Seller or any ERISA Affiliate during the five year period ended prior to the date of this Agreement or to which Seller or any ERISA Affiliate makes, is obligated to make or has, within the five year period ended prior to the date of this Agreement, been required to make contributions and that is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code, other than a Multiemployer Plan.

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

"Pledge Agreement": The Pledge Agreement, dated as of the date hereof, between Buyer and Pledgor, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

"Pledged Collateral": The meaning set forth in the Pledge Agreement.

"Pledgor": BSPRT CRE Finance, LLC, a Delaware limited liability company.

"Power of Attorney": Defined in Section 18.19.

"Preferred Equity": A performing current pay preferred equity position (with a put or synthetic maturity date structure replicating a debt instrument and excluding any perpetual preferred equity positions) evidenced by a stock share certificate or other similar ownership certificate representing the entire equity ownership interest in entities that own income producing commercial real estate.

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

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

"Pricing Period": For any Purchased Asset, (a) in the case of the first Remittance Date for such Purchased Asset, the period from the Purchase Date for such Purchased Asset to but excluding such Remittance Date, and (b) in the case of any subsequent Remittance Date, the one-month period commencing on and including the prior Remittance Date and ending on but excluding such Remittance Date; provided, that the then-applicable Pricing Period for a Purchased Asset shall end on the Repurchase Date for such Purchased Asset to the extent such Purchased Asset is actually repurchased on such Repurchase Date.

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

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

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

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

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

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

"Purchase Price": For any Purchased Asset, (a) as of the Purchase Date and, as initially set forth in the related Confirmation for such Purchased Asset, as such Confirmation may be updated by Buyer and Seller from time to time (including any updated Confirmations that may be executed by Buyer and Seller from time to time thereafter for any reason, including, without limitation, any transfer of amounts from Buyer to Seller pursuant to Section 3 of the Fee Letter), an amount equal to the product of the Market Value of such Purchased Asset, times the Applicable Percentage for such Purchased Asset, and (b) as of any other date, the amount described in the preceding clause (a), (i) increased by any Future Funding Amounts disbursed by Buyer to Seller or the related Underlying Obligor with respect to such Purchased Asset, (ii) reduced by any amount of Margin Deficit transferred by Seller to Buyer pursuant to Section 4.01 and applied to the Purchase Price of such Purchased Asset, (iii) reduced by any Principal Payments remitted to the Waterfall Account and which were applied to the Purchase Price of such Purchased Asset by Buyer pursuant to clause *fifth* of Section 5.02, (iv) reduced by any payments made by Seller in reduction of the outstanding Purchase Price with respect to such Purchased Asset, or (v) reduced by any Release Amounts remitted to the Waterfall Account and applied to the Purchase Price of such Purchased Asset by Buyer pursuant to clause *fourth* of Section 5.02, and (vi) increased or decreased, as appropriate, to the extent that any Margin Excess is reallocated either to or from the related Purchased Asset in accordance with Section 4.01(a), in each case on or prior to such date of determination with respect to such Purchased Asset.

"Purchased Asset Documents": Individually or collectively, as the context may require, the related Mortgage Loan Documents and/or the related Senior Interest Documents.

"Purchased Assets": (a) For any Transaction, each Asset sold by Seller to Buyer in such Transaction, and (b) for the Transactions in general, all Assets sold by Seller to Buyer, in each case including, to the extent relating to such Asset or Assets and, subject to all terms and conditions of the Repurchase Documents, all of Seller's right, title and interest in and to (i) Purchased Asset Documents, (ii) Servicing Rights, (iii) Servicing Files, (iv) mortgage guaranties and insurance (issued by Governmental Authorities or otherwise) and claims, payments and proceeds thereunder, (v) insurance policies, certificates of insurance and claims, payments and proceeds thereunder, (vi) the principal balance of such Assets, not just the amount advanced, (vii) the Waterfall Account and all amounts and property from time to time on deposit therein, together with all Income from Purchased Assets that is on deposit in the Servicer Account, (viii) collection, escrow, reserve, collateral or lock–box accounts and all amounts and property from time to time on deposit therein, to the extent of Seller's or the holder's interest therein, (ix) all Income, (x) security interests of Seller in Derivatives Contracts entered into by Underlying Obligors, (xi) rights of Seller under any letter of credit, guarantee, warranty, indemnity or other credit support or enhancement, (xii) rights of Seller under any Interest Rate Protection Agreements relating to such Assets, (xiii) all proceeds related to the sale, securitization or other disposition thereof, and (xiv) all supporting obligations of any kind; provided, that (A) Purchased Assets shall not include any obligations of Seller or any Retained Interests, and (B) for purposes of the grant of security interest by Seller to Buyer set forth in Section 11.01, together with the other provisions of Article 11, Purchased Assets shall include all of the following: general intangibles, accounts, chattel paper, deposit accounts, securities accounts, instruments, securities, financial assets, uncertificated securities, security entitlements

and investment property (as such terms are defined in the UCC) and replacements, substitutions, conversions, distributions or proceeds relating to or constituting any of the items described in the preceding clauses (i) through (xiv).

"Qualified Assignee": " A Person that is (a) a commercial bank, savings bank, savings and loan association, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, insurance company, mutual fund, or governmental entity that, in each case, has total combined assets of at least $250,000,000; (b) an investment company, investment fund, money management firm, qualified institutional buyer (as defined under Rule 144A of the Securities Act of 1933, as amended), or institutional "accredited investor" (within the meaning of Rule 501(a)(1), (2), (3) or (7) Regulation D of the Securities Act of 1933, as amended) that, in each case, has total combined assets of at least $250,000,000, (c) any institution substantially similar to those described in clauses (a) and (b) above and any Affiliate of Buyer that, in each case, has total combined assets of at least $250,000,000, or (d) any entity Controlled by any of the Persons described in clauses (a) through (c) above.

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

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

"Rating Agency" or "Rating Agencies": Each of Fitch, Moody's and S&P.

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

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

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

"Release": Any generation, treatment, use, storage, transportation, manufacture, refinement, handling, production, removal, remediation, disposal, presence or migration of Materials of Environmental Concern on, about, under or within all or any portion of any property or Mortgaged Property in violation of, or that would incur liability pursuant to, Environmental Law.

"Release Amount": With respect to any Purchased Asset, an amount equal to the lesser of (i) the Release Percentage *multiplied by* the unpaid Purchase Price of the related Purchased Asset, and (ii) the Aggregate Amount Outstanding.

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

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

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

"REMIC": A REMIC, as that term is used in the REMIC Provisions.

"REMIC Provisions": Sections 860A through 860G of the Code.

"Remittance Date": The 16th day of each month (or if such day is not a Business Day, the next following Business Day, or if such following Business Day would fall in the following month, the next preceding Business Day), or such other day as is mutually agreed to by Seller and Buyer.

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

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

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

"Repurchase Date": For any Purchased Asset, the earliest to occur of (a) the Maturity Date, without giving effect to any unexercised extensions thereof, (b) any Early Repurchase Date therefor, (c) the Business Day on which Seller is to repurchase such Purchased Asset as specified by Seller and agreed to by Buyer in the related Confirmation, and (d) the date that is two (2) Business Days prior to the maturity date (under the related Purchased Asset Documents with respect to such Purchased Asset including, with respect to each Senior Interest that is a participation, the related Whole Loan) for such Purchased Asset, without giving effect to any extension of such maturity date, whether by modification, waiver, forbearance or otherwise; provided that, solely with respect to this clause (d), the settlement date with respect to such Repurchase Date and Purchased Asset may occur two (2) Business Days thereafter as provided in Section 3.05).

"Repurchase Documents": Collectively, this Agreement, the Custodial Agreement, the Fee Letter, the Controlled Account Agreement, the Servicing Agreement and any related sub-servicing agreements, the Pledge Agreement, the Guarantee Agreement, the Power of Attorney, all Confirmations, all UCC financing statements, amendments and continuation statements filed pursuant to any other Repurchase Document, and all additional documents,

certificates, agreements or instruments, the execution of which is required, necessary or incidental to or desirable for performing or carrying out any other Repurchase Document.

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

"Repurchase Price": For any Purchased Asset as of any date, an amount equal to the sum of (a) the outstanding Purchase Price as of such date, (b) the accrued and unpaid Price Differential for such Purchased Asset as of such date, (c) any accrued and unpaid fees and expenses and accrued indemnity amounts, late fees, default interest, or breakage costs then due and payable in accordance with this Agreement or any Repurchase Document by Seller or Guarantor to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise, (d) unless, simultaneously with the repurchase of such Purchased Asset, all other amounts otherwise due and payable under this Agreement are being repaid in full in connection with the termination of this Agreement, any Release Amounts payable in connection with such repurchase of such Purchased Asset, (e) any applicable Exit Fee then due and payable in connection with the related Purchased Asset, and (f) all other amounts then due and payable in accordance with this Agreement or any Repurchase Document on such date by Seller or Guarantor to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise.

"Requirements of Law": With respect to any Person or property or assets of such Person and as of any date, all of the following applicable thereto as of such date: all Governing Documents and all laws as in effect on such date (whether or not in effect on the Closing Date), statutes, rules, regulations, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority (including Environmental Laws, ERISA, Anti-Corruption Laws, Anti-Money Laundering Laws, Sanctions, regulations of the Board of Governors of the Federal Reserve System, and laws, rules and regulations relating to usury, licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other Governmental Authority.

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

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

"Revolving Period": The period from the Amendment Effective Date to but excluding the Revolving Period Expiration Date.

"Revolving Period Expiration Date": The earliest to occur of (a) November 21, 2023, as such date may be extended pursuant to Section 3.06(b), (b) any Accelerated Repurchase Date, and (c) any date on which the Maturity Date shall otherwise occur in accordance with the provisions hereof or Requirements of Law.

"Revolving Period Extension Option": Defined in Section 3.06(b).

"S&P": Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or, if Standard & Poor's Ratings Services is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

"Sanction" or "Sanctions": Individually and collectively, any and all economic or financial sanctions, trade embargoes and anti-terrorism laws imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), the U.S. State Department, the U.S. Department of Commerce, or through any existing or future Executive Order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, or (e) any other Governmental Authorities with jurisdiction over Seller or Guarantor or any of their Affiliates.

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

"Seller": The Seller named in the preamble of this Agreement, together with its permitted successors and assigns.

"Senior Interest": (a) A senior or, if expressly authorized in writing by Buyer on or before the related Purchase Date, either a controlling *pari passu* participation interest in a Whole Loan or a Non-Controlling Participation, in each case (i) that is evidenced by a Senior Interest Note, (ii) that represents an undivided interest in part of the underlying Whole Loan and its proceeds, (iii) that represents a pass through of a portion of the payments made on the underlying Whole Loan which lasts for the same length of time as such Whole Loan, (iv) as to which there is no guaranty of payments to the holder of the Senior Interest Note or other form of credit support for such payments (other than by any Underlying Obligor with respect to the underlying Whole Loan), and (v) as to which, except with respect to Non-Controlling Participations, the holder thereof maintains full control over all decisions with respect to the related Whole Loan (other than decision rights customarily granted to holders of junior interests), or (b) an "A note" in an "A/B" or similar structure in a Whole Loan, in each case for which the Mortgaged Property has fully stabilized, as determined by Buyer.

"Senior Interest Documents": For any Senior Interest, the Senior Interest Note, together with any co-lender agreements, participation agreements and/or other intercreditor agreements or other documents governing or otherwise relating to such Senior Interest, and the Mortgage Loan Documents for the related Whole Loan, and including, without limitation, those documents which are required to be delivered to Custodian under the Custodial Agreement (which documents so required to be delivered to Custodian shall only be required to include, for the avoidance of doubt, copies of the Mortgage Loan Documents for the related Whole Loan).

"Senior Interest Note": Collectively, (a) the original executed promissory note, participation or other certificate or other tangible evidence of a Senior Interest (or, if Seller

cannot obtain the original, then a certified copy thereof with a lost note affidavit signed by a senior officer of Seller in such form as is acceptable to Buyer in its discretion), (b) in the case of a participation, the related original Mortgage Note (or, if Seller cannot obtain the original, then a certified copy thereof), and (c) the related original participation and/or intercreditor agreement, as applicable (or, if Seller cannot obtain the original, then a certified copy thereof).

"Servicer": For each Purchased Asset, as determined in accordance with Article 17, either (a) Situs Asset Management LLC, or its designee or, (b) a servicer acceptable to Buyer, servicing such Purchased Asset under a Servicing Agreement.

"Servicer Account": The "Collection Account", as such term is defined in the Situs Servicing Agreement as provided for in the applicable Servicer Notice, or another segregated, non-interest bearing account, created and maintained at Deposit Account Bank by a Servicer pursuant to a Servicing Agreement, which shall be in Servicer's name for the benefit of Seller, with Buyer's rights therein acknowledged by the Servicer pursuant to a Servicer Notice, or as otherwise agreed among the parties.

"Servicer Event of Default": With respect to a Servicer, (a) any default or event of default (however defined) under the Servicing Agreement that continues beyond any applicable notice and/or cure periods provided in the Servicing Agreement, or (b) any failure of such Servicer to be rated by a Rating Agency as an approved servicer of commercial mortgage loans.

"Servicer Notice": A notice in the form of Exhibit G sent by Seller to Servicer, and countersigned and returned to Buyer by Servicer.

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

"Servicing File": With respect to any Purchased Asset, the file retained and maintained by Seller or the related Servicer, including the originals or copies of all Purchased Asset Documents and other documents and agreements (i) relating to such Purchased Asset and/or the related Whole Loan, (ii) relating to the origination and/or servicing and administration of such Purchased Asset and/or the related Whole Loan, or (iii) that are otherwise reasonably necessary for the ongoing administration and/or servicing of such Purchased Asset and/or the related Whole Loan or for evidencing or enforcing any of the rights of the holder of such Purchased Asset or holders of interests therein, including, to the extent applicable, all servicing agreements, files, documents, records, databases, computer tapes, insurance policies and certificates, appraisals, other closing documentation, payment history and other records relating to or evidencing the servicing of such Purchased Asset, which file shall be held by Seller and/or Servicer for and on behalf of Buyer.

"Servicing Rights": With respect to any Purchased Asset, all right, title and interest of Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, or any other Person, in and to any and all of the following: (a) rights to service and/or sub-service, and collect and make all decisions with respect to, the Purchased Assets and/or any related Whole Loans, (b) amounts received by Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, or any other Person, for servicing and/or sub-servicing the Purchased Assets and/or any related Whole Loans, (c) late fees, penalties or similar payments as compensation with respect to the Purchased Assets and/or any related Whole Loans, (d) agreements and documents creating or evidencing any such rights to service and/or sub-service the Purchased Assets (including, without limitation, all Servicing Agreements), together with all documents, files and records relating to the servicing and/or sub-servicing of the Purchased Assets and/or any related

Whole Loans, and rights of Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, or any other Person thereunder, (e) escrow, reserve and similar amounts with respect to the Purchased Assets and/or any related Whole Loans, (f) rights to appoint, designate and retain any other servicers, sub-servicers, special servicers, agents, custodians, trustees and liquidators with respect to the Purchased Assets and/or any related Whole Loans, and (g) accounts and other rights to payment related to the Purchased Assets and/or any related Whole Loans.

"Single Purpose Entity": A corporation, limited partnership or limited liability company that, since the date of its formation (unless otherwise indicated in this Agreement) and at all times on and after the date hereof, has complied with and shall at all times comply with the provisions of Article 9.

"Situs Servicing Agreement": The Servicing Agreement dated as of January 18, 2018 between Operating Partnership and Situs Asset Management LLC, as Servicer, as the same may be amended or modified (to the extent relating to the Purchased Assets, only with the prior written consent of Buyer) and in effect from time to time.

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

"SOFR Adjustment": 0.11448% per annum.

"SOFR Administrator": The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

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

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

"SOFR Based Pricing Rate Determination Date": (a) In the case of the first Pricing Period for any Purchased Asset, two (2) U.S. Government Securities Business Days prior to the related Purchase Date for such Purchased Asset, and (b) in the case of each subsequent Pricing Period, two (2) U.S. Government Securities Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and

communicated to Seller. The failure to communicate shall not impair Buyer's decision to reset the Pricing Rate on any date.

"SOFR Based Transaction": Any Transaction that is not a LIBOR Based Transaction.

"Solvent": With respect to any Person at any time, having a state of affairs such that all of the following conditions are met at such time: (a) the fair value of the assets and property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code, (b) the present fair salable value of the assets and property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its assets and property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's assets and property would constitute unreasonably small capital.

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

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

"Subsidiary": With respect to any Person, any corporation, partnership, limited liability company or other entity (heretofore, now or hereafter established) of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or Controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are consolidated with those of such Person pursuant to GAAP.

"Taxes": All present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Sheet": The letter (with attachment) from Buyer to Pledgor dated April 19, 2018.

"Term SOFR": For any calculation with respect to a SOFR Based Transaction, the Term SOFR Reference Rate for a tenor comparable to the related Pricing Period on the day (such day, for purposes of this definition, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Pricing Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business

Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; provided, further, that if Term SOFR determined as provided above shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

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

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

"Transaction": With respect to any Asset, the sale and transfer of such Asset from Seller to Buyer pursuant to the Repurchase Documents against the transfer of funds from Buyer to Seller representing the Purchase Price or any additional Purchase Price for such Asset.

"Transaction Request": Defined in Section 3.01(a).

"Transferor": The seller of an Asset under a Purchase Agreement, if any, or transferor or assignor under any Interim Assignment Documents.

"Type": With respect to a Mortgaged Property underlying any Purchased Asset, such Mortgaged Property's classification as one of the following: retail, office, industrial, self-storage, Hotel Asset, mobile home community or multifamily asset.

"UCC": The Uniform Commercial Code as in effect in the State of New York; provided, that, if, by reason of Requirements of Law, the perfection, effect on perfection or non-perfection or priority of the security interest in any Purchased Asset is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, then "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority.

"Unadjusted Benchmark Replacement": The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Underlying Obligor": Individually and collectively, as the context may require, (a) in the case of a Purchased Asset that is a Whole Loan, the Mortgagor and each obligor and guarantor under such Purchased Asset, including (i) any Person who has not signed the related Mortgage Note but owns an interest in the related Mortgaged Property, which interest has been encumbered to secure such Purchased Asset, and (ii) any other Person who has assumed or guaranteed the obligations of such Mortgagor under the Purchased Asset Documents relating to such Purchased Asset, and (b) in the case of a Purchased Asset that is a Senior Interest, the Mortgagor and each obligor and any other Person who has assumed or guaranteed the related Whole Loan.

"Underwriting Package": With respect to one or more Assets, the internal document or credit committee memorandum setting forth all material information relating to an Asset which is known by Seller, prepared by Seller for its evaluation of such Asset, to include at a minimum all the information required to be set forth in the relevant Confirmation. In addition, the Underwriting Package shall include all of the following, to the extent applicable and available:

(ac) all Purchased Asset Documents required to be delivered to Custodian under Section 2.01 of the Custodial Agreement;

(ad) an Appraisal, together with a property condition report, a Phase I environmental report and, if appropriate, a seismic report;

(ae) the current occupancy report, tenant stack and rent roll;

(af) at least two (2) years of property-level financial statements;

(ag) the current financial statement of the Underlying Obligor;

(ah) the Mortgage Asset File;

(ai) third-party reports and agreed-upon procedures, letters and reports (whether drafts or final forms), site inspection reports, market studies and other due diligence materials prepared by or on behalf of or delivered to Seller;

(aj) aging of accounts receivable and accounts payable;

(ak) copies of all Purchased Asset Documents not otherwise required to be delivered pursuant to clause (a) above;

(al) such further documents or information as Buyer may request;

(am) any and all agreements, documents, reports, or other information concerning the Purchased Assets (including, without limitation, all of the related Purchased Asset Documents) received or obtained in connection with the origination of the Purchased Assets;

(an) any other material documents or reports concerning the Purchased Assets prepared or executed by Seller, Pledgor or Guarantor; and

(ao) if the related Asset was acquired by Seller from a third party, all documents, instruments and agreements received in respect of the closing of the acquisition transaction under the related Purchase Agreement, if any, including all Interim Assignment Documents.

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

"Upsize Date": Defined in Section 3.06(c).

"Upsize Option": Defined in Section 3.06(c).

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

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

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

"U.S. Person": Any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"U.S. Special Resolution Regime": Each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

"U.S. Tax Compliance Certificate": Defined in Section 12.06(e).

"VCOC": A "venture capital operating company" within the meaning of Section 2510.3-101(d) of the Plan Asset Regulations.

"Waterfall Account": A segregated non-interest bearing account established at Deposit Account Bank, in the name of Seller, pledged to Buyer and subject to a Controlled Account Agreement.

"Wet Mortgage Asset": An Eligible Asset for which (i) the scheduled origination date of the related Whole Loan is the proposed Purchase Date for such Eligible Asset, (ii) Seller has delivered a Transaction Request pursuant to Section 3.01(g) hereof, and (iii) a complete Mortgage Asset File has not been delivered to Custodian prior to the related Purchase Date.

"Whole Loan: A performing commercial real estate whole loan made to the related Underlying Obligor and secured primarily by a perfected, first priority Lien in the related underlying Mortgaged Property, including, without limitation with respect to any Senior Interest, the whole loan in which Seller owns a Senior Interest.

Section 1.02 Rules of Interpretation. Headings are for convenience only and do not affect interpretation. The following rules of this Section 2.02 apply unless the context requires otherwise. The singular includes the plural and conversely. A gender includes all genders. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning. A reference to an Article, Section, Subsection, Paragraph, Subparagraph, Clause, Annex, Schedule, Appendix, Attachment, Rider or Exhibit is, unless otherwise specified, a reference to an Article, Section, Subsection, Paragraph, Subparagraph or Clause of, or Annex, Schedule, Appendix, Attachment, Rider or Exhibit to, this Agreement, all of which are hereby incorporated herein by this reference and made a part hereof. A reference to a party to this Agreement or another agreement or document includes the party's successors, substitutes or assigns in each case, permitted by the Repurchase Documents. A reference to an agreement or document is to the agreement or document as amended, restated, modified, novated, supplemented or replaced, except to the extent prohibited by any Repurchase Document. A reference to legislation or to a provision of legislation includes a modification, codification, replacement, amendment or reenactment of it, a legislative provision substituted for it and a rule, regulation or statutory instrument issued under it. A reference to writing includes a facsimile or electronic transmission and any means of reproducing words in a tangible and permanently visible form. A reference to conduct includes an omission, statement or undertaking, whether or not in writing. A Default or Event of Default exists until it has been cured or waived in writing by Buyer. The words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, unless the context clearly requires or the language provides otherwise. The word "including" is not limiting and means "including without limitation." The word "any" is not limiting and means "any and all" unless

the context clearly requires or the language provides otherwise. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including." The words "will" and "shall" have the same meaning and effect. A reference to day or days without further qualification means calendar days. A reference to any time means New York time. This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their respective terms. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed in accordance with GAAP, and all accounting determinations, financial computations and financial statements required hereunder shall be made in accordance with GAAP, without duplication of amounts, and on a consolidated basis with all Subsidiaries. All terms used in Articles 8 and 9 of the UCC, and used but not specifically defined herein, are used herein as defined in such Articles 8 and 9. A reference to "fiscal year" and "fiscal quarter" means the fiscal periods of the applicable Person referenced therein. A reference to an agreement includes a security interest, guarantee, agreement or legally enforceable arrangement whether or not in writing. A reference to a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in electronic format. Whenever a Person is required to provide any document to Buyer under the Repurchase Documents, the relevant document shall be provided in writing (including, except for Mortgage Notes, Senior Interest Notes, and any other document required to be in an original form in order to preserve, record, grant or perfect Buyer's interest therein, in the form of a PDF document attached to an e-mail message) or printed form unless Buyer requests otherwise. At the request of Buyer, the document shall be provided in electronic format or both printed and in electronic format. The Repurchase Documents are the result of negotiations between the Parties, have been reviewed by counsel to Buyer and counsel to Seller, and are the product of both Parties. No rule of construction shall apply to disadvantage one Party on the ground that such Party proposed or was involved in the preparation of any particular provision of the Repurchase Documents or the Repurchase Documents themselves. Except where otherwise expressly stated or qualified herein, Buyer may give or withhold, or give conditionally, approvals and consents, and may form opinions and make determinations, in its sole and absolute discretion. Reference herein or in any other Repurchase Document to Buyer's discretion, shall mean, unless otherwise expressly stated or qualified herein or therein, Buyer's sole and absolute discretion, and the exercise of such discretion shall be final and conclusive. In addition, except where otherwise expressly stated or qualified herein, whenever Buyer has a decision or right of determination, opinion or request, exercises any right given to it to agree, disagree, accept, consent, grant waivers, take action or no action or to approve or disapprove (or any similar language or terms), or any arrangement or term is to be satisfactory or acceptable to or approved by Buyer (or any similar language or terms), the decision of Buyer with respect thereto shall be in the sole and absolute discretion of Buyer, and such decision shall be final and conclusive, except as may be otherwise specifically provided herein. References to "good faith" in this Agreement shall mean "honesty in fact in the conduct or transaction concerned".

Section 1.03 Rates. Price Differential on Transactions denominated in Dollars or any other currency permitted hereunder (if any) may be determined by reference to a benchmark rate that is, or may in the future become, the subject of regulatory reform or cessation. Regulators have signaled the need to use alternative reference rates for some of these benchmark rates and, as a result, such benchmark rates may cease to comply with applicable laws and regulations, may be permanently discontinued or the basis on which they are calculated may change. Buyer does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the continuation of, administration of, submission of, calculation of or any other matter related to the London interbank offered rate, the rates in any Benchmark, any component definition thereof or rates referenced in the definition thereof or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any

Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 12.01, will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (ii) the effect, implementation or composition of any Benchmark Replacement Conforming Changes. Buyer and its Affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to Seller. Buyer may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to Seller or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 3

THE TRANSACTIONS

Section 1.01 Procedures.

(a) From time to time during the Revolving Period, but not more frequently than twice per week, with not less than three (3) Business Days prior written notice to Buyer, Seller may request Buyer to enter into a proposed Transaction by sending Buyer written notice of such request (which notice may be given via email) (such request, a "Transaction Request"), which Transaction Request shall: (i) describe the Transaction and each proposed Asset and any related underlying Mortgaged Property and other security therefor in reasonable detail, (ii) transmit a complete Underwriting Package for each proposed Asset, (iii) set forth the Representation Exceptions requested, if any, with respect to each proposed Asset, and (iv) indicate the amount of all then-currently unfunded future funding obligations, and the portion thereof expected to be funded by Buyer under Section 3.10. Seller shall promptly deliver to Buyer any supplemental materials requested at any time by Buyer. Buyer shall conduct such review of the Underwriting Package and each such Asset as Buyer determines appropriate. Buyer shall determine whether or not it is willing to purchase any or all of the proposed Assets, and if so, on what terms and conditions. In connection with such review and determination, Buyer may also consider the *pro forma* effect that acquiring the proposed Purchased Asset would have on the concentrations of specific asset categories. It is expressly agreed and acknowledged that Buyer is entering into the Transactions on the basis of all such representations and warranties and on the completeness and accuracy of the information contained in the applicable Underwriting Package, and any incompleteness or inaccuracies in the related Underwriting Package will only be acceptable to Buyer if disclosed in writing to Buyer by Seller in advance of the related Purchase Date (in a Representation Exception or otherwise), and then only if Buyer opts to purchase the related Purchased Asset from Seller notwithstanding such incompleteness and inaccuracies. In the event of a Representation Breach with respect to a particular Purchased Asset, Seller shall (x) immediately in the event of a Representation Breach of which Seller has Actual Knowledge on the related Purchase Date and (y) otherwise, within three (3) Business Days from the earlier of (i) notice to Seller from Buyer or Servicer or (ii) Seller's otherwise having Knowledge of such Representation Breach, repurchase the related Asset or Assets in accordance with Section 3.05.

(b) Buyer shall give Seller notice of the date when Buyer has received a complete Transaction Request, together with the Underwriting Package, supplemental materials and any other documentation required pursuant to Section 3.01(a) or otherwise required under any Repurchase Documents. Buyer shall endeavor to communicate to Seller a preliminary non-binding determination of whether or not it is willing to purchase (i) any single Eligible Asset, and if so, on what terms and conditions, within five (5) Business Days after such date, and (ii) two (2) or more proposed Eligible Assets within ten (10) Business Days after such date, and if its preliminary determination is favorable, by what date Buyer expects to communicate to Seller a final non-binding indication of its determination. If Buyer has not communicated its final non-binding indication to Seller by such date, Buyer shall automatically and without further action be deemed to have determined not to purchase any such Asset.

(c) If Buyer communicates to Seller a final non-binding determination that it is willing to purchase any or all of such Assets, Seller shall deliver to Buyer a draft preliminary Confirmation for such Transaction, describing each such Asset and its proposed Purchase Date, Market Value, Applicable Percentage, Purchase Price and such other terms and conditions as Buyer may require prior to the Purchase Date. If Buyer requires changes to the preliminary Confirmation and such changes are acceptable to Seller, Seller shall make such changes, execute the preliminary Confirmation and deliver same to Buyer. If Buyer determines to enter into the Transaction on the terms described in the preliminary Confirmation, Buyer shall promptly execute and return the same to Seller, which shall thereupon become effective as the Confirmation of the Transaction. Buyer's approval of the purchase of an Asset on such terms and conditions as Buyer may require shall be evidenced only by its execution and delivery of the related Confirmation. For the avoidance of doubt, Buyer shall not (i) be bound by any preliminary or final non-binding determination referred to above, (ii) be deemed to have approved the purchase of an Asset by virtue of the approval or entering into by Buyer of a rate lock agreement, Interest Rate Protection Agreement, total return swap or any other agreement with respect to such Asset, or (iii) be obligated to purchase an Asset notwithstanding a Confirmation executed by the Parties unless and until all applicable conditions precedent in Article 6 have been satisfied or waived by Buyer.

(d) Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Transaction covered thereby, and shall be construed to be cumulative to the extent possible, but in no way shall be construed as evidence of Buyer's agreement subsequently to purchase additional amounts of, or other, Assets. If terms in a Confirmation are inconsistent with terms in this Agreement with respect to a particular Transaction, the Confirmation shall prevail. Whenever the Applicable Percentage or any other term of a Transaction (other than the Pricing Rate, Market Value and outstanding Purchase Price) with respect to an Asset is revised or adjusted in accordance with this Agreement, an amended and restated Confirmation reflecting such revision or adjustment and that is otherwise acceptable to the Parties shall be prepared by Seller and executed by the Parties.

(e) The fact that Buyer has conducted or has failed to conduct any partial or complete examination or any other due diligence review of any Asset or Purchased Asset shall in no way affect any rights Buyer may have under the Repurchase Documents or otherwise with respect to any representations or warranties or other rights or remedies thereunder or otherwise, including the right to determine at any time that such Asset or Purchased Asset is not an Eligible Asset.

(f) A proposed Transaction with respect to a Purchased Asset shall not be entered into if (i) any Margin Deficit, Default, Event of Default, Market Disruption Event or Material Adverse Effect has occurred and is continuing or would exist as a result of such Transaction, (ii) the Repurchase Date for the Purchased Assets subject to such Transaction would be later than the Maturity Date, (iii) the proposed Purchased Asset does not qualify as an Eligible

Asset, (iv) after giving effect to such Transaction, (A) the Aggregate Amount Outstanding would exceed the Maximum Amount, or (B) any Sub-Limit has been or would be exceeded, (v) the Revolving Period Expiration Date has occurred, (vi) if Buyer determines not to enter into any such Transaction for any reason or for no reason, or (vii) all Purchased Asset Documents have not been delivered to Custodian in accordance with the applicable provisions of this Agreement and the Custodial Agreement, (viii) the Facility Debt Yield Test is then-currently being breached or would be breached after giving effect to such Transaction, or (ix) the proposed Purchased Asset does not comply with the Maximum Purchased Asset PPV Requirement.

Notwithstanding anything to the contrary herein, in no event shall any LIBOR Based Transaction be entered into on or after the Amendment Effective Date, unless otherwise agreed by Buyer in its sole discretion.

(g) In addition to the foregoing provisions of this Section 3.01, solely with respect to any Wet Mortgage Asset, a copy of the related Confirmation shall be delivered by Seller to Bailee no later than 10:00 a.m. (New York City time) one (1) Business Day prior to the requested Purchase Date, to be held in escrow by Bailee on behalf of Buyer pending finalization of the Transaction.

(h) Notwithstanding any of the foregoing provisions of this Section 3.01 or any contrary provisions set forth in the Custodial Agreement, solely with respect to any Wet Mortgage Asset:

(i) by 10:00 a.m. (New York City time) on the Purchase Date, Seller or Bailee shall deliver signed .pdf copies of the Purchased Asset Documents to Custodian via electronic mail, and Seller shall deliver the appropriate written third-party wire transfer instructions to Buyer;

(ii) not later than 10:00 a.m. (New York City time) on the related Purchase Date, (A) Bailee shall deliver an executed .pdf copy of the Bailee Agreement (as such term is defined in the Custodial Agreement) to Seller, Buyer and Custodian by electronic mail and (B) if Buyer has previously received the trust receipt in accordance with Section 3.01(b) of the Custodial Agreement, determined that all other applicable conditions in this Agreement, including without limitation those set forth in Section 6.02 hereof, have been satisfied, and otherwise has agreed to purchase the related Wet Mortgage Asset, Buyer shall (I) execute and deliver a .pdf copy of the related Confirmation to Seller and Bailee via electronic mail and (II) wire funds in the amount of the related Purchase Price for the related Wet Mortgage Asset in accordance with the wire transfer instructions that were previously delivered to Buyer by Seller; and

(iii) within three (3) Business Days after the applicable Purchase Date with respect to any Wet Mortgage Asset, Seller shall deliver, or cause to be delivered (A) to Custodian, the complete original Mortgage Asset File with respect to such Wet Mortgage Asset, pursuant to and in accordance with the terms of the Custodial Agreement, and (B) to Buyer, the complete original Underwriting Package with respect to the related Wet Mortgage Assets purchased by Buyer; provided, that if Seller cannot deliver, or cause to be delivered within three (3) Business Days, (A) any Basic Mortgage Asset Document to Custodian that is required by its terms to be recorded, due to a delay caused solely by the public recording office where such document or instrument has been delivered for recordation, then Seller shall deliver to Custodian (x) within three (3) Business Days of the applicable Purchase Date, a copy thereof (certified by Seller to be a true and complete copy of the original thereof submitted for recording) and (y) within thirty (30) days of the applicable Purchase Date, either the original of such document, or a photocopy thereof, with official evidence of submission for recording (including stamp-filed copies, if

applicable) thereon and (B) any document in the Mortgage Asset File other than a Basic Mortgage Asset Document, due to an unavoidable delay outside the control of Seller, then Seller shall deliver to Custodian within thirty (30) days of the applicable Purchase Date, either the original of such document, or a photocopy thereof certified by Seller to be a true and correct copy of the original. For the avoidance of doubt (A) Seller shall, in all cases, deliver the original Mortgage Note or, in the case of a Senior Interest consisting of a participation interest, the original participation certificate to Buyer, within three (3) Business Days of the applicable Purchase Date and (B) Buyer may, but shall not obligated to, consent to such later date for delivery of any part of the Mortgage Asset File as Buyer sees fit, in Buyer's sole discretion.

(i) In the event that Seller cannot deliver or cause to be delivered on the applicable Purchase Date, any Interim Assignment Document that is required by its terms to be recorded, due to a delay caused solely by the public recording office where such document or instrument has been delivered for recordation, then Seller shall deliver to Custodian (x) on the applicable Purchase Date, a copy thereof (certified by Seller to be a true and complete copy of the original thereof submitted for recording), with evidence of the submission thereof for recording and (y) within thirty (30) days of the applicable Purchase Date, either the original of such document, or a photocopy thereof, with official evidence of submission for recording (including stamp filed copies, if applicable) thereon.

Section 1.02 Transfer of Purchased Assets; Servicing Rights. On the Purchase Date for each Purchased Asset, and subject to the satisfaction of all applicable conditions precedent in Article 6, (a) ownership of and title to such Purchased Asset shall be transferred to and vest in Buyer or its designee against the simultaneous transfer of the Purchase Price to the account of Seller specified in Annex 1 (or if not specified therein, in the related Confirmation or as directed by Seller), and (b) Seller hereby sells, transfers, conveys and assigns to Buyer on a servicing-released basis all of Seller's right, title and interest (except with respect to any Retained Interests) in and to such Purchased Asset, together with all related Servicing Rights. Subject to this Agreement, during the Revolving Period Seller may sell Eligible Assets to Buyer, repurchase Purchased Assets from Buyer and re-sell Eligible Assets to Buyer, but Seller may not substitute other Eligible Assets for Purchased Assets. Buyer has the right to designate each Servicer of the Purchased Assets. The Servicing Rights and other servicing provisions under this Agreement are not severable from or to be separated from the Purchased Assets under this Agreement, and such Servicing Rights and other servicing provisions of this Agreement constitute (a) "related terms" under this Agreement within the meaning of Section 101(47)(A)(i) of the Bankruptcy Code and/or (b) a security agreement or other arrangement or other credit enhancement related to the Repurchase Documents. To the extent any additional limited liability company is formed by a Division of Seller (and without prejudice to Sections 8.01, 8.03 and 9.01 hereof), Seller shall cause each such Division LLC to sell, transfer, convey and assign to Buyer on a servicing released basis and for no additional consideration all of each such Division LLC's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights in the same manner and to the same extent as the sale, transfer, conveyance and assignment by Seller on each related Purchase Date of all of Seller's right, title and interest in and to each Purchased Asset, together with all related Servicing Rights.

Section 1.03 Maximum Amount. The Aggregate Amount Outstanding as of any date of determination shall not exceed the Maximum Amount. If the Aggregate Amount Outstanding as of any date of determination exceeds the Maximum Amount, Seller shall immediately pay to Buyer an amount necessary to reduce the Aggregate Amount Outstanding to an amount equal to or less than the Maximum Amount.

Section 1.04 Early Repurchase Date; Mandatory Repurchases; Optional Repurchases.

(a) Seller may terminate any Transaction with respect to any or all Purchased Assets and repurchase such Purchased Assets on any date prior to the Repurchase Date (an "Early Repurchase Date"); provided, that (a) Seller irrevocably notifies Buyer at least three (3) Business Days before the proposed Early Repurchase Date identifying the Purchased Asset(s) to be repurchased and the outstanding Purchase Price thereof, (b) Seller delivers to Buyer a certificate from a Responsible Officer of Seller in form and substance satisfactory to Buyer certifying that no Margin Deficit, Default or Event of Default has occurred and is continuing or, if applicable, that the contemplated repurchase will cure same, or would exist as a result of such repurchase, there are no other Liens on the remaining Purchased Assets or Pledged Collateral other than Liens granted pursuant to the Repurchase Documents, and such repurchase would not cause Seller to violate the Facility Debt Yield Test, (c) if the Early Repurchase Date is not a Remittance Date, Seller pays to Buyer any amount due under Section 12.03, (d) after giving effect to the payment of the Repurchase Price on such Early Repurchase Date, no Repurchase Obligations are then-currently due and payable from Seller to Buyer and (e) Seller pays to Buyer any Exit Fee due in accordance with Section 3.07(b)(iv), (including, in connection with each partial reduction of outstanding Purchase Price, a pro rata portion of the related Exit Fee) and Seller thereafter complies with Section 3.05. Notwithstanding the foregoing, should any Margin Deficit exist after giving effect to any repurchase under this Section 3.04, Seller shall also pay the amount of each related Margin Deficit to Buyer at the same time that Seller pays the related Repurchase Price to Buyer hereunder. Such voluntary early terminations and optional repurchases shall be limited to two (2) occurrences in any calendar week.

(b) Notwithstanding any provision to the contrary contained elsewhere in any Repurchase Document, at any time during the existence of any unsatisfied Margin Deficit that is subject to a Margin Call, or an uncured Default or Event of Default that would not otherwise be fully cured immediately after giving effect to the related repurchase, Seller shall be permitted to effect the repurchase and release of a Purchased Asset only in connection with either (i) a full payoff of all amounts due in respect of such Purchased Asset by the Underlying Obligor, or (ii) a sale of such Purchased Asset to an unaffiliated third party purchaser purchasing on an arm's length basis, and so long as, in each such case, Seller pays, or causes to be paid, directly to Buyer for deposit to the Waterfall Account an amount equal to either (x) 100% of the net proceeds paid in connection with the relevant payoff by the Underlying Obligor or any Affiliate thereof or (y) 100% of the net proceeds received by Seller from an unaffiliated third-party purchaser purchasing on arm's length terms in connection with the sale of such Purchased Asset, as applicable. The portion of all such net proceeds in excess of the then-current Repurchase Price of the related Purchased Asset (including all then-due Release Amounts, if any) shall be applied by Buyer to reduce the Purchase Price of other Purchased Assets, as determined by Buyer in its discretion.

(c) In addition to other rights and remedies of Buyer under any Repurchase Document, Seller shall, within three (3) Business Days and in accordance with the procedures set forth in this Section 3.04 and Section 3.05 (i) repurchase any Purchased Asset (A) that no longer qualifies as an Eligible Asset, as determined by Buyer in accordance herewith (B) for which all documents required to be delivered to Custodian under the Custodial Agreement have not been so delivered on a timely basis, or (C) with respect to which, in the case of any Non-Controlling Participation, any material consent, waiver, forbearance, modification, supplement or amendment has been made to the related Whole Loan, and (ii) make a partial or complete repurchase of one or more of the Purchased Assets to the extent necessary to cure a breach of a Sub-Limit.

Section 1.05 Repurchase. On the Repurchase Date for each Purchased Asset, Seller shall transfer to Buyer the Repurchase Price for such Purchased Asset as of the Repurchase Date, and, so long as no Default or Event of Default has occurred and is continuing and no unsatisfied Margin Deficit exists, Buyer shall transfer to Seller such Purchased Asset, whereupon such Transaction with respect to such Purchased Asset shall terminate; provided, however, that, with respect to any Repurchase Date that occurs on the second Business Day prior to the maturity date (as defined under the related Purchased Asset Documents with respect to such Purchased Asset) for such Purchased Asset by reason of clause (d) of the definition of "Repurchase Date", settlement of the payment of the Repurchase Price and such amounts may occur up to the second Business Day after such Repurchase Date; provided, further, that Buyer shall have no obligation to transfer to Seller, or release any interest in, such Purchased Asset until Buyer's receipt of payment in full of the Repurchase Price therefor. So long as no Default or Event of Default has occurred and is continuing, upon receipt by Buyer of the Repurchase Price, Buyer shall be deemed to have simultaneously released its security interest in such Purchased Asset, shall authorize Custodian (in accordance with the terms of the Custodial Agreement) to release to Seller the Purchased Asset Documents for such Purchased Asset and, to the extent any UCC financing statement filed against Seller specifically identifies such Purchased Asset, Buyer shall deliver an amendment thereto or termination thereof evidencing the release of such Purchased Asset from Buyer's security interest therein. To the extent that any Release Amount is paid by Seller in connection with the repurchase of any Purchased Asset, such Release Amount shall be applied by Buyer to reduce the then-current unpaid Purchase Prices of one or more of the remaining Purchased Assets, as Buyer shall determine in its discretion, and thereafter Buyer shall provide notice of same to Seller specifying the relevant Purchased Assets. Any such transfer or release shall be without recourse to Buyer and without representation or warranty by Buyer, except that Buyer shall be deemed to represent and warrant to Seller, to the extent that good title was transferred and assigned by Seller to Buyer hereunder, that Buyer has made such transfer and release of such Purchased Asset free and clear of any other interests or Liens caused by Buyer (other than, if applicable, any Liens caused by Buyer's completion and recordation of Blank Assignment Documents in accordance with Section 7.10). Any Income with respect to such Purchased Asset received by Servicer, Buyer or Deposit Account Bank after payment of the Repurchase Price therefor shall be remitted to Seller. Notwithstanding the foregoing, Seller shall repurchase all Purchased Assets no later than the Maturity Date by paying to Buyer the outstanding Repurchase Price therefor and all other outstanding Repurchase Obligations.

Section 1.06 Maturity Date Extension Option, Maximum Amount Upsize Option and Revolving Period Extension Option.

(a) Maturity Date Extension Options. From and after the Amendment Effective Date, at the request of Seller delivered to Buyer in writing no earlier than ninety (90) days and no later than thirty (30) days before the then-current Maturity Date, provided that the Extension Conditions set forth below are fully satisfied both on the date of Seller's written request and as of the then-current Maturity Date, Seller shall have three (3) separate, consecutive options (each an "Extension Option") to extend the then-current Maturity Date, each such option for a period of one (1) year (each, an "Extension Period"). Any extension of the Maturity Date shall be subject to the satisfaction of the following conditions, as determined by Buyer in a commercially reasonable manner in accordance with this Agreement (each, an "Extension Condition"): (i) no Default or Event of Default has occurred and is continuing, (ii) no unsatisfied Margin Deficit shall be outstanding, (iii) Seller shall have made a timely written request to extend the then-current Maturity Date as provided in this Section 3.06, (iv) Seller shall be in compliance with the Facility Debt Yield Test; provided that, if the Facility Debt Yield Test is not satisfied, Buyer shall specify the Purchased Assets which caused such violation, and Seller may elect to repay such portion of the Purchase Prices of one or more of such Purchased Assets (in such amounts and applied to such Purchased Assets as specified by Buyer), as will cause the

Facility Debt Yield Test (as determined by Buyer on a basis consistent with Buyer's then-current determination of the failure of the Facility Debt Yield Test to be satisfied), (v) all Purchased Assets otherwise qualify as Eligible Assets, (vi) if requested by Buyer, Seller shall have delivered to Buyer a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller to the extent that Seller qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, and (vii) Seller has paid to Buyer the Extension Fee on or before the then-current Maturity Date. If the Extension Conditions are not fully satisfied as of the then-current Maturity Date, then notwithstanding any prior approval by Buyer to extend the then-current Maturity Date, Seller shall have no right to extend the then-current Maturity Date, and any pending request to extend the then-current Maturity Date shall be deemed to be denied. Notwithstanding anything to the contrary in this Section 3.06, from and after the Amendment Effective Date, in no event shall the Maturity Date be extended for more than three (3) Extension Periods. For the avoidance of doubt, an extension of the Maturity Date pursuant to this Section 3.06 (i) shall become effective on the then-current Maturity Date, and (ii) shall not extend the Repurchase Date of any Transaction (other than with respect to clause (a) of the definition of "Repurchase Date").

(b) Revolving Period Extension Option. From and after the Amendment Effective Date, Seller may request to extend the Revolving Period for one (1) year (the "Revolving Period Extension Option") simultaneously with the exercise by Seller of the first Extension Option in the manner set forth in Section 3.06(a) by the delivery of written notice from Seller to Buyer of such request no earlier than ninety (90) days and no later than thirty (30) days prior to the last day of the initial Revolving Period. The request of Seller to exercise the Revolving Period Extension Option may be approved or denied by Buyer, in Buyer's sole and absolute discretion and any failure of Buyer to respond in writing to such request shall be deemed to be a denial thereof by Buyer. Seller's request to exercise the Revolving Period Extension Option will be deemed to be denied if any of the Extension Conditions set forth in Section 3.06(a) are not satisfied with respect to the exercise of the first Extension Option, as determined by Buyer in a commercially reasonable manner in accordance with this Agreement.

(c) Maximum Amount Upsize Option. At any time prior to the Revolving Period Expiration Date, if the Maximum Amount is then-currently $375,000,000, Seller may request in writing that Buyer increase the then-current Maximum Amount from $375,000,000 to $450,000,000 (each such request to Buyer, an "Upsize Option"), which request, in each case, may be granted or denied in Buyer's sole discretion; provided, that (a) the Upsize Option (i) may only be exercised if the then-current Maximum Amount is $375,000,000 and (ii) may only be exercised in the increment of $75,000,000 to increase the then-current Maximum Amount from $375,000,000 to $450,000,000, (b) in no event shall the Maximum Amount at any time be increased to an amount greater than $450,000,000 and (c) in no event may Seller request more than four (4) Upsize Options in any calendar year. Each such request shall be delivered by Seller to Buyer at least thirty (30) days prior to the proposed effective date of the related Upsize Option (the "Upsize Date"). No Upsize Option shall be allowed on or after the Revolving Period Expiration Date. Any failure of Buyer to respond in writing to any such request on a timely basis shall be deemed to be a denial thereof by Buyer. Seller's request(s) to exercise any Upsize Option will be deemed to be denied if, on or before the date of such request or on or before the proposed Upsize Date (i) a Default or Event of Default has occurred and is continuing, (ii) Buyer has requested a new or updated Beneficial Ownership Certification, as applicable, in relation to Seller (to the extent Seller qualifies as a "legal entity customer"), and Seller has failed to provide such new or updated Beneficial Ownership Certification to Buyer, or (iii) an unsatisfied Margin Deficit exists. No request to exercise an Upsize Option shall be effective until Seller has paid to Buyer an amount equal to the initial installment of the related Upsize Fee, which initial installment shall be due and payable on the Upsize Date.

(d) Maximum Amount Decrease Option. Following any increase of the Maximum Amount from $375,000,000 to $450,000,000 in accordance with the preceding Section 3.06(c), Seller may, at any time prior to the Revolving Period Expiration Date, elect to decrease the Maximum Amount from $450,000,000 to $375,000,000 (the exercise of any such decrease option, a "Decrease Option"), in each case, by giving written notice thereof to Buyer; provided, that (a) the Decrease Option (i) may only be exercised if the then-current Maximum Amount is $450,000,000 and (ii) may only be exercised in the increment of $75,000,000 to decrease the then-current Maximum Amount from $450,000,000 to $375,000,000, (b) in no event may Seller request more than four (4) Decrease Options in any calendar year and (c) no Decrease Option shall be effective unless each of the following conditions are satisfied both before and after giving effect to such decrease: (i) Seller shall have delivered written notice of such decrease to Buyer at least three (3) Business Days' prior to the proposed effective date therefor, which notice shall be signed by a Responsible Officer of Seller and shall state that Seller is requesting to decrease the Maximum Amount from $450,000,000 to $375,000,000, (ii) after giving effect to such decrease, the Maximum Amount will not be an amount less than the then-current Aggregate Amount Outstanding, and (iii) Seller shall have paid to Buyer all installments of Upsize Fee (if any) that are then due and payable to Buyer as of the effective date of such Decrease Option.

Section 1.07 Payment of Price Differential and Fees.

(a) Notwithstanding that Buyer and Seller intend that each Transaction hereunder constitute a sale to Buyer of the Purchased Assets subject thereto, Seller shall pay to Buyer the accrued value of the Price Differential for each Purchased Asset on each Remittance Date. In addition thereto, interest shall accrue on all past due amounts otherwise due from Seller to Buyer under this Agreement at a rate equal to the Pricing Rate plus five percent (5%). Buyer shall give Seller notice of the Price Differential and any fees and other amounts due under the Repurchase Documents on or prior to the second (2nd) Business Day preceding each Remittance Date; provided, that Buyer's failure to deliver such notice shall not affect (i) the accrual of such obligations in accordance with this Agreement or (ii) Seller's obligation to pay such amounts. If the Price Differential includes any estimated Price Differential, Buyer shall recalculate such Price Differential after the Remittance Date and, if necessary, make adjustments to the Price Differential amount due on the following Remittance Date.

(b) The terms and conditions related to the payment by Seller and Guarantor to Buyer of certain fees and expenses are set forth in Section 2 of the Fee Letter.

In addition thereto, Seller and Guarantor shall pay to Buyer all fees and other amounts as and when due, as set forth in this Agreement including, without limitation:

(i) the Structuring Fee, which shall be fully earned by Buyer, and due and payable to Buyer by Seller and Guarantor, in accordance with the terms and conditions set forth in Section 2 of the Fee Letter, which terms and provisions are incorporated herein by reference;

(ii) the Amendment Structuring Fee which shall be due and payable to Buyer by Seller and Guarantor in accordance with the terms and provisions set forth in Section 2 of the Fee Letter, which terms and provisions are incorporated by reference;

(iii) the Extension Fee, which shall be fully earned on, and due and payable to Buyer by Seller and Guarantor in accordance with the terms and provisions set forth in Section 3.06(a);

(iv) the Exit Fee, which shall be fully earned on, and due and payable to Buyer by Seller and Guarantor in accordance with, both the terms and provisions set forth in Section 2 of the Fee Letter, which terms and provisions are incorporated by reference, and the terms set forth in Section 3.04(a) hereof; and

(v) the Upsize Fee, which shall be fully earned and due and payable by Seller to Buyer in accordance with the terms and conditions set forth in Section 2 of the Fee Letter, which terms and provisions are incorporated herein by reference.

Section 1.08 Payment, Transfer and Custody.

(a) Unless otherwise expressly provided herein, all amounts required to be paid or deposited by Seller, Pledgor, Guarantor or any other Person under the Repurchase Documents shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. on the Business Day when due, in immediately available Dollars and without deduction, set-off or counterclaim, and if not received before such time shall be deemed to be received on the next Business Day. Whenever any payment under the Repurchase Documents shall be stated to be due on a day other than a Business Day, such payment shall be made on the next following Business Day, and such extension of time shall in such case be included in the computation of such payment. Seller, Guarantor and Pledgor shall, to the extent permitted by Requirements of Law, pay to Buyer interest in connection with any amounts not paid when due under the Repurchase Documents, which interest shall be calculated at a rate equal to the Default Rate, until all such amounts are received in full by Buyer. Amounts payable to Buyer and not otherwise required to be deposited into the Servicer Account shall be deposited into an account of Buyer. Seller shall have no rights in any Buyer's account and no rights of withdrawal from, or rights to give notices or instructions regarding any Buyer's account, the Waterfall Account or the Servicer Account. Instructions to Servicer in respect of the Servicer Account are set forth in the Servicer Notice.

(b) Any Purchased Asset Documents not delivered to Buyer or Custodian on the relevant Purchase Date and subsequently received or held by or on behalf of Seller are and shall be held in trust by Seller or its agent for the benefit of Buyer as the owner thereof until so delivered to Buyer or Custodian. Seller or its agent shall maintain a copy of such Purchased Asset Documents and the originals of the Purchased Asset Documents not delivered to Buyer or Custodian. The possession of Purchased Asset Documents by Seller or its agent is in a custodial capacity only at the will of Buyer for the sole purpose of assisting the related Servicer with its duties under the Servicing Agreement. Each Purchased Asset Document retained or held by or on behalf of Seller or its agent shall be segregated on Seller's books and records from the other assets of Seller or its agent, and the books and records of Seller or its agent shall be marked to reflect clearly the sale of the related Purchased Asset to Buyer on a servicing-released basis. Seller or its agent shall release its custody of the Purchased Asset Documents only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Assets by Servicer or is in connection with a repurchase of any Purchased Asset by Seller, in each case in accordance with the Custodial Agreement.

Section 1.09 Repurchase Obligations Absolute. All amounts payable by Seller under the Repurchase Documents shall be paid without notice, demand, counterclaim, set-off, deduction or defense (as to any Person and for any reason whatsoever) and without abatement, suspension, deferment, diminution or reduction (as to any Person and for any reason whatsoever), and the Repurchase Obligations shall not be released, discharged or otherwise affected, except as expressly provided herein, by reason of: (a) any damage to, destruction of, taking of, restriction or prevention of the use of, interference with the use of, title defect in, encumbrance on or eviction from, any Purchased Asset, the Pledged Collateral or related Mortgaged Property, (b) any Insolvency Proceeding relating to Seller, any Underlying Obligor or

any other loan participant under a Senior Interest, or any action taken with respect to any Repurchase Document or Purchased Asset Document by any trustee or receiver of Seller, any Underlying Obligor or any other loan participant under a Senior Interest, or by any court in any such proceeding, (c) any claim that Seller has or might have against Buyer under any Repurchase Document or otherwise, (d) any default or failure on the part of Buyer to perform or comply with any Repurchase Document or other agreement with Seller, (e) the invalidity or unenforceability of any Purchased Asset, Repurchase Document or Purchased Asset Document, or (f) any other occurrence whatsoever, whether or not similar to any of the foregoing, and whether or not Seller has notice or Knowledge of any of the foregoing. The Repurchase Obligations shall be full recourse to Seller and Pledgor, and limited recourse to Guarantor to the extent of, and subject to the specified full-recourse provisions set forth in, the Guarantee Agreement. This Section 3.09 shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations.

Section 1.10 Future Funding Transactions. Buyer's agreement to enter into any Future Funding Transaction is subject to the satisfaction of the following conditions precedent, both immediately prior to entering into such Future Funding Transaction and also after giving effect to the consummation thereof:

(i) Seller shall give Buyer written notice of each Future Funding Transaction, together with a signed, written confirmation in the form of Exhibit H attached hereto prior to the related Future Funding Date (each, a "Future Funding Confirmation"), signed by a Responsible Officer of Seller. Each Future Funding Confirmation shall identify the related Whole Loan and/or Senior Interest, shall identify Buyer and Seller, shall set forth the requested Future Funding Amount, and shall be executed by both Buyer and Seller; provided, however, that Buyer shall not be liable to Seller if it inadvertently acts on a Future Funding Confirmation that has not been signed by a Responsible Officer of Seller. Each Future Funding Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Future Funding Transaction covered thereby, and shall be construed to be cumulative to the extent possible. If terms in a Future Funding Confirmation are inconsistent with terms in this Agreement with respect to a particular Future Funding Transaction such Future Funding Confirmation shall prevail.

(ii) For each proposed Future Funding Transaction, no less than seven (7) Business Days prior to the proposed Future Funding Date, Seller shall deliver to Buyer a Future Funding Request Package. Buyer shall have the right to conduct an additional due diligence investigation of the Future Funding Request Package and/or the related Whole Loan and/or Senior Interest as Buyer determines. Buyer shall be entitled to make a determination, in the exercise of Buyer's sole and absolute discretion whether, in the case of a Future Funding Transaction, it shall or shall not advance the requested Future Funding Amount. If Buyer determines not to advance a requested Future Funding Amount with respect to any Purchased Asset, Seller shall promptly satisfy all future funding obligations with respect to each Purchased Asset as and when required pursuant to the related Purchased Asset Documents, together with the terms of this Agreement. Prior to the approval of each proposed Future Funding Transaction by Buyer, Buyer shall have determined, in Buyer's sole and absolute discretion, that (A) all of the applicable conditions precedent for a Transaction, as described in Section 6.02, have been met by Seller, (B) Seller is in compliance with the Facility Debt Yield Test both before and after giving effect to the proposed Transaction, (C) the related Purchased Asset is not a Defaulted Asset, (D) the related Purchased Asset satisfies the Maximum Purchased Asset PPV Requirement both before and after giving effect to the proposed Transaction and (E) all related conditions precedent set forth in the related Purchased Asset Documents have been satisfied. Notwithstanding any other provision herein or otherwise, Buyer shall have no obligation to enter into any Future Funding Transaction (even with respect to any

Purchased Asset identified on the applicable Purchase Date as having future funding obligations). Any determination to enter into a Future Funding Transaction shall be made in Buyer's sole and absolute discretion.

(iii) Upon the approval by Buyer of a particular Future Funding Transaction, Buyer shall deliver to Seller a signed copy of the related Future Funding Confirmation described in clause (i) above, on or before the related Future Funding Date. On the related Future Funding Date, which shall occur no later than three (3) Business Days after the final approval of the Future Funding Transaction by Buyer (a) if an escrow agreement has been established in connection with such Future Funding Transaction, Buyer shall remit the related Future Funding Amount to the related escrow account, (b) if the terms of the Purchased Asset Documents provide for a reserve account in connection with future advances, Buyer shall remit the related Future Funding Amount to the applicable reserve account and (c) otherwise, Buyer shall remit the related Future Funding Amount directly to the related Underlying Obligor.

(iv) Notwithstanding the foregoing, in no event shall a Future Funding Transaction be permitted hereunder at any time after the expiration of the second Extension Period, if any.

(v) Notwithstanding anything to the contrary herein, in no event shall any Future Funding Transaction be entered into with respect to any LIBOR Based Transaction on or after the Amendment Effective Date, unless otherwise agreed by Buyer in its sole discretion.

ARTICLE 4

MARGIN MAINTENANCE

Section 1.01 Margin Deficit.

(a) With respect to any Purchased Asset, if on any date (I) an amount equal to the product of the Applicable Percentage for such Purchased Asset, multiplied by its Market Value, is less than the outstanding Purchase Price for such Purchased Asset as of such date, or (II) one or more of the Purchased Assets has caused Seller to violate the Facility Debt Yield Test (the amount of any shortfall under clause (I) or the amount necessary to cure any violation under clause (II), a "Margin Deficit"), then Buyer shall have the right from time to time as determined in its sole discretion to make a margin call on Seller (a "Margin Call") in an amount equal to the amount of the related Margin Deficit; provided that, (i) prior to the occurrence and continuation of a Default or an Event of Default, Buyer shall only make a Margin Call if the related Margin Deficit exceeds, or if the aggregate of all Margin Deficits collectively exceeds, the Material Impairment Threshold, (ii) prior to the occurrence and continuance of a Default or an Event of Default, Buyer shall not make any Margin Call under clause (I) above in connection with any Purchased Asset that accrues interest at a floating rate to the extent that the related Margin Deficit resulted solely from interest rate changes and/or credit spread movements, (iii) with respect to a Margin Call under clause (II), Buyer shall specify the Purchased Assets which caused such violation of the Facility Debt Yield Test and (iv) for the avoidance of doubt, Buyer shall be permitted to make Margin Calls hereunder in connection with multiple assets at the same time. In lieu of the satisfaction by Seller of a Margin Call under clause (I) above through the payment of cash or in combination with Seller's payment of cash, Buyer may elect, in its sole and absolute discretion, upon a written request of Seller that satisfies all of the requirements set forth in clauses (w) through (z) below (to be received prior to the date that the related Margin Deficit is due), to reallocate any then-currently available Margin Excess in order to eliminate the

related Margin Deficit by increasing the Purchase Price of one or more Purchased Assets then having any Margin Excess and decreasing the Purchase Price of one or more Purchased Assets that is or are the subject of the related Margin Call, by the same aggregate amounts. Any such written request for reallocation shall include a certification by Seller setting forth the following, with such back-up calculations as Buyer may require: (w) the Purchased Asset(s) with respect to which Seller requests that Buyer determine, in Buyer's sole discretion, that Margin Excess exists and the amount of such Margin Excess, if any, that Seller requests be re-allocated, (x) the Purchased Asset(s) to which Seller is requesting such Margin Excess be applied, the new Purchase Price of each such Purchased Asset and the new Purchase Price of the Purchased Asset(s) with the related Margin Excess, in each case, after giving pro forma effect to such reallocation, (y) the amount of the Margin Deficit on the Purchased Asset(s) to which any such Margin Excess is to be applied in order to reduce the Purchase Price(s) thereof so as to eliminate such Margin Deficit, both immediately prior to and immediately after giving pro forma effect to such reallocation, and (z) that no Default or Event of Default exists (except as would be cured by such reallocation). In connection with any request from Seller to reallocate available Margin Excess, Buyer may, in its sole and absolute discretion, elect to increase the Applicable Percentage and/or Purchase Price of one or more Purchased Assets, by such amounts as Buyer shall determine in its sole and absolute discretion, in order to calculate the amount of Margin Excess then-currently available in respect of such Purchased Asset(s). Upon Buyer's independent confirmation, to be made in Buyer's sole discretion, that the conclusions and calculations set forth in Seller's written request comply with the requirements set forth above, Buyer may, in its sole and absolute discretion, reallocate the related Margin Excess to those Purchased Assets for which Margin Deficits would otherwise exist, as determined by Buyer in its sole discretion, and, immediately thereafter, Seller shall execute and deliver new Confirmations acceptable to Buyer reflecting the new Purchase Price of all affected Purchased Assets.

Notwithstanding anything to the contrary herein, in no event shall available Margin Excess in respect of any LIBOR Based Transaction be reallocated (i.e., in such a way that the Purchase Price of any such LIBOR Based Transaction would be increased) at any time to cure in whole or in part a Margin Deficit relating to (x) any SOFR Based Transaction or (y) any LIBOR Based Transaction where such reallocation would result in an increase to the Purchase Price of any LIBOR Based Transaction with a Repurchase Date that is later than the Repurchase Date of the LIBOR Based Transaction in respect of which such Margin Deficit exists.

(b) To the extent any Margin Deficit that is subject to a Margin Call under Section 4.01(a)(I) above is not eliminated by way of a Margin Excess reallocation pursuant to Section 4.01(a), or in the case of any Margin Call under Section 4.01(a)(II) above, in each case, Seller shall, within three (3) Business Days after notice from Buyer that a Margin Call has occurred, either (i) transfer cash to Buyer, or (ii) repurchase the related Purchased Asset(s) subject to such Margin Call, so that, after giving effect to such transfers (excluding all Release Amounts paid to Buyer in connection with any cure made pursuant to 4.01(b)(ii)), the related Margin Deficit is fully cured.

(c) In no case shall Buyer's forbearance from delivering a Margin Call at any time there is a Margin Deficit be deemed to waive such Margin Deficit or in any way limit, stop or impair Buyer's right to deliver a Margin Call at any time when the same or any other Margin Deficit exists on the same or any other Purchased Asset. Buyer's rights under this Section 4.01 are cumulative and in addition to and not in lieu of any other rights of Buyer under the Repurchase Documents or Requirements of Law.

(d) All cash transferred to Buyer pursuant to this Section 4.01 shall be deposited into the Waterfall Account, except as directed by Buyer, and notwithstanding any provision in Section 5.02 to the contrary, shall be applied to reduce the Purchase Price of either (i) in connection with any Margin Deficit under Section 4.01(a)(I), the Purchased Asset to which

such Margin Deficit relates, or (ii) in connection with any Margin Deficit under Section 4.01(a)(II), to the unpaid Purchase Price(s) first, of the Purchased Asset(s) identified by Buyer in connection with such Margin Call, and second, of such other Purchased Asset(s) as Buyer shall have determined in its sole discretion. Immediately after the satisfaction by Seller of each Margin Call hereunder, Seller and Buyer shall execute and deliver the appropriate amended and restated Confirmations.

Section 1.02 Additional Provisions Regarding Margin Calls. Additional terms and provisions concerning Margin Calls are set forth in Section 3 of the Fee Letter, and are incorporated herein by reference.

ARTICLE 5

APPLICATION OF INCOME

Section 1.01 Waterfall Account; Servicer Account. The Waterfall Account shall be established at Deposit Account Bank in the name of Seller and pledged to Buyer as additional security for the Repurchase Obligations. Buyer shall have sole dominion and control (including without limitation, "control" within the meaning of Section 9-104(a)(2) of the UCC) over the Waterfall Account pursuant to the terms of the Controlled Account Agreement. Neither Seller nor any Person claiming through or under Seller shall have any claim to or interest in the Servicer Account except as expressly provided in the Repurchase Documents, and no rights of withdrawal from, or rights to give notices or instructions regarding, the Waterfall Account. Instructions to Servicer in respect of the Servicer Account are set forth in the Servicer Notice. All Income received by Seller, Buyer, any Servicer or Deposit Account Bank in respect of the Purchased Assets, shall be transferred, subject to the applicable provisions of the Servicing Agreement, by Servicer from the Servicer Account into the Waterfall Account within two (2) Business Days prior to the next Remittance Date (unless Servicer is an entity other than Buyer or an Affiliate of Buyer, in which case all such transfers shall be made within two (2) Business Days of receipt thereof). All such Income, once deposited in the Waterfall Account, shall be applied to and remitted by Deposit Account Bank in accordance with this Article 5.

Section 1.02 Before an Event of Default. If no Event of Default has occurred and is continuing, all Income described in Section 5.01 and deposited into the Waterfall Account during each Pricing Period shall be applied by Deposit Account Bank by no later than the next following Remittance Date in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such Remittance Date;

second, to pay to Buyer an amount equal to all default interest, late fees, fees, expenses and Indemnified Amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents;

third, to pay to Buyer an amount sufficient to eliminate any outstanding Margin Deficit that is subject to a Margin Call (without limiting Seller's obligation to satisfy a Margin Deficit that is subject to a Margin Call in a timely manner as required by Section 4.01);

fourth, to the extent that any Release Amount has not been paid in connection with the repurchase of any Purchased Asset by Seller during any Extension Period, to pay to Buyer an amount equal to such unpaid Release Amount to be applied by Buyer to

reduce the then-current unpaid Purchase Prices of one or more of the remaining Purchased Assets, as Buyer shall determine in its discretion;

fifth, to pay to Buyer the Applicable Percentage of any Principal Payments (to the extent actually deposited into the Waterfall Account), to be applied to reduce the outstanding Purchase Price of each related Purchased Asset;

sixth, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

seventh, to pay to Buyer any other amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents; and

eighth, to pay to Seller any remainder for its own account, subject, however, to the covenants and other requirements of the Repurchase Documents; provided that, if any Default exists on such Remittance Date, all amounts otherwise payable to Seller hereunder shall be retained in the Waterfall Account until the earlier of (x) the day on which Buyer provides written notice to the Deposit Account Bank that such Default has been cured to the satisfaction of Buyer in its commercially reasonable discretion in accordance with this Agreement and no other Default or Event of Default exists, at which time the Deposit Account Bank shall apply all such amounts pursuant to this priority *eighth*; and (y) the day that the related Default becomes an Event of Default, at which time the Deposit Account Bank shall apply all such amounts pursuant to Section 5.03.

Section 1.03 After an Event of Default. If an Event of Default has occurred and is continuing, all Income deposited into the Waterfall Account in respect of the Purchased Assets shall be applied by Deposit Account Bank, on the Business Day next following the Business Day on which each amount of Income is so deposited, in the following order of priority:

first, to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such date;

second, to pay to Buyer an amount equal to all default interest, late fees, fees, expenses and Indemnified Amounts then due and payable from Seller and other applicable Persons to Buyer under the Repurchase Documents;

third, to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

fourth, to pay to Buyer an amount equal to the remaining aggregate Repurchase Price of all Purchased Assets (to be applied in such order and in such amounts as determined by Buyer, until the Aggregate Amount Outstanding has been reduced to zero);

fifth, to pay to Buyer all other Repurchase Obligations due to Buyer; and

sixth, to pay to Seller any remainder for its own account; provided, that if Buyer has exercised the remedies described in Section 10.02(d)(ii) with respect to any or all Purchased Assets, Seller shall not be entitled to any proceeds from any eventual sale of such Purchased Assets.

Section 1.04 Seller to Remain Liable. If the amounts remitted to Buyer as provided in Sections 5.02 and 5.03 are insufficient to pay all amounts due and payable to Buyer or any of its Affiliates under this Agreement or any Repurchase Document on a Remittance Date,

a Repurchase Date or Maturity Date, whether due to the occurrence of an Event of Default or otherwise, Seller shall remain liable to Buyer for payment of all such amounts when due.

ARTICLE 6

CONDITIONS PRECEDENT

Section 1.01 Conditions Precedent to Initial Transaction. Buyer shall not be obligated to enter into any Transaction or purchase any Asset until the following conditions have been satisfied or waived by Buyer, on and as of the Closing Date and which shall remain in compliance as of the first Purchase Date:

(a) Buyer has received the following documents, each dated the Closing Date or as of the first Purchase Date unless otherwise specified: (i) each Repurchase Document duly executed and delivered by the parties thereto, (ii) an official good standing certificate or its documentary equivalent dated a recent date with respect to Seller, Pledgor and Guarantor (including, with respect to Seller, in each jurisdiction where any Mortgaged Property is located to the extent requested by Buyer as necessary for Buyer to enforce its rights and remedies thereunder), (iii) certificates of a Responsible Officer of each of Seller, Pledgor and Guarantor with respect to attached copies of the Governing Documents and applicable resolutions of Seller, Pledgor and Guarantor, and the incumbencies and signatures of officers of Seller, Pledgor and Guarantor executing the Repurchase Documents to which each is a party, evidencing the authority of Seller, Pledgor and Guarantor with respect to the execution, delivery and performance thereof, (iv) a Closing Certificate, (v) an executed Power of Attorney, (vi) such opinions from counsel to Seller, Pledgor and Guarantor as Buyer may require, including with respect to corporate matters, due formation, existence and good standing of Seller, Pledgor and Guarantor, the due authorization, execution, delivery and enforceability of each Repurchase Document, non-contravention, no consents or approvals required other than those that have been obtained, validly granted and perfected security interests in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Documents, Investment Company Act matters, and true sale, and substantive non consolidation, and the applicability of Bankruptcy Code safe harbors (including Buyer's related liquidation, termination and offset rights), (vii) a duly completed Compliance Certificate, and (viii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

(b) (i) UCC financing statements have been filed against Seller and Pledgor in all filing offices required by Buyer, (ii) Buyer has received such searches of UCC filings, tax liens, judgments, pending litigation and other matters relating to Seller and the Purchased Assets as Buyer may require, and (iii) the results of such searches are satisfactory to Buyer;

(c) Buyer has received payment from Seller of all fees and expenses then payable under Section 3.07(b), the related provisions of the Fee Letter and all expenses payable as contemplated by Section 13.02, together with any other fees and expenses otherwise due and payable pursuant to any of the other Repurchase Documents;

(d) Buyer has completed to its satisfaction such due diligence (including, Buyer's "Know Your Customer", Anti-Corruption Laws, Sanctions and Anti-Money Laundering Laws diligence and any information required to be obtained by Buyer pursuant to the Beneficial Ownership Regulation) and modeling as it may require, and all information provided to Buyer by Seller or Guarantor must be true, accurate, complete and not misleading in any material respect, all as determined by Buyer;

(e) Buyer shall have received, sufficiently in advance of (but in any event not less than three (3) Business Days prior to) the Closing Date a Beneficial Ownership Certification in relation to Seller to the extent that Seller qualifies as a "legal entity customer" under the Beneficial Ownership Regulation; and

(f) Buyer has received approval from its internal credit committee and all other necessary approvals required for Buyer, to enter into this Agreement and consummate Transactions hereunder, no material adverse change has occurred from the approval date until the Closing Date, including, without limitation, any changes in requirements of Laws, or relevant financial, banking, real estate or capital market conditions, and Guarantor will be in compliance with all financial covenants set forth in the Guarantee Agreement.

Section 1.02 Conditions Precedent to All Transactions. Buyer shall not be obligated to enter into any Transaction, purchase any Asset, or be obligated to take, fulfill or perform any other action hereunder, until the following additional conditions have been satisfied or waived by Buyer, with respect to each Asset on and as of the Purchase Date (including the first Purchase Date) therefor:

(a) Buyer has received the following documents for each prospective Purchased Asset: (i) [reserved], (ii) an Underwriting Package, (iii) a Confirmation, (iv) if the prospective Purchased Asset is not serviced by Buyer or an Affiliate of Buyer, copies of the related Servicing Agreements, (v) an Irrevocable Redirection Notice that is (x) executed by Seller and delivered to Custodian on behalf of Buyer, and (y) to the extent the related Underlying Obligor is not required by the related Purchased Asset Documents to remit Income to the Servicer, a fully executed Irrevocable Redirection Notice delivered to Custodian on behalf of Buyer, (vi) if the Underlying Obligor is required to remit Income to the Servicer, evidence satisfactory to Buyer that the Underlying Obligor has been so directed to remit Income to Servicer in accordance with the Purchased Asset Documents, (vii) a trust receipt and other items required to be delivered under the Custodial Agreement, (viii) with respect to any Wet Mortgage Asset, a Bailee Agreement (as such term is defined in the Custodial Agreement), (ix) the related Servicing Agreement, if a copy was not previously delivered to Buyer, (x) a Servicer Notice, if not previously delivered to Servicer, (xi) [reserved] and (xii) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

(b) immediately before such Transaction and immediately after giving effect thereto and to the intended use thereof, no change in any Requirements of Law or market conditions which make it unfavorable for Buyer to enter into the proposed Transaction has occurred, no Representation Breach (including with respect to any Purchased Asset), Default, Event of Default, Margin Deficit, Market Disruption Event or Material Adverse Effect has occurred, and each of the Maximum Purchased Asset PPV Requirement, the Facility Debt Yield Test and each Sub-Limit are satisfied as of the applicable Purchase Date;

(c) Buyer has completed its due diligence review of the Underwriting Package, Purchased Asset Documents and such other documents, records and information as Buyer deems appropriate, and the results of such reviews are satisfactory to Buyer;

(d) Buyer has (i) determined that such Asset is an Eligible Asset and complies, on the related Purchase Date, with the Maximum Purchased Asset PPV Requirement, (ii) approved the purchase of such Asset, (iii) obtained all necessary internal credit and other approvals for such Transaction, and (iv) executed the Confirmation;

(e) immediately after giving effect to such Transaction, (i) the Aggregate Amount Outstanding does not exceed the Maximum Amount, and (ii) Guarantor will be in compliance with all of the financial covenants set forth in the Guarantee Agreement;

(f) the Repurchase Date specified in the Confirmation is not later than the Maturity Date;

(g) Seller has satisfied all requirements and conditions and has performed all covenants, duties, obligations and agreements contained in the other Repurchase Documents to be performed by Seller on or before the Purchase Date;

(h) to the extent the related Purchased Asset Documents contain notice, cure and other provisions in favor of a pledgee under a repurchase or warehouse facility, and without prejudice to the sale treatment of such Asset to Buyer, Buyer has received satisfactory evidence that Seller has given notice to the applicable Persons of Buyer's interest in such Asset and otherwise satisfied any other applicable requirements under such pledgee provisions so that Buyer is entitled to the rights and benefits of a pledgee under such pledgee provisions;

(i) if requested by Buyer, Seller has provided Buyer with copies of any license, registration or other similar certification or official document available to Seller from the jurisdiction where the related underlying Mortgaged Property is located, to the extent necessary for Seller to enforce its rights and remedies under the related Purchased Asset Documents;

(j) if requested by Buyer, such opinions from counsel to Seller, Pledgor and Guarantor as Buyer may require, including, without limitation, with respect to the perfected security interest in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Document, and, to the extent required by Section 7.11, true sale issues;

(k) Custodian (or a bailee) shall have received executed blank assignments of all Purchased Asset Documents in appropriate form for recording, to the extent such documents are required to be recorded, in the jurisdiction in which the underlying real estate is located, together with executed blank assignments of all applicable Purchased Asset Documents (the "Blank Assignment Documents"); and

(l) Seller shall have provided evidence, satisfactory to Buyer in its reasonable discretion, that the applicable Interim Assignment Documents have been submitted for recordation in the public recording office of the applicable jurisdiction.

Each Confirmation delivered by Seller shall constitute a certification by Seller that all of the conditions precedent in this Article 6 have been satisfied.

The failure of Seller to satisfy any of the conditions precedent in this Article 6 with respect to any Transaction or Purchased Asset shall, unless such failure was set forth in an exceptions schedule to the relevant Confirmation or otherwise waived in writing by Buyer on or before the related Purchase Date, give rise to the right of Buyer at any time to rescind the related Transaction on notice to Seller, whereupon Seller shall (x) immediately in the case of any such rescission made on the Purchase Date, and (y) otherwise, within three (3) Business Days from the date of such rescission, pay to Buyer the Repurchase Price of such Purchased Asset.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants, on and as of the date of this Agreement, each Purchase Date, and, except as expressly set forth below, at all times when any Repurchase Document or Transaction is in full force and effect as follows:

Section 1.01 Seller. Seller has been duly organized and validly exists in good standing as a limited liability company under the laws of the State of Delaware. Seller (a) has all requisite power, authority, legal right, licenses and franchises, (b) is duly qualified to do business in all jurisdictions necessary, and (c) has been duly authorized by all necessary action, to (w) own, lease and operate its properties and assets, (x) conduct its business as presently conducted, (y) execute, deliver and perform its obligations under the Repurchase Documents to which it is a party, and (z) as applicable, originate, service, acquire, own, sell, assign, pledge and repurchase the Purchased Assets. Seller's exact legal name is set forth in the preamble and signature pages of this Agreement. Seller's location (within the meaning of Article 9 of the UCC), and the office where Seller keeps all records (within the meaning of Article 9 of the UCC) relating to the Purchased Assets is at the address of Seller referred to in Annex 1. Seller has not changed its name or location within the past twelve (12) months. Seller's organizational identification number is 6884489 and its employer identification number is 61-1889899. Seller is a one hundred percent (100%) direct and wholly-owned Subsidiary of Pledgor. The fiscal year of Seller is the calendar year. Seller has no Indebtedness, Contractual Obligations or Investments other than (a) ordinary trade payables, (b) in connection with Assets acquired or originated for the Transactions, and (c) under the Repurchase Documents. Seller has no Guarantee Obligations. Seller has no Subsidiaries. Seller shall provide Buyer with thirty (30) days advance notice of any change in Seller's principal office or place of business or jurisdiction. Seller has no trade name. During the preceding five (5) years, Seller has not been known by nor done business under any other name, corporate or fictitious.

Section 1.02 Repurchase Documents. Each Repurchase Document to which Seller is a party has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforceability may be limited by Insolvency Laws and general principles of equity. The execution, delivery and performance by Seller of each Repurchase Document to which it is a party do not and will not (a) conflict with, result in a breach of, or constitute (with or without notice or lapse of time or both) a default under, any (i) Governing Document, Indebtedness, Guarantee Obligation or Contractual Obligation applicable to Seller or any of its properties or assets, (ii) Requirements of Law, or (iii) approval, consent, judgment, decree, order or demand of any Governmental Authority, or (b) result in the creation of any Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on any of the properties or assets of Seller. All approvals, authorizations, consents, orders, filings, notices or other actions of any Person or Governmental Authority required for the execution, delivery and performance by Seller of the Repurchase Documents to which it is a party and the sale of and grant of a security interest in each Purchased Asset to Buyer, and the grant of a security interest in the Pledged Collateral to Buyer, have been obtained, effected, waived or given and are in full force and effect. The execution, delivery and performance of the Repurchase Documents do not require compliance by Seller with any "bulk sales" or similar law. There is no material litigation, proceeding or investigation pending or, to the Knowledge of Seller threatened, against Seller, Pledgor, Guarantor or any of their respective Affiliates before any Governmental Authority (a) asserting the invalidity of any Repurchase Document, (b) seeking to prevent the consummation of any Transaction, or (c) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

Section 1.03 Solvency. None of Seller, Pledgor, Guarantor or any of their respective Affiliates is, nor has Seller, Pledgor, Guarantor or Operating Partnership ever been, the subject of an Insolvency Proceeding. Each of Seller, Pledgor, Guarantor and each of their respective Affiliates is Solvent and the Transactions do not and will not render Seller, Pledgor, Guarantor or any of their respective Affiliates not Solvent. Seller is not entering into the Repurchase Documents or any Transaction with the intent to hinder, delay or defraud any creditor of Seller, Pledgor, Guarantor or any of their respective Affiliates. Seller has received or will receive reasonably equivalent value for the Repurchase Documents and each Transaction. Seller has adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations. Seller is generally able to pay, and as of the date hereof is paying, its debts as they come due. During the preceding five (5) years, none of Seller, Pledgor or Guarantor has filed or had filed against it any bankruptcy receivership or similar petitions nor has it made any assignments for the benefit of creditors.

Section 1.04 Taxes. Guarantor is a REIT. Seller is a disregarded entity, the income of which is included in the income of Operating Partnership for U.S. federal income tax purposes. Seller, Pledgor and Guarantor have each timely filed all required federal tax returns and all other material tax returns, domestic and foreign, required to be filed by them and have (for all prior fiscal years and for the current fiscal year to date) timely paid all federal and other material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges (whether imposed with respect to their income or any of their properties or assets) which have become due and payable, other than any such taxes, assessments, fees, or other governmental charges that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves have been established in accordance with GAAP. There is no material suit or claim relating to any such taxes now pending or, to the Knowledge of Seller, threatened by any Governmental Authority which is not being contested in good faith as provided above.

Section 1.05 Financial Condition. The audited balance sheet of Guarantor as at the fiscal year most recently ended for which such audited balance sheet is available, and the related audited statements of income, stockholders equity, retained earnings and of cash flows for the fiscal year then ended, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification arising out of the audit conducted by Guarantor's independent certified public accountants, copies of which have been delivered to Buyer, are complete and correct and present fairly the financial condition of Guarantor as of such date and the results of its operations and cash flows for the fiscal year then ended. All such financial statements, including related schedules and notes, were prepared in accordance with GAAP except as disclosed therein. Guarantor has no material contingent liability or liability for taxes or any long term lease or unusual forward or long term commitment, including any Derivatives Contract, which is not accounted for in the foregoing statements or notes unless the foregoing is not required in accordance with GAAP. Since the date of the financial statements and other information delivered to Buyer prior to the Closing Date, neither Seller nor Guarantor has sold, transferred or otherwise disposed of any material part of its property or assets (except pursuant to the Repurchase Documents) or acquired any property or assets (including Equity Interests of any other Person) that could reasonably be expected to have a Material Adverse Effect.

Section 1.06 True and Complete Disclosure. The information, reports, certificates, documents, financial statements, operating statements, forecasts, books, records, files, exhibits and schedules furnished by or on behalf of Seller to Buyer in connection with the Repurchase Documents and the Transactions, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of Seller to Buyer in

connection with the Repurchase Documents and the Transactions will be true, correct and complete in all material respects, or in the case of projections will be based on reasonable estimates prepared and presented in good faith, in each case, on the date as of which such information is stated or certified.

Section 1.07 Compliance with Laws. Seller, Pledgor, Operating Partnership and Guarantor have complied in all material respects with all Requirements of Law, and no Purchased Asset contravenes any Requirements of Laws. None of Seller, Guarantor nor any Subsidiaries of Seller or Guarantor, nor to the knowledge of Seller or Guarantor, no Affiliate of Seller or Guarantor (i) is in violation of any Sanctions or (ii) is a Sanctioned Target. The proceeds of any Transaction have not been and will not be used, directly or indirectly, to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Target or otherwise in violation of Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws. None of Seller, Guarantor nor any Subsidiaries of Seller or Guarantor (a) is a "broker" or "dealer" as defined in, or could be subject to a liquidation proceeding under, the Securities Investor Protection Act of 1970, or (b) is subject to regulation by any Governmental Authority limiting its ability to incur the Repurchase Obligations. No properties presently or previously owned or leased by Seller or any of its Affiliates, or to the Knowledge of Seller, Pledgor or Guarantor any of their respective predecessors, contain or previously contained any Materials of Environmental Concern that constitute or constituted a violation of Environmental Laws that reasonably could be expected to give rise to liability of Seller, Pledgor or Guarantor thereunder. Seller, Pledgor and Guarantor each have no Knowledge of any violation, alleged violation, non-compliance, liability or potential liability of Seller, Pledgor or Guarantor under any Environmental Law. Materials of Environmental Concern have not been Released, on properties presently or previously owned or leased by Seller or any of its Affiliates, in violation of Environmental Laws in a manner that reasonably could be expected to give rise to liability of Seller, Pledgor or Guarantor thereunder. Seller and all Affiliates of Seller are in compliance with all Anti-Corruption Laws. Neither Seller nor any Affiliate of Seller has made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Seller, any Affiliate of Seller or any other Person, in violation of any Anti-Corruption Law.

Section 1.08 Compliance with ERISA. None of Seller, Pledgor or Guarantor has any employees as of the date of this Agreement.

(b) Each of Seller, Pledgor and Guarantor either (i) qualifies as a VCOC or a REOC, (ii) complies with an exception set forth in the Plan Asset Regulations such that the assets of such Person would not be subject to Title I of ERISA and/or Section 4975 of the Code, or (iii) does not hold any "plan assets" within the meaning of the Plan Asset Regulations that are subject to ERISA.

(c) Assuming that no portion of the Purchased Assets are funded by Buyer with "plan assets" within the meaning of the Plan Asset Regulations, none of the transactions contemplated by the Repurchase Documents will constitute a nonexempt prohibited transaction (as such term is defined in Section 4975 of the Code or Section 406 of ERISA) that could subject the Buyer to any tax or penalty or prohibited transactions imposed under Section 4975 of the Code or Section 502(i) of ERISA.

Section 1.09 No Default or Material Adverse Effect. No Event of Default exists and, to the Knowledge of Seller, no Default exists. No event of default (however defined) exists, and to the Knowledge of Seller no default exists, under any Indebtedness, Guarantee Obligations

or Contractual Obligations of Seller. Seller believes that it is and will be able to pay and perform each agreement, duty, obligation and covenant contained in the Repurchase Documents and Purchased Asset Documents to which it is a party, and that it is not subject to any agreement, obligation, restriction or Requirements of Law that would unduly burden its ability to do so or could reasonably be expected to have a Material Adverse Effect. Seller has no Knowledge of any actual or prospective development, event or other fact that could reasonably be expected to have a Material Adverse Effect. No Internal Control Event has occurred. Seller has delivered to Buyer all underlying servicing agreements (or provided Buyer with access to a service, internet website or other system where Buyer can successfully access such agreements) with respect to the Purchased Assets, and to Seller's Knowledge no material default or event of default (however defined) exists thereunder.

No event of default (however defined), and to Seller's Knowledge, no default, in either case on the part of Guarantor or Pledgor exists under any credit facility, repurchase facility or substantially similar facility that is presently in effect, to which Guarantor or Pledgor is a party.

Section 1.10 Purchased Assets. Each Purchased Asset, other than a Purchased Asset that has been, or is contemporaneously being, repurchased pursuant to Section 3.04 or 3.05 or any other requirement hereof, is an Eligible Asset. Each representation and warranty of Seller set forth in the Repurchase Documents (including in Schedule 1 applicable to the Class of such Purchased Asset) and the Purchased Asset Documents with respect to each Purchased Asset is true and correct, except as otherwise disclosed in any applicable Representation Exception or otherwise in writing on the executed copy of the related Confirmation. The review and inquiries made on behalf of Seller in connection with the next preceding sentence have been made by Persons having the requisite expertise, knowledge and background to verify such representations and warranties. Seller has complied with all requirements of the Custodial Agreement with respect to each Purchased Asset, including delivery to Custodian of all required Purchased Asset Documents. Except as reported to Buyer or disclosed in materials or notices delivered to Buyer in accordance with Sections 8.08 and 8.09, Seller has no Knowledge of any fact that could reasonably lead it to expect that any Purchased Asset will not be paid in full. No Purchased Asset is or has been the subject of any compromise, adjustment, extension, satisfaction, subordination, rescission, setoff, counterclaim, defense, abatement, suspension, deferment, deduction, reduction, termination or modification, whether arising out of transactions concerning such Purchased Asset or otherwise, by Seller or any Affiliate of Seller, any Transferor, any Underlying Obligor, Guarantor or any other Person, in each case, other than as disclosed to Buyer on the related Confirmation on or before each related Purchase Date or, if such event occurred following the Purchase Date, with respect to which either (i) Buyer consented in writing in its sole discretion, or (ii) Seller has repurchased or is in the process of repurchasing the Purchased Asset in accordance with Section 3.04(c). No procedures believed by Seller to be adverse to Buyer were utilized by Seller in identifying or selecting the proposed Purchased Assets for sale to Buyer. The purchase of each proposed Purchased Asset was underwritten in accordance with and satisfies applicable standards established by Seller or any applicable Affiliate of Seller. None of the Purchased Asset Documents (to the extent relating to the applicable Purchased Asset) has any marks or notations indicating that it has been sold, assigned, pledged, encumbered or otherwise conveyed to any Person other than Buyer. If any Purchased Asset Document requires the holder or transferee of the related Purchased Asset to be a qualified transferee, qualified institutional lender or qualified lender (however defined), Seller meets such requirement. Assuming that Buyer also meets such requirement, the assignment and pledge of such Purchased Asset to Buyer pursuant to the Repurchase Documents do not violate such Purchased Asset Document. Seller and all Affiliates of Seller have sold and transferred all Servicing Rights with respect to the Purchased Assets to Buyer. At Buyer's election (and, so long as no Default or Event of Default exists, at Buyer's sole cost and expense including, without limitation, the cost of any applicable recording and/or transfer or mortgage recording taxes and

re-recording costs and taxes) and at any time during the term of this Agreement, and, so long as no Default or Event of Default exists, upon the delivery of at least five (5) Business Days prior written notice thereof to Seller, Buyer may complete and record any or all of the Blank Assignment Documents as further evidence of Buyer's ownership interest in the related Purchased Assets; provided, that, in no event shall any such completion or recordation modify, waive, alter or impair any obligation of Buyer, so long as no Default or Event of Default has then occurred and is continuing and no unsatisfied Margin Deficit exists, to transfer to Seller any such Purchased Asset on the applicable Repurchase Date upon the transfer by Seller to Buyer of the applicable Repurchase Price(s) thereof in accordance with Section 3.04 or 3.05, together with Blank Assignment Documents, executed by Buyer, for each such repurchased Purchased Asset with respect to which Buyer previously completed and recorded Blank Assignment Documents as provided in this sentence.

Section 1.11 Purchased Assets Acquired from Transferors. With respect to each Purchased Asset purchased by Seller or an Affiliate of Seller from a Transferor, (a) such Purchased Asset was acquired and transferred pursuant to a Purchase Agreement and/or any applicable Interim Assignment Documents, (b) such Transferor received reasonably equivalent value in consideration for the transfer of such Purchased Asset, (c) no such transfer was made for or on account of an antecedent debt owed by such Transferor to Seller or an Affiliate of Seller, (d) no such transfer is or may be voidable or subject to avoidance under the Bankruptcy Code, (e) if Seller acquired the Purchased Asset from an Affiliate other than a Permitted Transferor, then (i) such transfer (A) shall be in the form of an absolute transfer of all right, title and interest of the Transferor in such proposed Purchased Asset to Seller, in return for payment by Seller of the fair market value of such Purchased Asset, with no retained interest by the Transferor and no recourse to the Transferor by the Seller (other than, at the option of the Transferor and Seller, for breach of customary factual representations and warranties), and (B) shall conform in all respects to the facts and assumptions recited as being relied upon in the opinion delivered to Buyer and dated as of November 21, 2018 issued by McDermott Will & Emery LLP, as outside counsel to Seller, to the effect that the conveyance of all right, title and interest in and to such proposed Purchased Asset to Seller pursuant to the agreements and instruments effecting such conveyance constitutes a "true sale" of such proposed Purchased Asset (the foregoing, collectively, the "Initial True Sale Opinion"), (ii) Seller shall have delivered to Buyer a written certification executed by a Responsible Officer of Seller, substantially in the form of Exhibit J attached hereto, to the effect that such transfer conforms to the facts and assumptions recited as being relied upon in the Initial True Sale Opinion, (iii) notwithstanding the foregoing, Buyer retains the right and option, in connection with any transfer of any proposed Purchased Asset from an Affiliate of Seller other than a Permitted Transferor, to require the delivery of a true sale opinion of outside counsel to Seller in the form and substance satisfactory to Buyer and counsel for Buyer, and Seller agrees to cooperate with Buyer in order to obtain such opinion in a timely manner either prior to or following such transfer and (iv) if BSPRT BB Loan, LLC, an indirect wholly owned Subsidiary of Guarantor, transfers a proposed Purchased Asset directly to Seller on behalf of a Permitted Transferor, as described in the Initial True Sale Opinion, such transfer shall not be treated as a separate transfer by BSPRT BB Loan, LLC to Seller, but shall be a part of the transfer of such proposed Purchased Asset by such Permitted Transferor, as set forth in the form of Interim Assignment Documents attached to the Initial True Sale Opinion, and (f) the representations and warranties made by a Transferor to Seller or such Affiliate in any Purchase Agreement or Interim Assignment Documents are hereby incorporated herein *mutatis mutandis* and are hereby remade by Seller to Buyer on each date as of which they speak in such Purchase Agreement or Interim Assignment Documents. Other than if the Transferor named therein is a Permitted Transferor, if such Purchased Asset was acquired by Seller or such Affiliate of Seller via a Purchase Agreement and/or Interim Assignment Documents, and the related Transferor has therein granted a security interest in each such Purchased Asset to either Seller or such Affiliate, then Seller or such Affiliate has filed one or more UCC financing statements against the

Transferor to perfect such security interest, assigned such financing statements in blank and delivered such blank assignments to Buyer or Custodian.

Section 1.12 Transfer and Security Interest. The Repurchase Documents constitute a valid and effective transfer to Buyer of all right, title and interest of Seller in, to and under all Purchased Assets (together with all related Servicing Rights), subject to the terms and conditions hereof, free and clear of any Liens. With respect to the protective security interest granted by Seller in Section 11.01, upon the delivery of the Confirmations and the Purchased Asset Documents to Custodian, the execution and delivery of the Controlled Account Agreement and the filing of the UCC financing statements as provided herein, such security interest shall be a valid first priority perfected security interest to the extent such security interest can be perfected by possession, filing or control under the UCC. Upon receipt by Custodian of each Purchased Asset Document required to be endorsed in blank by Seller and payment by Buyer of the Purchase Price for the related Purchased Asset, Buyer shall either own such Purchased Asset and the related Purchased Asset Documents or have a valid first priority perfected security interest in such Purchased Asset and related Purchased Asset Documents. The Purchased Assets constitute the following, as defined in the UCC: a general intangible, instrument, investment property, security, deposit account, financial asset, uncertificated security, securities account, or security entitlement. Seller has not sold, assigned, pledged, granted a security interest in, encumbered or otherwise conveyed any of the Purchased Assets to any Person other than pursuant to the Repurchase Documents. Seller has not authorized the filing of and has no Knowledge of any UCC financing statements filed against Seller as debtor that include the Purchased Assets, other than any financing statement that has been terminated or filed pursuant to this Agreement.

Section 1.13 No Broker. Neither Seller nor any Affiliate of Seller has dealt with any broker, investment banker, agent or other Person, except for Buyer or an Affiliate of Buyer, who may be entitled to any commission or compensation in connection with any Transaction.

Section 1.14 Separateness. Seller is in compliance with the requirements of Article 9.

Section 1.15 Investment Company Act. None of Seller, Pledgor, Guarantor or any Subsidiary of Guarantor that is also a direct or indirect parent of Seller is required to be registered as, or is controlled by, an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act, or otherwise required to register thereunder. Seller is exempt from the registration requirements of the Investment Company Act pursuant to an exemption other than the exemptions set forth in Section 3(c)(1) and 3(c)(7) of the Investment Company Act.

Section 1.16 Location of Books and Records. The location where Seller keeps its books and records, including all computer tapes and records relating to the Purchased Assets is its chief executive office.

Section 1.17 Chief Executive Office; Jurisdiction of Organization. On the Closing Date, each of Seller's, Pledgor's and Guarantor's chief executive office, is, and has been, located at 142 West 57th Street, 12th Floor, New York, NY 10019. On the Closing Date, (x) Seller's jurisdiction of organization is Delaware, (y) Pledgor's jurisdiction of organization is Delaware, (z) Guarantor's jurisdiction of organization is Maryland. Each of Seller, Pledgor, and Guarantor shall provide Buyer with thirty (30) days advance notice of any change in its principal office or place of business or jurisdiction. None of Seller, Pledgor or Guarantor has a trade name. During the preceding five (5) years, none of Seller or Pledgor has been known by or done business under any other name, corporate or fictitious, and none of Seller, Pledgor or Guarantor has filed or had filed against it any bankruptcy receivership or similar petitions or made any

assignments for the benefit of creditors. During the preceding five (5) years Guarantor changed its name from ARC Realty Finance Trust, Inc. to Realty Finance Trust, Inc., from Realty Finance Trust, Inc. to Benefit Street Partners Realty Trust, Inc., and from Benefit Street Partners Realty Trust, Inc. to its current name.

Section 1.18 Anti-Money Laundering Laws and Anti-Corruption Laws. The operations of each of Seller and Guarantor are, and have been, conducted at all times in compliance with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws. No litigation, regulatory or administrative proceedings of or before any court, tribunal or agency with respect to any Anti-Money Laundering Laws or Anti-Corruption Laws have been started or (to the best of its knowledge and belief) threatened against each of Seller and Guarantor or to the knowledge of Seller or Guarantor, any Affiliates of Seller or Guarantor.

Section 1.19 Sanctions. None of Seller, Guarantor, any Subsidiaries of Seller or Guarantor and, to the knowledge of Seller or Guarantor, no Affiliate of Seller or Guarantor (a) is a Sanctioned Target, (b) is controlled by or is acting on behalf of a Sanctioned Target, or (c) to the best knowledge of Seller or Guarantor after due inquiry, is under investigation for an alleged breach of Sanctions by a Governmental Authority that enforces Sanctions. To Seller's knowledge, no Investor is a Sanctioned Target.

Section 7.20 Beneficial Ownership Certification. The information included in each Beneficial Ownership Certification is true and correct in all respects.

ARTICLE 8

COVENANTS OF SELLER

From the date hereof until the Repurchase Obligations are indefeasibly paid in full and the Repurchase Documents are terminated, Seller shall perform and observe the following covenants, which shall be given independent effect (so that if a particular action or condition is prohibited by any covenant, the fact that it would be permitted by an exception to or be otherwise within the limitations of another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists):

Section 1.01 Existence; Governing Documents; Conduct of Business. Seller shall (a) preserve and maintain its legal existence, (b) qualify and remain qualified in good standing in each jurisdiction where the failure to be so qualified would have a Material Adverse Effect, (c) comply with its Governing Documents, including all single purpose entity provisions, and (d) not modify, amend or terminate its Governing Documents. Seller shall (a) continue to engage in the same (and no other) general lines of business as presently conducted by it, (b) maintain and preserve all of its material rights, privileges, licenses and franchises necessary for the operation of its business, and (c) maintain Seller's status as a qualified transferee, qualified lender or any similar term (however defined) under the Purchased Asset Documents. Seller shall not (A) change its name, organizational number, tax identification number, fiscal year, method of accounting, identity, structure or jurisdiction of organization (or have more than one such jurisdiction), move the location of its principal place of business and chief executive office (as defined in the UCC) from the location referred to in Section 7.01, or (B) move, or consent to Custodian moving, the Purchased Asset Documents from the location thereof on the applicable Purchase Date for the related Purchased Asset, unless in each case Seller has given, or caused to be given, at least thirty (30) days prior notice to Buyer and has taken, or caused to be taken, all actions required under the UCC to continue the first priority perfected security interest of Buyer in the Purchased Assets and in the Pledged Collateral. Seller shall enter into each Transaction as principal.

Section 1.02 Compliance with Laws, Contractual Obligations and Repurchase Documents. Seller shall comply in all material respects with each and every Requirements of Law, including those relating to any Purchased Asset, the Pledged Collateral and to the reporting and payment of taxes. No part of the proceeds of any Transaction shall be used for any purpose that violates Regulation T, U or X of the Board of Governors of the Federal Reserve System. Seller shall maintain the Custodial Agreement and Controlled Account Agreement in full force and effect. Seller shall not directly or indirectly enter into any agreement that would be violated or breached by any Transaction or the performance by Seller of any Repurchase Document.

Section 1.03 Structural Changes. Seller shall not enter into any merger or consolidation, or adopt, file or effect a Division, or liquidate, wind up or dissolve, or sell all or substantially all of its assets or properties, divide itself into two or more limited liability companies, or permit any changes in the ownership of the Equity Interests of Seller, without the consent of Buyer. Seller shall ensure that all Equity Interests of Seller shall continue to be directly owned by the owner or owners thereof as of the date hereof. Seller shall ensure that neither the Equity Interests of Seller nor any property or assets of Seller shall be pledged to any Person other than Buyer. Seller shall not enter into any transaction with an Affiliate of Seller (except transactions expressly contemplated hereby, including, without limitation, the acquisition of Eligible Assets from a Permitted Transferor or other Affiliates of Seller, subject to and in accordance with Section 7.11, or the sale or transfer of a Purchased Asset in connection with a capital markets transaction after or simultaneously with the repurchase thereof by Seller in accordance herewith, which sale or transfer shall be on customary terms and conditions for such transaction), unless, as to such other transactions (a) Seller notifies Buyer of such transaction not less than seven (7) days before entering into it, and (b) such transaction is on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction as set forth in Seller's notice.

Section 1.04 Protection of Buyer's Interest in Purchased Assets. With respect to each Purchased Asset, Seller shall take all action necessary or required by the Repurchase Documents, the Purchased Asset Documents and each and every Requirements of Law, or requested by Buyer, to perfect, protect and evidence the security interest, if any, granted in any Purchase Agreement or Interim Assignment Documents, and Buyer's ownership of and first priority perfected security interest in such Purchased Asset and related Purchased Asset Documents, including executing or causing to be executed (a) such other instruments or notices as may be necessary or appropriate and filing and maintaining effective UCC financing statements, continuation statements and assignments and amendments thereto, and (b) all documents necessary to both collaterally and absolutely and, subject to the terms and conditions of the Repurchase Documents, unconditionally assign all rights (but none of the obligations) of Seller under each Purchase Agreement or Interim Assignment Documents and Purchased Asset Documents, in each case as additional collateral security for the payment and performance of each of the Repurchase Obligations. Seller shall (a) not assign, sell, transfer, pledge, hypothecate, grant, create, incur, assume or suffer or permit to exist any security interest in or Lien (other than, except with respect to any Purchased Asset, any Liens granted pursuant to a Repurchase Document) on any Purchased Asset to or in favor of any Person other than Buyer, (b) defend the right, title and interest of Buyer in and to all Purchased Assets and in and to the Pledged Collateral against the claims and demands of all Persons whomsoever. Seller shall comply with all requirements of the Custodial Agreement with respect to each Purchased Asset and the Pledged Collateral. Notwithstanding the foregoing, (i) if Seller grants a Lien on any Purchased Asset in violation of this Section 8.04 or any other Repurchase Document, Seller shall defend such Purchased Asset against, and take such action as is necessary to remove, any such Lien, and be deemed to have simultaneously granted an equal and ratable Lien on such Purchased Asset in favor of Buyer to the extent such Lien has not already been granted to Buyer; provided, that such equal and ratable Lien shall not cure any resulting Event of Default, and (ii) to the extent any additional limited liability company is formed by a Division of Seller (and

without prejudice to Sections 8.01, 8.03 and 9.01 hereof), Seller shall cause any such Division LLC to assign, pledge and grant to Buyer, for no additional consideration, all of its assets, and shall cause any owner of each such Division LLC to pledge all of the Equity Interests and any rights in connection therewith of each such Division LLC to Buyer, for no additional consideration, in support of all Repurchase Obligations in the same manner and to the same extent as the assignment, pledge and grant by Seller of all of Seller's assets hereunder, and in the same manner and to the same extent as the pledge by Pledgor of all of Pledgor's right, title and interest in all of the Equity Interests of Seller and any rights in connection therewith, in each case pursuant to the Pledge Agreement. Seller shall not materially amend, modify, waive or terminate any provision of any Purchase Agreement or Interim Assignment Documents or, insofar as it relates to the Purchased Assets, any Servicing Agreement. Seller shall not, and shall not permit any Servicer to, make any Material Modification to any Purchased Asset or Purchased Asset Document, without the prior written consent of Buyer. Seller shall use appropriate documentation to evidence the interests granted to Buyer hereunder. Seller shall not take any action to cause any Purchased Asset that is not evidenced by an instrument or chattel paper (as defined in the UCC) to be so evidenced. If a Purchased Asset becomes evidenced by an instrument or chattel paper, the same shall be immediately delivered to Custodian on behalf of Buyer, together with endorsements that may be required hereby or by Buyer, to the same extent as if the same had been in existence on the applicable Purchase Date.

Section 1.05 Actions of Seller Relating to Distributions, Indebtedness, Guarantee Obligations, Contractual Obligations, Investments and Liens. Seller shall not declare or make any payment on account of, or set apart assets for, a sinking or similar fund for the purchase, redemption, defeasance, retirement or other acquisition of any Equity Interest of Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor; provided that, so long as no Event of Default shall be outstanding, the foregoing shall not prevent or restrict, or be deemed to prevent or restrict, the ability of Seller to dividend or otherwise distribute to Pledgor, Operating Partnership or Guarantor, or any of their respective direct or indirect parent entities, any cash received by Seller in respect of the Purchased Assets in compliance with the provisions of this Agreement and the other Repurchase Documents. Seller shall not contract, create, incur, assume or permit to exist any Indebtedness, Guarantee Obligations, Contractual Obligations or Investments, except to the extent (a) arising or existing under the Repurchase Documents or from Seller's performance thereunder, (b) arising or existing pursuant to any Retained Interests, (c) existing as of the Closing Date, as referenced in the financial statements delivered to Buyer prior to the Closing Date, and any renewals, refinancings or extensions thereof in a principal amount not exceeding that outstanding as of the date of such renewal, refinancing or extension, (d) incurred after the Closing Date to originate or acquire Assets or to provide funding or to perform Seller's obligations with respect to Assets, (e) related to Interest Rate Protection Agreements entered into in order to manage risks related to Assets or (f) permitted by the terms of Section 9.01. Seller shall not (a) contract, create, incur, assume or permit to exist any Lien on or with respect to any of its property or assets (including the Purchased Assets or the Pledged Collateral) of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, other than, except with respect to any Purchased Asset or the Pledged Collateral, any Liens granted pursuant to a Repurchase Document, or (b) except as provided in the preceding clause (a), grant, allow or enter into any agreement or arrangement with any Person that prohibits or restricts or purports to prohibit or restrict the granting of any Lien on any of the foregoing.

Section 1.06 Maintenance of Property, Insurance and Records. Seller shall (a) keep all property useful and necessary in its business in good working order and condition, (b) maintain insurance on all its properties in accordance with customary and prudent practices of companies engaged in the same or a similar business, and (c) furnish to Buyer upon request

information and certificates with respect to such insurance. Seller shall maintain and implement administrative and operating procedures (including the ability to recreate records evidencing the Purchased Assets if the original records are destroyed) and shall keep and maintain all documents, books, records and other information (including with respect to the Purchased Assets) that are reasonably necessary or advisable in the conduct of its business. In connection with the preceding sentences of this Section 8.06, however, Buyer acknowledges and understands that Seller is an externally managed entity that owns and shall own no property or assets other than Purchased Assets and Eligible Assets or other Assets intended for purchase or repurchase hereunder.

Section 1.07 Delivery of Income. Unless otherwise agreed to by Buyer in writing, each Servicer Notice shall require, and Seller shall cause Servicer to, transfer all Income for each Purchased Asset into the Waterfall Account in accordance with Section 5.01 hereof. Seller and Servicer shall, in connection with each principal payment or prepayment under a Purchased Asset, provide or cause to be provided to Buyer sufficient detail to enable Buyer to identify the Purchased Asset to which such payment applies. If Seller receives any rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any Purchased Assets, or otherwise in respect thereof, Seller shall accept the same as Buyer's agent, hold the same in trust for Buyer and immediately deliver the same to Buyer or its designee in the exact form received, together with duly executed instruments of transfer, stock powers or assignment in blank and such other documentation as Buyer shall reasonably request. If any Income is received by Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, Seller shall, subject to the applicable provisions of the related Servicing Agreement and the Servicer Notice, directly deposit such Income for deposit into the Waterfall Account within two (2) Business Days after receipt, and, until so deposited, hold such Income in trust for Buyer, segregated from other funds of Seller.

Section 1.08 Delivery of Financial Statements and Other Information.

(a) Subject to Section 8.08(b) below, Seller shall deliver the following to Buyer, as soon as available and in any event within the time periods specified:

(i) within sixty (60) days after the end of the first three fiscal quarters and each fiscal year of Guarantor, (A) the unaudited balance sheets of Guarantor as at the end of such period, (B) the related unaudited statements of income, retained earnings, stockholders equity and cash flows for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, and (C) a Compliance Certificate;

(ii) within one hundred twenty (120) days after the end of each fiscal year of Guarantor, (A) the audited balance sheets of Guarantor as at the end of such fiscal year, (B) the related statements of income, retained earnings and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, (C) a report thereon of independent certified public accountants of recognized national standing, which report shall not be qualified as to scope of audit or going concern and shall state that said financial statements fairly present the financial condition and results of operations of Guarantor as at the end of and for such fiscal year in accordance with GAAP, and (D) a Compliance Certificate;

(iii) all reports submitted to and Guarantor by independent certified public accountants in connection with each annual, interim or special audit of the books and records of and Guarantor made by such accountants, including any management letter commenting on and Guarantor's internal controls;

(iv) with respect to each Purchased Asset and related Mortgaged Property serviced by a Servicer other than Wells Fargo Bank, National Association: (i) within thirty (30) days after the end of month, a monthly report of the following: delinquency, loss experience, internal risk rating, surveillance, rent roll, occupancy and other property-level information, and (ii) within ten (10) days after either the preparation thereof by Seller, or the receipt by Seller from any Underlying Obligor, any Servicer or from any other source, all remittance, servicing, securitization, exception and other reports, operating and financial statements of Underlying Obligors, and all modifications or updates to the items contained in the Underwriting Package; provided that Seller uses reasonable efforts to require each Underlying Obligor to comply with the reporting requirements of the related Purchased Asset Documents;

(v) all financial statements, reports, notices and other documents that sends to holders of its Equity Interests or makes to or files with any Governmental Authority, promptly after the delivery or filing thereof;

(vi) all amendments to the Advisory Agreement;

(vii) all amendments to any Purchased Asset Documents that are executed after the Purchase Date of each related Purchased Asset, whether or not the related amendment is also a Material Modification;

(viii) any other material agreements, correspondence, documents or other information not included in an Underwriting Package which is related to Seller, the Purchased Assets or the Pledged Collateral, as soon as possible after the discovery thereof by Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor; and

(ix) such other information regarding the financial condition, operations or business of Seller, Pledgor, Guarantor or any Underlying Obligor as Buyer may reasonably request including, without limitation, any such information that is otherwise necessary to allow Buyer to monitor compliance with the terms of the Repurchase Documents.

(b) Notwithstanding anything to the contrary set forth in Section 8.08(a), Seller's obligation to deliver annual or quarterly consolidated financial statements and other financial reports with respect to Guarantor and/or Seller as provided in clauses (a)(i) through (vi) above (other than in respect of (x) any required property-level financial information as specified clause (a)(iv) above, and (y) Seller's obligations to deliver Compliance Certificates as specified in clauses (a)(i) and (a)(ii) above) shall be deemed to have been met by the timely filing by or on behalf of Guarantor with the Securities and Exchange Commission ("SEC") of annual and quarterly reports on Forms 10-K and 10-Q, respectively, at any time that Guarantor has a class of securities registered with, and is obligated to deliver such reports to, the SEC; provided that Guarantor delivers electronic notice thereof to Buyer promptly after the filing of such financial statements with the SEC together with an electronic link to the filed copy of such financial statements.

Section 1.09 Delivery of Notices. Seller shall immediately notify Buyer of the occurrence of any of the following of which Seller has Knowledge, together with a certificate of a Responsible Officer of Seller setting forth details of such occurrence and any action Seller has taken or proposes to take with respect thereto:

(a) a Representation Breach;

(b) any of the following: (i) with respect to any Purchased Asset or related underlying Mortgaged Property: material change in Market Value, material loss or damage, material licensing or permit issues, violation of Requirements of Law, discharge of or damage from Materials of Environmental Concern or any other actual or expected event or change in circumstances that, with respect to each of the foregoing, could reasonably be expected to result in a default or material decline in value or cash flow, and (ii) with respect to Seller: violation of Requirements of Law, material decline in the value of Seller's assets or properties, an Internal Control Event or other event or circumstance that, with respect to each of the foregoing, could reasonably be expected to have a Material Adverse Effect;

(c) the existence of any Default, Event of Default or material default under or related to any Purchased Asset, any Purchased Asset Document, the Pledged Collateral, or any Indebtedness, Guarantee Obligation or Contractual Obligation of Seller;

(d) the resignation or termination of any Servicer under any Servicing Agreement with respect to any Purchased Asset;

(e) the establishment of a rating by any Rating Agency applicable to Seller, Pledgor, Guarantor or any Affiliate of Guarantor that owns, directly or indirectly, any of the Capital Stock of Seller, and any downgrade in or withdrawal of such rating once established;

(f) the commencement of, settlement of or material judgment in any litigation, action, suit, arbitration, investigation or other legal or arbitrable proceedings before any Governmental Authority that (i) affects Seller, any Purchased Asset, the Pledged Collateral or any Mortgaged Property, (ii) affects Pledgor, Guarantor or Operating Partnership in an amount, individually or in the aggregate, that would be material if any such proceeding is decided adversely to such Person, (iii) questions or challenges the validity or enforceability of the Pledged Collateral, any Repurchase Document, Transaction, Purchased Asset or Purchased Asset Document, or (iv) individually or in the aggregate, if adversely determined, could reasonably be likely to have a Material Adverse Effect; and

(g) each change in the location of its principal place of business and chief executive office, from the location referred to in Annex I.

Section 1.10 Pledge Agreement. Seller shall not take any direct or indirect action inconsistent with the Pledge Agreement or the security interest granted thereunder to Buyer in the Pledged Collateral. Seller shall not permit any additional Persons to acquire Equity Interests in Seller other than the Equity Interests owned by Pledgor and pledged to Buyer on the Closing Date, and Seller shall not permit any sales, assignments, pledges or transfers of the Equity Interests in Seller other than to Buyer.

Section 1.11 Taxes. Guarantor will continue to be a REIT. Seller will continue to be a disregarded entity for U.S. federal income tax purposes. Seller and Guarantor will each timely file all required federal tax returns and all other material tax returns, domestic and foreign, required to be filed by them and will timely pay all federal and other material taxes (including mortgage recording taxes), assessments, fees, and other governmental charges (whether imposed with respect to their income or any of their properties or assets) which become due and payable, other than any such taxes, assessments, fees, or other governmental charges that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves are established in accordance with GAAP. Seller will provide Buyer with written notice of any material suit or claim relating to any such taxes, whether pending or, to the Knowledge of Seller, threatened by any Governmental Authority.

Section 1.12 Transaction with Affiliates. Neither Seller nor Guarantor will, directly or indirectly, (i) make any investment in an Affiliate (whether by means of share purchase; capital contribution; loan, advance or any other extension of credit, including repurchase agreements, securities lending transactions or any transaction involving a Derivatives Contract; deposit, or otherwise including any agreement or commitment to enter into any of the foregoing) or (ii) transfer, sell, lease, assign or otherwise dispose of any tangible or intangible property to an Affiliate or enter into any other transaction, directly or indirectly, with or for the benefit of any Affiliate (including, without limitation, guarantees and assumptions of obligations of an Affiliate) except, in each case, in a manner that does not constitute a breach or violation of the Repurchase Documents, the Investment Company Act and any other Requirements of Law.

Section 1.13 Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(a) The proceeds of any Transaction shall not be used, directly or indirectly, for any purpose which would breach any applicable Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.

(b) Seller and Guarantor shall each (i) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; and (ii) maintain policies and procedures designed to promote and achieve compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(c) The repurchase of any Purchased Asset or any other payment due to Buyer under this Agreement or any other Repurchase Document shall not be funded, directly or indirectly, with proceeds derived from a transaction that would be prohibited by Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions, or in any manner that would cause Seller or Guarantor or to the knowledge of Seller or Guarantor, any Affiliates of Seller or Guarantor to be in breach of any Anti-Corruption Laws, Anti-Money Laundering Laws or Sanctions.

(d) With respect to the Purchased Assets that were originated by Seller or any Affiliate of Seller, Seller has conducted the customer identification and customer due diligence required in connection with the origination of each Purchased Asset for purposes of complying with all Anti-Money Laundering Laws, and will maintain sufficient information to identify each such customer for purposes of such Anti-Money Laundering Laws.

Section 1.14 Compliance with Sanctions. The proceeds of any Transaction hereunder will not, directly or indirectly, be used to lend, contribute, or otherwise be made available; (i) to fund any activities or business of or with a Sanctioned Target, or (ii) be used in any manner that would be prohibited by Sanctions or would otherwise cause Buyer to be in breach of any Sanctions. Seller or Guarantor shall notify the Buyer in writing not more than three (3) Business Days after becoming aware of any breach of Section 7.19 or this Section 8.14.

Section 8.15 Beneficial Ownership. To the extent that Seller is a "legal entity customer" under the Beneficial Ownership Regulation, Seller shall promptly give notice to Buyer of any change in the information provided in any Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and shall promptly deliver an updated Beneficial Ownership Certification to Buyer.

ARTICLE 9

SINGLE-PURPOSE ENTITY

Section 1.01 Covenants Applicable to Seller. Seller shall (a) own no assets, and shall not engage in any business, other than the assets and transactions specifically contemplated by this Agreement and any other Repurchase Document and incidental property, assets and transactions necessary to perform its obligations hereunder and thereunder and in accordance herewith and therewith; (b) not incur any Indebtedness or other obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (I) with respect to the Purchased Asset Documents and the Retained Interests, (II) commitments to make loans which may become Eligible Assets and to provide funding for and otherwise to perform Seller's obligations with respect thereto, including the payment of ordinary unsecured trade payables incurred in connection therewith, (III) Interest Rate Protection Agreements entered into to manage risks related to such Assets, and (IV) as otherwise permitted under this Agreement; (c) not make any loans or advances to any Affiliate or any other Person and shall not acquire obligations or securities of its Affiliates, in each case other than in connection with the origination or acquisition of Assets for purchase under the Repurchase Documents and otherwise in performance of its obligations under any of the Purchased Asset Documents, including, without limitation, in connection with any Retained Interests; (d) pay its debts and liabilities (including shared personnel and overhead expenses, it being understood and acknowledged that the Seller and certain of its Affiliates are externally managed organizations managed by Advisor pursuant to the Advisory Agreement) only from its own assets (provided that the foregoing shall not require the member of Seller to make additional contributions to Seller); (e) comply with the provisions of its Governing Documents; (f) do all things necessary to observe organizational formalities and to preserve its existence, and shall not amend, modify, waive provisions of or otherwise change its Governing Documents with respect to the matters set forth in this Article 9; (g) maintain all of its books, records and bank accounts separate from those of any other Person; (h) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on any financial statement of any other Person; provided, however, that Seller's assets may be included in a consolidated financial statement of its Affiliates provided that (I) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Seller from any such Affiliates and to indicate that Seller's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person, and (II) such assets shall also be listed on Seller's own separate balance sheet; (i) file its own tax returns separate from those of any other Person, except to the extent that Seller is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under Requirements of Law, or is otherwise permitted or required to file consolidated tax returns (or returns having similar effect) under Requirements of Law; (j) be, and at all times hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), correct any known misunderstanding regarding its status as a separate entity, conduct business in its own name, and not identify itself or any of its Affiliates as a division of the other (except for business conducted on behalf of the Seller by Advisor pursuant to the Advisory Agreement); (k) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations (provided the foregoing shall not require the member of Seller to make any additional capital contributions to Seller); (l) to the fullest extent permitted by law, not engage in or suffer any Change of Control, dissolution, winding up, liquidation, consolidation or merger in whole or in part or convey or transfer all or substantially all of its properties and assets to any Person (except as contemplated herein), nor shall Seller adopt, file, or effect a Division; (m) not commingle its funds or other assets with those of any Affiliate or any other Person (except as expressly contemplated by any Repurchase Documents or Servicing Agreement, as modified by any related Servicer Notice); (n) maintain its properties, assets and accounts separate from those of any Affiliate or any other Person; (o) not guarantee any obligation of any Person, including

any Affiliate, become obligated for the debts of any other Person, or hold out its credit or assets as being available pay the obligations of any other Person; (p) not, without the prior unanimous written consent of all of its Independent Directors or Independent Managers, take any Insolvency Action; (q) have at all times at least one (1) Independent Director or Independent Manager whose vote is required to take any Insolvency Action; (r) have Governing Documents that provide that for so long as any Repurchase Obligations remain outstanding, (I) the Independent Manager or Independent Director may be removed only for Cause, (II) that Buyer be given at least five (5) Business Days prior notice of the removal and/or replacement of any Independent Director or Independent Manager, together with the name and contact information of the replacement Independent Director or Independent Manager and evidence of the replacement's satisfaction of the definition of Independent Director or Independent Manager, (III) that, to the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, any Independent Director or Independent Manager shall consider only the interests of Seller, including its respective creditors, in acting or otherwise voting on the Insolvency Action, and (IV) that, except for duties to Seller as set forth in the immediately preceding clause (including duties to the holders of the Equity Interests in Seller or Seller's respective creditors solely to the extent of their respective economic interests in Seller, but excluding (A) all other interests of the holders of the Equity Interests in Seller, (B) the interests of other Affiliates of Seller, and (C) the interests of any group of Affiliates of which Seller is a part), the Independent Directors or Independent Managers shall not have any fiduciary duties to the holders of the Equity Interests in Seller, any officer or any other Person bound by the Governing Documents; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing; (s) except for capital contributions or capital distributions that do not violate the terms and conditions of its Governing Documents and that are properly reflected on the books and records of Seller, not enter into any transaction with an Affiliate of Seller except (I) the acquisition of Eligible Assets from a Permitted Transferor or other Affiliates of Seller, subject to and in accordance with Section 7.11, (II) the sale or transfer of a Purchased Asset in connection with a capital markets transactions after or simultaneously with the repurchase thereof by the Seller in accordance with this Agreement, which sale or transfer shall be on customary terms and conditions for such transaction, or (III) otherwise on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction; (t) pay the salaries of its own employees, if any, only from its own funds (it being understood that the Seller and certain of its Affiliates are externally managed organizations managed by a common Affiliate pursuant to the Advisory Agreement); (u) allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including for shared office space and for services performed by an employee of an Affiliate (it being understood that the Seller and certain of its Affiliates are externally managed organizations managed by a common Affiliate pursuant to the Advisory Agreement); (v) not pledge its assets to secure the obligations of any other Person; and (w) not form, acquire or hold any Subsidiary or own any Equity Interest in any other entity. Seller has complied with the covenants set forth in this Section 9.01 since the date of its formation.

Section 1.02 Additional Covenants Applicable to Seller. Seller shall: (i) be a Delaware limited liability company, (ii) have at least one Independent Director or Independent Manager serving as manager of such company, (iii) not take any Insolvency Action and shall not cause or permit the members or managers of such entity to take any Insolvency Action, with respect to itself unless all of its Independent Director(s) or Independent Manager(s) then serving as managers of the company shall have consented in writing to such action (directly or indirectly), and (iv) have either (A) a member which owns no economic interest in the company, has signed the company's limited liability company agreement and has no obligation to make capital contributions to the company, or (B) one or more natural persons (including any Independent Director or Independent Manager) or one entity that is not a member of the company, that has signed its limited liability company agreement and that, under the terms of such limited liability company agreement becomes a member of the company immediately upon

the occurrence of any event that causes the last remaining member of the company to cease to be a member of the company.

ARTICLE 10

EVENTS OF DEFAULT AND REMEDIES

Section 1.01 Events of Default. Each of the following events shall be an "Event of Default":

(a) Seller fails to make a payment of (i) Margin Deficit or Repurchase Price (other than Price Differential) when due under this Agreement or under any other Repurchase Document, whether by acceleration or otherwise (including, if applicable, any Future Funding Amounts related to a Future Funding Transaction), (ii) Price Differential when due, provided, however, no more than two (2) times during any twelve (12) month period Seller may cure such failure within one (1) Business Day if the funds were available in the Waterfall Account when due and such failure arose solely by reason of an error or omission of an administrative or operational nature, or (iii) any fee or other amount when due, in each case under the Repurchase Documents and such failure, in the case of this clause (iii), continues unremedied for two (2) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;

(b) Seller fails to observe or perform in any material respect any other Repurchase Obligation of Seller under the Repurchase Documents or Purchased Asset Documents to which Seller is a party, and (except in the case of a failure to perform or observe the Repurchase Obligations of Seller under Section 8.04 and 18.08(a)) such failure continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;

(c) any Representation Breach (other than a Representation Breach arising out of the representations and warranties set forth in Schedule 1) exists and continues unremedied for five (5) Business Days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by Seller;

(d) Seller, Pledgor, Operating Partnership or Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation under any Indebtedness, Guarantee Obligation or Contractual Obligation with an outstanding amount of at least $100,000 with respect to Seller or Pledgor, or $5,000,000 with respect to Guarantor or Operating Partnership;

(e) Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation due to Buyer or any Affiliate of Buyer under any other financing, hedging, security or other agreement (other than under any Repurchase Document) between Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor, on the one hand, and Buyer or any Affiliate of Buyer, on the other hand;

(f) Guarantor defaults in paying any amount due under, or performing any obligation or covenant of Guarantor under, the Guarantee Agreement;

(g) an Insolvency Event occurs with respect to Seller, Pledgor, Guarantor or any Affiliate of Seller, Pledgor or Guarantor;

(h) a Change of Control occurs;

(i) a final judgment or judgments for the payment of money in excess of $100,000 with respect to Seller or Pledgor, or $5,000,000 with respect to Guarantor or Operating Partnership, each determined in the aggregate, is entered against Seller, Pledgor, Operating Partnership or Guarantor by one or more Governmental Authorities and the same is not satisfied, discharged (or provision has not been made for such discharge) or bonded, or a stay of execution thereof has not been procured, within ten (10) Business Days from the date of entry thereof;

(j) a Governmental Authority takes any action to (i) condemn, seize or appropriate, or assume custody or control of, all or any substantial part of the property of Seller, (ii) displace the management of Seller or curtail its authority in the conduct of the business of Seller, (iii) terminate the activities of Seller as contemplated by the Repurchase Documents, or (iv) remove, limit or restrict the approval of Seller, if any, as an issuer, buyer or seller of securities, and in each case such action is not discontinued or stayed within thirty (30) days;

(k) Seller, Pledgor, Guarantor, Operating Partnership or Advisor admits in writing that it is not Solvent or is not able or not willing to perform any of its Repurchase Obligations, Contractual Obligations, Guarantee Obligations, Capitalized Lease Obligations or Off-Balance Sheet Obligations;

(l) any provision of the Repurchase Documents, any right or remedy of Buyer or obligation, covenant, agreement or duty of Seller thereunder, or any Lien, security interest or control granted under or in connection with the Repurchase Documents or the Pledged Collateral terminates, is declared null and void, ceases to be valid and effective or otherwise ceases to be the legal, valid, binding and enforceable obligation of Seller or any other Person, or the validity, effectiveness, binding nature or enforceability thereof is contested, challenged, denied or repudiated by Seller or any Affiliate thereof, in each case directly, indirectly, in whole or in part;

(m) Buyer ceases for any reason to have a valid and perfected first priority security interest in any Purchased Asset or any Pledged Collateral;

(n) Seller, Pledgor, Guarantor or any of their respective Affiliates is required to register as an "investment company" (as defined in the Investment Company Act) or the arrangements contemplated by the Repurchase Documents shall require registration of Seller, Pledgor or Guarantor as an "investment company";

(o) Seller, Pledgor or Guarantor engages in any conduct or action where Buyer's prior consent is required by any Repurchase Document and Seller, Pledgor or Guarantor fails to obtain such consent;

(p) Seller, Servicer, any Underlying Obligor or any other Person fails to deposit to the Waterfall Account all Income and other amounts as required by Section 5.01 and other provisions of this Agreement when due, or the occurrence of a Servicer Event of Default; provided that no Event of Default shall occur under this clause (p) if (i) such failure or Servicer Event of Default is cured within (x) in the case of any failure to deposit amounts in accordance with Section 5.01, two (2) Business Days thereafter, and (y) in the case of any other Servicer Event of Default, thirty (30) days thereafter, and (ii) Servicer is removed and replaced with Wells Fargo Bank, National Association, as Servicer, within thirty (30) days of the date of such failure or Servicer Event of Default;

(q) Guarantor's audited annual financial statements or the notes thereto or other opinions or conclusions stated therein are qualified or limited by reference to the status of

Guarantor as a "going concern" or a reference of similar import, other than a qualification or limitation expressly related to Buyer's rights in the Purchased Assets;

(r) any termination event, default or event of default (however defined) shall have occurred with respect to Seller under any Interest Rate Protection Agreement, in each case, after expiration of any applicable notice and cure periods;

(s) any Material Modification is made to any Purchased Asset or any Purchased Asset Document without the prior written consent of Buyer;

(t) any condition or circumstance exists which causes or constitutes a Material Adverse Effect (other than any such event or circumstance that relates solely to a specific Purchased Asset or that occurs as the result of any waiver, act or omission by Buyer), as reasonably determined by Buyer in good faith;

(u) (i) Guarantor fails to qualify as a REIT (after giving effect to any cure or corrective periods or allowances pursuant to the Code), or (ii) Seller becomes subject to U.S. federal income tax on a net income basis; and

(v) Seller adopts, files, or effects a Division.

Section 1.02 Remedies of Buyer as Owner of the Purchased Assets. If an Event of Default exists, at the option of Buyer, exercised by notice to Seller (which option shall be deemed to be exercised, even if no notice is given, automatically and immediately upon the occurrence of an Event of Default under Section 10.01(f)), the Repurchase Date for all Purchased Assets shall be deemed automatically and immediately to occur (the date on which such option is exercised or deemed to be exercised, the "Accelerated Repurchase Date"). If Buyer exercises or is deemed to have exercised the foregoing option:

(a) All Repurchase Obligations shall become immediately due and payable on and as of the Accelerated Repurchase Date and Buyer may, upon the delivery of at least three (3) Business Days' prior written notice thereof to Seller, terminate this Agreement, except provisions of this Agreement which by their terms survive any such termination of the Agreement or the transactions contemplated hereby. For the avoidance of doubt, the provisions of Section 5.03, Section 10.02(b) and Section 10.02(d) shall survive the termination of this Agreement until the first date upon which Buyer shall have completed its exercise of remedies with respect to all Purchased Assets, pursuant to Section 10.02(d).

(b) All amounts in either the Servicer Account or the Waterfall Account and all Income paid after the Accelerated Repurchase Date shall be retained in such accounts and applied in accordance with Article 5.

(c) Buyer may complete any assignments, allonges, endorsements, powers or other documents or instruments executed in blank and otherwise obtain physical possession of all Purchased Asset Documents and all other instruments, certificates and documents then held by or on behalf of Custodian under the Custodial Agreement. Buyer may obtain physical possession of all Servicing Files, Servicing Agreements and other files and records of Seller or any Servicer. Seller shall deliver to Buyer such assignments and other documents with respect thereto as Buyer shall request.

(d) Buyer may, at any time, and from time to time, exercise either of the following remedies with respect to any or all of the Purchased Assets: (i) upon at least three (3) Business Days' prior written notice to Seller, sell such Purchased Assets on a servicing-released basis and/or without providing any representations and warranties on an "as-is where is" basis, in

a recognized market and by means of a public or private sale at such price or prices as Buyer accepts, and apply the net proceeds thereof in accordance with Article 5, or (ii) upon at least three (3) Business Days' prior written notice to Seller, retain such Purchased Assets and give Seller credit against the Repurchase Price for such Purchased Assets (or if the amount of such credit exceeds the Repurchase Price for such Purchased Assets, to credit against Repurchase Obligations due and any other amounts (without duplication) then owing to Buyer by Seller or any other Person pursuant to any Repurchase Document, in such order and in such amounts as determined by Buyer), in an amount equal to the Market Value (determined without giving effect to the provisos in the definition of "Market Value" hereunder) of such Purchased Assets on the date of the related Event of Default. Until such time as Buyer exercises either such remedy with respect to a Purchased Asset, Buyer may hold such Purchased Asset for its own account and apply all Income with respect thereto in accordance with Article 5.

(e) The Parties agree that the Purchased Assets are of such a nature that they may decline rapidly in value, and may not have a ready or liquid market. Accordingly, Buyer shall not be required to sell more than one Purchased Asset on a particular Business Day, to the same purchaser or in the same manner. Buyer may determine whether, when and in what manner a Purchased Asset shall be sold, it being agreed that both a good faith public and a good faith private sale shall be deemed to be commercially reasonable. Buyer shall not be required to give notice to Seller or any other Person prior to exercising any remedy in respect of an Event of Default. If no prior notice is given, Buyer shall give notice to Seller of the remedies exercised by Buyer promptly thereafter.

(f) Seller shall be liable to Buyer for (i) any amount by which the Repurchase Obligations due to Buyer exceed the aggregate of the net proceeds and credits referred to in the preceding clause (d), (ii) the amount of all actual out-of-pocket expenses, including reasonable legal fees and expenses, actually incurred by Buyer in connection with or as a consequence of an Event of Default, (iii) any costs and losses payable under Section 12.03, and (iv) any other actual loss, damage, cost or expense resulting from the occurrence of an Event of Default.

(g) Buyer shall be entitled to an injunction, an order of specific performance or other equitable relief to compel Seller to fulfill any of its obligations as set forth in the Repurchase Documents, including this Article 10, if Seller fails or refuses to perform its obligations as set forth herein or therein.

(h) Seller hereby appoints Buyer as attorney-in-fact of Seller for purposes of carrying out the Repurchase Documents, including executing, endorsing and recording any instruments or documents and taking any other actions that Buyer deems necessary or advisable to accomplish such purposes, which appointment is coupled with an interest and is irrevocable.

(i) Buyer may, without prior notice to Seller, exercise any or all of its set-off rights including those set forth in Section 18.17 and pursuant to any other Repurchase Document. This Section 10.02(i) shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer is at any time otherwise entitled.

(j) All rights and remedies of Buyer under the Repurchase Documents, including those set forth in Section 18.17, are cumulative and not exclusive of any other rights or remedies that Buyer may have and may be exercised at any time when an Event of Default exists. Such rights and remedies may be enforced without prior judicial process or hearing. Seller agrees that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's-length. Seller hereby expressly waives any defenses Seller might have to require Buyer to enforce its rights by judicial process or otherwise arising from the use of nonjudicial process, disposition of any or all of the Purchased Assets, or any other election of remedies.

ARTICLE 11

SECURITY INTEREST

Section 1.01 Grant. Buyer and Seller intend that the Transactions be sales to Buyer of the Purchased Assets and not loans from Buyer to Seller secured by the Purchased Assets. However, to preserve and protect Buyer's rights with respect to the Purchased Assets and under the Repurchase Documents if any Governmental Authority recharacterizes any Transaction with respect to a Purchased Asset as other than a sale, and as security for Seller's performance of the Repurchase Obligations, and in all events in order to evidence and perfect Buyer's rights and interests hereunder in any "deposit account" (as defined in the UCC), Seller hereby grants to Buyer a present Lien on and security interest in all of the right, title and interest of Seller in, to and under (i) the Purchased Assets (which for this purpose shall be deemed to include the items described in clause (B) of the proviso in the definition thereof), and (ii) each Interest Rate Protection Agreement with each hedge counterparty relating to each Purchased Asset and the transfer of the Purchased Assets to Buyer shall be deemed to constitute and confirm such grant, to secure the payment and performance of the Repurchase Obligations (including the obligation of Seller to pay the Repurchase Price, or if the related Transaction is recharacterized as a loan, to repay such loan for the Repurchase Price).

Section 1.02 Effect of Grant. If any circumstance described in Section 11.01 occurs, and in all events in order to evidence and perfect Buyer's rights and interests hereunder in any "deposit account" (as defined in the UCC), (a) this Agreement shall be deemed to be a security agreement as defined in the UCC, (b) Buyer shall have all of the rights and remedies provided to a secured party by Requirements of Law (including the rights and remedies of a secured party under the UCC and the right to set off any mutual debt and claim) and under any other agreement between Buyer and Seller, (c) without limiting the generality of the foregoing, Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Assets against all of the Repurchase Obligations, without prejudice to Buyer's right to recover any deficiency, (d) the possession by Buyer or any of its agents, including Custodian, of the Purchased Asset Documents, the Purchased Assets and such other items of property as constitute instruments, money, negotiable documents, securities or chattel paper shall be deemed to be possession by the secured party for purposes of perfecting such security interest under the UCC and Requirements of Law, and (e) notifications to Persons (other than Buyer) holding such property, and acknowledgments, receipts or confirmations from Persons (other than Buyer) holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, securities intermediaries, bailees or agents (as applicable) of the secured party for the purpose of perfecting such security interest under the UCC and Requirements of Law. The security interest of Buyer granted herein shall be, and Seller hereby represents and warrants to Buyer that it is, a first priority perfected security interest. For the avoidance of doubt, (i) each Purchased Asset and each Interest Rate Protection Agreement relating to a Purchased Asset secures the Repurchase Obligations of Seller with respect to all other Transactions and all other Purchased Assets, including any Purchased Assets that are junior in priority to the Purchased Asset in question, and (ii) if an Event of Default exists, no Purchased Asset or Interest Rate Protection Agreement relating to a Purchased Asset will be released from Buyer's Lien or transferred to Seller until the Repurchase Obligations are indefeasibly paid in full. Notwithstanding the foregoing, the Repurchase Obligations shall be full recourse to Seller.

Section 1.03 Seller to Remain Liable. Buyer and Seller agree that the grant of a security interest under this Article 11 shall not constitute or result in the creation or assumption by Buyer of any Retained Interest or other obligation of Seller or any other Person in connection with any Purchased Asset, or any Interest Rate Protection Agreement whether or not Buyer exercises any right with respect thereto. Seller shall remain liable under the Purchased Assets, each Interest Rate Protection Agreement and the Purchased Asset Documents to perform all of

Seller's duties and obligations thereunder to the same extent as if the Repurchase Documents had not been executed.

Section 1.04 Waiver of Certain Laws. Seller agrees, to the extent permitted by Requirements of Law, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Purchased Assets may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and Seller, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws and any and all right to have any of the properties or assets constituting the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset marshaled upon any such sale, and agrees that Buyer or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Purchased Assets and each Interest Rate Protection Agreement relating to a Purchased Asset as an entirety or in such parcels as Buyer or such court may determine.

ARTICLE 12

BENCHMARK REPLACEMENT; INCREASED COSTS; CAPITAL ADEQUACY

Section 1.01 Benchmark; Replacement; Market Disruption.

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

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

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

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

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

Section 1.02 Illegality. If the adoption of or any change in any Requirements of Law or in the interpretation or application thereof after the date hereof shall make it unlawful for Buyer to effect or continue Transactions as contemplated by the Repurchase Documents, (a) any commitment of Buyer hereunder to enter into new Transactions shall be terminated and the Maturity Date shall be deemed to have occurred, (b) if required by such adoption or change, the Pricing Rate shall be the sum of (i) an alternate benchmark rate that has been selected by Buyer, (ii) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by Buyer and (iii) the applicable Pricing Margin, and (c) if required by such adoption or change, the Maturity Date shall be deemed to have occurred.

Section 1.03 Breakfunding. In the event of (a) the failure by Seller to terminate any Transaction after Seller has given a notice of termination pursuant to Section 3.04, (b) any payment to Buyer on account of the outstanding Repurchase Price, including a payment made pursuant to Section 3.04, but excluding a payment made pursuant to either Section 4.01 or Section 5.02, or otherwise required by Buyer under this Agreement to pay or reduce the Repurchase Price of any Purchased Asset on any day other than a Remittance Date (based on the assumption that Buyer funded its commitment with respect to the Transaction in the London Interbank Eurodollar market and using any reasonable attribution or averaging methods that Buyer deems appropriate and practical), (c) any failure by Seller to sell Eligible Assets to Buyer after Seller has notified Buyer of a proposed Transaction and Buyer has agreed to purchase such Eligible Assets in accordance with this Agreement, or (d) any redetermination of the Pricing Rate

based on a Benchmark Replacement or Rate Conversion for any reason on a day that is not the last day of the then-current Pricing Period, Seller shall compensate Buyer for the cost and expense attributable to such event. A certificate of Buyer setting forth any amount or amounts that Buyer is entitled to receive pursuant to this Section 12.03 shall be delivered to Seller and shall be conclusive to the extent calculated in good faith and absent manifest error. Seller shall pay Buyer the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 1.04 Increased Costs. If the adoption of, or any change in, any Requirements of Law or in the interpretation or application thereof by any Governmental Authority, or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority having jurisdiction over Buyer made after the date of this Agreement, shall: (a) subject Buyer to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" or (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (b) impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of Buyer, or (c) impose on Buyer (other than Taxes) any other condition; and the result of any of the preceding clauses (a), (b) and (c) is to increase the cost to Buyer, by an amount that Buyer deems to be material, of entering into, continuing or maintaining Transactions, or to reduce any amount receivable under the Repurchase Documents in respect thereof, then, in any such case, upon not less than thirty (30) days' prior written notice to Seller, Seller shall pay to Buyer such additional amount or amounts as reasonably necessary to fully compensate Buyer for such increased cost or reduced amount receivable; provided that any such determination by Buyer shall be applied to all similarly situated sellers under similar repurchase facilities with Buyer with assets of similar credit quality.

Section 1.05 Capital Adequacy. If Buyer determines that any change in any Requirements of Law or internal policy regarding capital requirements has or would have the effect of reducing the rate of return on Buyer's capital as a consequence of this Agreement or its obligations under the Transactions hereunder to a level below that which Buyer could have achieved but for such change in any Requirements of Law or internal policy (taking into consideration Buyer's policies with respect to capital adequacy and provided that any such determination by Buyer shall be applied to all similarly situated sellers under similar repurchase facilities with Buyer with assets of similar credit quality), then from time to time Seller will promptly upon demand pay to Buyer such additional amount or amounts as will compensate Buyer for any such reduction suffered.

Section 1.06 Taxes.

(a) Any and all payments by or on account of any obligation of Seller under any Repurchase Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then Seller shall make (or cause to be made) such deduction or withholding and shall timely pay (or cause to be timely paid) the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by Seller shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 12.06) Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made in respect of such Indemnified Taxes.

(b) Seller shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Seller shall indemnify Buyer, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 12.06) payable or paid by Buyer or required to be withheld or deducted from a payment to Buyer, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Seller by Buyer shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes by Seller to a Governmental Authority pursuant to this Section 12.06, Seller shall deliver to Buyer the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Buyer.

(e) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Repurchase Document, Buyer shall deliver to Seller, at the time or times reasonably requested by Seller, such properly completed and executed documentation reasonably requested by Seller as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Buyer, if reasonably requested by Seller, shall deliver such other documentation prescribed by applicable law or reasonably requested by Seller as will enable Seller to determine whether or not Buyer is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 12.06(e)(ii)(A), Section 12.06(e)(ii)(B) and Section 12.06(e)(ii)(D) below) shall not be required if in Buyer's reasonable judgment such completion, execution or submission would subject Buyer to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Buyer.

(ii) Without limiting the generality of the foregoing:

(A) if Buyer is a U.S. Person, it shall deliver to Seller on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed copies of IRS Form W-9 certifying that Buyer is exempt from U.S. federal backup withholding tax;

(B) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), whichever of the following is applicable:

(I) in the case of a Foreign Buyer claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Repurchase Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Repurchase Document, IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an

exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Buyer claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Buyer is not a "bank" within the meaning of section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Seller within the meaning of section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable); or

(IV) to the extent a Foreign Buyer is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate or IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Buyer is a partnership and one or more direct or indirect partners of such Foreign Buyer are claiming the portfolio interest exemption, such Foreign Buyer may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(C) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Seller to determine the withholding or deduction required to be made; and

(D) if a payment made to Buyer under any Repurchase Document would be subject to U.S. federal withholding Tax imposed by FATCA if Buyer were to fail to comply with the applicable reporting requirements of FATCA (including those contained in section 1471(b) or 1472(b) of the Code, as applicable), Buyer shall deliver to Seller at the time or times prescribed by law and at such time or times reasonably requested by Seller such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Seller as may be necessary for Seller to comply with its obligations under FATCA and to determine that Buyer has complied with Buyer's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include all amendments made to FATCA after the date of this Agreement.

Buyer agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Seller in writing of its legal inability to do so.

(f) If any Party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this

Section 12.06 (including by the payment of additional amounts pursuant to this Section 12.06), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 12.06 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 12.06(f) (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 12.06(f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 12.06(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 12.06(f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 12.06, the term "applicable law" includes FATCA.

Section 1.07 Payment and Survival of Obligations. Buyer may at any time send Seller a notice showing the calculation of any amounts payable pursuant to this Article 12, and Seller shall pay such amounts to Buyer within ten (10) Business Days after Seller receives such notice. Each Party's obligations under this Article 12 shall survive any assignment of rights by, or the replacement of the Buyer, the termination of the Transactions and the repayment, satisfaction or discharge of all obligations under any Repurchase Document.

ARTICLE 13

INDEMNITY AND EXPENSES

Section 1.01 Indemnity.

(a) Seller shall release, defend, indemnify and hold harmless Buyer, Affiliates of Buyer and its and their respective officers, directors, shareholders, partners, members, owners, employees, agents, attorneys, Affiliates and advisors (each an "Indemnified Person" and collectively the "Indemnified Persons"), against, and shall hold each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, fees, costs, expenses (including reasonable legal fees, charges, and disbursements of any counsel for any such Indemnified Person and expenses), penalties or fines of any kind that may be imposed on, incurred by or asserted against any such Indemnified Person (collectively, the "Indemnified Amounts") in any way relating to, arising out of or resulting from or in connection with (i) the Repurchase Documents, the Purchased Asset Documents, the Purchased Assets, the Pledged Collateral, the Transactions, any Mortgaged Property or related property, or any action taken or omitted to be taken by any Indemnified Person in connection with or under any of the foregoing, or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or in respect of any Repurchase Document, any Transaction, any Purchased Asset, any Purchased Asset Document, or any Pledged Collateral, (ii) any claims, actions or damages by an Underlying Obligor or lessee with respect to a Purchased Asset, (iii) any violation or alleged violation of, non–compliance with or liability under any Requirements of Law, (iv) ownership of, Liens on, security interests

in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (v) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vi) any use, nonuse or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vii) any failure by Seller to perform or comply with any Repurchase Document, Purchased Asset Document or Purchased Asset, (viii) performance of any labor or services or the furnishing of any materials or other property in respect of any Mortgaged Property or Purchased Asset, (ix) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any lease or other transaction involving any Repurchase Document, Purchased Asset or Mortgaged Property, (x) the execution, delivery, filing or recording of any Repurchase Document, Purchased Asset Document or any memorandum of any of the foregoing, (xi) any Lien or claim arising on or against any Purchased Asset or related Mortgaged Property under any Requirements of Law or any liability asserted against Buyer or any Indemnified Person with respect thereto, (xii) (1) a past, present or future violation or alleged violation of any Environmental Laws in connection with any Mortgaged Property by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor, (2) any presence of any Materials of Environmental Concern in, on, within, above, under, near, affecting or emanating from any Mortgaged Property in violation of Environmental Law, (3) the failure to timely perform any Remedial Work required under the Purchased Asset Documents or pursuant to Environmental Law, (4) any past, present or future activity by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from any Mortgaged Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting any Mortgaged Property, in each case, in violation of Environmental Law, (5) any past, present or future actual Release (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) to, from, on, within, in, under, near or affecting any Mortgaged Property by any Person or other source, whether related or unrelated to Seller or any Underlying Obligor, in each case, in violation of Environmental Law, (6) the imposition, recording or filing or the threatened imposition, recording or filing of any Lien on any Mortgaged Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any Environmental Law, or (7) any misrepresentation or failure to perform any obligations pursuant to any Repurchase Document or Purchased Asset Document relating to environmental matters in any way, (xiii) the Term Sheet or any business communications or dealings between the Parties relating thereto, or (xiv) Seller's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 13.01, that, in each case, results from anything whatsoever other than any Indemnified Person's gross negligence or intentional misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment. In any suit, proceeding or action brought by an Indemnified Person in connection with any Purchased Asset for any sum owing thereunder, or to enforce any provisions of any Purchased Asset, Seller shall defend, indemnify and hold such Indemnified Person harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction of liability whatsoever of the account debtor or Underlying Obligor arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or Underlying Obligor from Seller. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.01 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by Seller, an Indemnified Person or any other Person or any Indemnified Person is otherwise a party thereto and whether or not any Transaction is entered into. This Section 13.01(a) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(b) If for any reason the indemnification provided in this Section 13.01 is unavailable to the Indemnified Person or is insufficient to hold an Indemnified Person harmless, even though such Indemnified Person is entitled to indemnification under the express terms hereof, then Seller shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Indemnified Person on the one hand and Seller on the other hand, the relative fault of such Indemnified Person, and any other relevant equitable considerations.

(c) An Indemnified Person may at any time send Seller a notice showing the calculation of Indemnified Amounts, and Seller shall pay such Indemnified Amounts to such Indemnified Person within ten (10) Business Days after Seller receives such notice. The obligations of Seller under this Section 13.01 shall apply (without duplication) to assignees and Participants hereunder and survive the termination of this Agreement.

Section 1.02 Expenses. Seller shall promptly on demand pay to or as directed by Buyer all third-party out-of-pocket costs and expenses (including legal, accounting and advisory fees and expenses) incurred by Buyer in connection with (a) the development, evaluation, preparation, negotiation, execution, consummation, delivery and administration of, and any amendment, supplement or modification to, or extension, renewal or waiver of, the Repurchase Documents and the Transactions, (b) any Asset or Purchased Asset, including pre-purchase and/or ongoing due diligence, inspection, testing, review, recording, registration, travel custody, care, insurance or preservation, (c) the enforcement of the Repurchase Documents or the payment or performance by Seller of any Repurchase Obligations, and (d) any actual or attempted sale, exchange, enforcement, collection, compromise or settlement relating to the Purchased Assets or the Pledged Collateral.

ARTICLE 14

INTENT

Section 1.01 Safe Harbor Treatment. The Parties intend (a) for this Agreement and each Transaction to qualify for the safe harbor treatment provided by the Bankruptcy Code and for Buyer to be entitled to all of the rights, benefits and protections afforded to Persons under the Bankruptcy Code with respect to a "repurchase agreement" as defined in Section 101(47) of the Bankruptcy Code (to the extent that a Transaction has a maturity date of less than one (1) year) and a "securities contract" as defined in Section 741(7) of the Bankruptcy Code and that payments and transfers under this Agreement constitute transfers made by, to or for the benefit of a financial institution, financial participant or repo participant within the meaning of Section 546(e) or 546(f) of the Bankruptcy Code, (b) the Guarantee Agreement and the Pledge Agreement each constitute a security agreement or arrangement or other credit enhancement within the meaning of Section 101 of the Code related to a "securities contract" as defined in Section 741(7)(A)(xi) of the Bankruptcy Code and, to the extent that the Guarantee Agreement and the Pledge Agreement relate to a Transaction that has a maturity date of less than one (1) year, a "repurchase agreement" as that term is defined in Section 101(47)(A)(v) of the Bankruptcy Code, and(c) that Buyer (for so long as Buyer is a "financial institution," "financial participant," "repo participant," "master netting participant" or other entity listed in Section 555, 559, 561, 362(b)(6), 362(b)(7) or 362(b)(27) of the Bankruptcy Code) shall be entitled to the "safe harbor" benefits and protections afforded under the Bankruptcy Code with respect to a "repurchase agreement," "securities contract" and a "master netting agreement," including (x) the rights, set forth in Article 10 and in Sections 555, 559 and 561 of the Bankruptcy Code, to liquidate the Purchased Assets and terminate this Agreement, and (y) the right to offset or net out

as set forth in Article 10 and Section 18.17 and in Sections 362(b)(6), 362(b)(7), 362(b)(27), 362(o) and 546 of the Bankruptcy Code.

Section 1.02 Liquidation. The Parties intend that Buyer's right to liquidate Purchased Assets delivered to it in connection with Transactions hereunder or to exercise any setoff and netting rights under Section 18.17 or any other remedies pursuant to Articles 10 and 11 and as otherwise provided in the Repurchase Documents is a contractual right to liquidate such Transactions as described in Sections 555, 559 and 561 of the Bankruptcy Code.

Section 1.03 Qualified Financial Contract. The Parties intend that if a Party is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Transaction hereunder is a "qualified financial contract," as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

Section 1.04 Netting Contract. The Parties acknowledge and agree that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and each payment entitlement and payment obligation under any Transaction shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation," respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

Section 1.05 Master Netting Agreement. The Parties intend that this Agreement, the Guarantee Agreement and the Pledge Agreement constitutes a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code.

ARTICLE 15

DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

The Parties acknowledge that they have been advised and understand that:

(a) if one of the Parties is a broker or dealer registered with the Securities and Exchange Commission under Section 14 of the Exchange Act, the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 do not protect the other Party with respect to any Transaction;

(b) if one of the Parties is a government securities broker or a government securities dealer registered with the Securities and Exchange Commission under Section 14C of the Exchange Act, the Securities Investor Protection Act of 1970 will not provide protection to the other Party with respect to any Transaction;

(c) if one of the Parties is a financial institution, funds held by or on behalf of the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable; and

(d) if one of the Parties is an "insured depository institution" as that term is defined in Section 1813(c)(2) of Title 12 of the United States Code, funds held by or on behalf of the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund or the Bank Insurance Fund, as applicable.

ARTICLE 16

NO RELIANCE

Each Party acknowledges, represents and warrants to the other Party that, in connection with the negotiation of, entering into, and performance under, the Repurchase Documents and each Transaction:

(a) It is not relying (for purposes of making any investment decision or otherwise) on any advice, counsel or representations (whether written or oral) of the other Party, other than the representations expressly set forth in the Repurchase Documents;

(b) It has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent that it has deemed necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of any Transaction) based on its own judgment and on any advice from such advisors as it has deemed necessary and not on any view expressed by the other Party;

(c) It is a sophisticated and informed Person that has a full understanding of all the terms, conditions and risks (economic and otherwise) of the Repurchase Documents and each Transaction and is capable of assuming and willing to assume (financially and otherwise) those risks;

(d) It is entering into the Repurchase Documents and each Transaction for the purposes of managing its borrowings or investments or hedging its underlying assets or liabilities and not for purposes of speculation;

(e) It is not acting as a fiduciary or financial, investment or commodity trading advisor for the other Party and has not given the other Party (directly or indirectly through any other Person) any assurance, guaranty or representation whatsoever as to the merits (either legal, regulatory, tax, business, investment, financial accounting or otherwise) of the Repurchase Documents or any Transaction; and

(f) No partnership or joint venture exists or will exist as a result of the Transactions or entering into and performing the Repurchase Documents.

ARTICLE 17

SERVICING

This Article 17 shall apply to all Purchased Assets.

Section 1.01 Servicing Rights. Buyer is the owner of all Servicing Rights. Without limiting the generality of the foregoing, Buyer shall have the right to hire or otherwise engage any Person to service or sub-service all or part of the Purchased Assets, provided, however, that at any time prior to an Event of Default, Seller may designate one or more Servicers to be selected by Buyer, so long as each such Servicer is reasonably acceptable to Buyer, and each such Person shall have only such servicing obligations with respect to such Purchased Assets as are approved by Buyer. Notwithstanding the preceding sentence, Buyer agrees with Seller as follows with respect to the servicing of the Purchased Assets:

(a) Each Servicer shall service the Purchased Assets on behalf of Buyer in accordance with this Article 17. Each Servicing Agreement shall contain provisions which are

consistent with this Article 17 and must otherwise be in form and substance satisfactory to Buyer, it being understood that in all cases, the related Servicing Agreement shall be in the form approved by Buyer.

(b) As of the Closing Date, the Purchased Assets will be serviced by Situs Asset Management LLC, as Servicer, pursuant to the Situs Servicing Agreement and a Servicer Notice delivered to such Servicer in accordance with this Agreement. Any Servicing Agreement where Servicer is not Buyer or an Affiliate of Buyer shall automatically terminate on the 30th day following its execution and at the end of each thirty (30) day period thereafter unless, in each case, Buyer shall agree, by prior written notice to the related Servicer to be delivered on or before the Remittance Date immediately preceding each such scheduled termination date, to extend the termination date an additional thirty (30) days, which extension notice may be delivered by Buyer via email. Neither Seller nor the related Servicer may assign its rights or obligations under any Servicing Agreement without the prior written consent of Buyer.

(c) Notwithstanding that Buyer owns all Servicing Rights, subject to Sections 17.01(b) and 17.01(e), Buyer hereby grants Seller, prior to the occurrence and during the continuance of an Event of Default, the right to direct each Servicer under the terms of, and in accordance with, each applicable Servicing Agreement and this Agreement, unless such direction results in, or relates to a request for, any matter that could reasonably be expected to result in a Material Modification. Notwithstanding the foregoing, Seller shall not direct any Servicer to (i) make any Material Modification without the prior written consent of Buyer or (ii) take any action which would result in a violation of the obligations of any Person under the related Servicing Agreement, this Agreement or any other Repurchase Document, or which would otherwise be inconsistent with the rights of Buyer under the Repurchase Documents. Buyer, as owner of the Purchased Assets, shall own all related servicing and voting rights and, as owner, shall act as servicer with respect to the Purchased Assets, subject to an interim revocable license from Buyer in favor of Seller, which is hereby granted, to direct each related Servicer, so long as no Default or Event of Default has occurred and is continuing; provided, however, that Seller cannot give any direction or take any action that could materially adversely affect the value or collectability of any amounts due with respect to the Purchased Assets without the consent of Buyer. Such revocable license is not evidence of any ownership or other interest or right of Seller in any Purchased Asset.

(d) The servicing fee payable to each Servicer shall be payable as a servicing fee in accordance with this Agreement and each Servicing Agreement, including without limitation pursuant to priority *sixth* of Section 5.02 or priority *third* of Section 5.03, as applicable, but all such servicing and any applicable sub-servicing fees shall be the sole responsibility of Seller.

(e) Upon the occurrence and during the continuance of an Event of Default under this Agreement, in addition to all of the other rights and remedies of Buyer and each related Servicer under each Servicing Agreement, this Agreement and the other Repurchase Documents (and in addition to the provisions of each Servicing Agreement providing for termination of each such Servicing Agreement pursuant to its terms), (i) for the avoidance of doubt, the right, if any, of any person other than Buyer or its Affiliates to direct the servicing of the Purchased Assets shall immediately and automatically cease to exist, and (ii) either Buyer or each Servicer may at any time terminate the related Servicing Agreement immediately upon the delivery of a written termination notice from either Buyer or the related Servicer to Seller. Seller shall pay all expenses associated with any such termination, including without limitation any fees and expenses required in connection with the transfer of servicing to the related Servicer and/or a replacement Servicer.

(f) No Servicing Agreement, insofar as any such agreement applies to any of the Purchased Assets, may be amended or modified, or waived without the prior written approval of Buyer, as determined in its sole discretion.

Section 1.02 Servicing Reports. Seller shall deliver (or cause each Servicer to deliver) to Buyer and Custodian a monthly remittance report on or before the second Business Day immediately preceding each monthly Remittance Date containing servicing information, including those fields reasonably requested by Buyer from time to time, on an asset by asset basis and in the aggregate, with respect to the Purchased Assets for the month (or any portion thereof) before the date of such report

Section 1.03 Servicer Event of Default. If an Event of Default or Servicer Event of Default exists, Buyer shall have the right at any time thereafter to terminate the related Servicing Agreement (or, in the case of an Event of Default, all of the Servicing Agreements) and transfer servicing of the related Purchased Assets to Buyer or its designee, at no cost or expense to Buyer, it being agreed that Seller will pay any fees and expenses required to terminate such Servicing Agreement and transfer servicing to Buyer or its designee.

ARTICLE 18

MISCELLANEOUS

Section 1.01 Governing Law. **THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AGREEMENT.**

Section 1.02 Submission to Jurisdiction; Service of Process. Each Party irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Repurchase Documents, or for recognition or enforcement of any judgment, and each Party irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such State court or, to the fullest extent permitted by applicable law, in such Federal court. Each Party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or the other Repurchase Documents shall affect any right that Buyer may otherwise have to bring any action or proceeding arising out of or relating to the Repurchase Documents against Seller or its properties in the courts of any jurisdiction. Seller irrevocably and unconditionally waives, to the fullest extent permitted by Requirements of Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to the Repurchase Documents in any court referred to above, and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each Party irrevocably consents to service of process in the manner provided for notices in Section 18.12. Nothing in this Agreement will affect the right of any Party hereto to serve process in any other manner permitted by applicable law.

Section 1.03 IMPORTANT WAIVERS.

(a) SELLER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO ASSERT A COUNTERCLAIM, OTHER THAN A COMPULSORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY BUYER OR ANY INDEMNIFIED PERSON.

(b) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN THEM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH OR RELATED TO THE REPURCHASE DOCUMENTS, THE PURCHASED ASSETS, THE PLEDGED COLLATERAL, THE TRANSACTIONS, ANY DEALINGS OR COURSE OF CONDUCT BETWEEN THEM, OR ANY STATEMENTS (WRITTEN OR ORAL) OR OTHER ACTIONS OF EITHER PARTY. NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

(c) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, SELLER HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PERSON, ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES, WHETHER SUCH WAIVED DAMAGES ARE BASED ON STATUTE, CONTRACT, TORT, COMMON LAW OR ANY OTHER LEGAL THEORY, WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN AND REGARDLESS OF THE FORM OF THE CLAIM OF ACTION. NO INDEMNIFIED PERSON OR OTHER PARTY SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH ANY REPURCHASE DOCUMENT OR THE TRANSACTIONS.

(d) SELLER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BUYER OR AN INDEMNIFIED PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PERSON WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 18.03 IN THE EVENT OF LITIGATION OR OTHER CIRCUMSTANCES. THE SCOPE OF SUCH WAIVERS IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE REPURCHASE DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY.

(e) EACH PARTY ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 18.03 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT SUCH PARTY HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE REPURCHASE DOCUMENTS, AND THAT SUCH PARTY WILL CONTINUE TO RELY ON SUCH WAIVERS IN THEIR RELATED FUTURE DEALINGS UNDER THE REPURCHASE DOCUMENTS. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED SUCH WAIVERS WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHT TO

A JURY TRIAL AND OTHER RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

(f) THE WAIVERS IN THIS SECTION 18.03 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO ANY OF THE REPURCHASE DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(g) THE PROVISIONS OF THIS SECTION 18.03 SHALL SURVIVE TERMINATION OF THE REPURCHASE DOCUMENTS AND THE INDEFEASIBLE PAYMENT IN FULL OF THE REPURCHASE OBLIGATIONS.

Section 1.04 Integration; Severability. The Repurchase Documents supersede and integrate all previous negotiations, contracts, agreements and understandings (whether written or oral), including, without limitation, the Term Sheet, between the Parties relating to a sale and repurchase of Purchased Assets and the other matters addressed by the Repurchase Documents, and contain the entire final agreement of the Parties relating to the subject matter thereof. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 1.05 Single Agreement. Seller agrees that (a) each Transaction is in consideration of and in reliance on the fact that all Transactions constitute a single business and contractual relationship, and that each Transaction has been entered into in consideration of the other Transactions, (b) a default by it in the payment or performance of any its obligations under a Transaction shall constitute a default by it with respect to all Transactions, (c) Buyer may set off claims and apply properties and assets held by or on behalf of Buyer with respect to any Transaction against the Repurchase Obligations owing to Buyer with respect to other Transactions, and (d) payments, deliveries and other transfers made by or on behalf of Seller with respect to any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers with respect to all Transactions, and the obligations of Seller to make any such payments, deliveries and other transfers may be applied against each other and netted.

Section 1.06 Use of Employee Plan Assets. No assets of an employee benefit plan subject to any provision of ERISA shall be used by either Party in a Transaction.

Section 1.07 Survival and Benefit of Seller's Agreements. The Repurchase Documents and all Transactions shall be binding on and shall inure to the benefit of the Parties and their successors and permitted assigns. All of Seller's representations, warranties, agreements and indemnities in the Repurchase Documents shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations, and shall apply to and benefit all Indemnified Persons, Buyer and its successors and assigns, together with all assignees and Participants hereunder. No other Person shall be entitled to any benefit, right, power, remedy or claim under the Repurchase Documents.

Section 1.08 Assignments and Participations.

(a) None of Guarantor, Pledgor, Seller or any of their respective Affiliates shall sell, assign or transfer any of their respective rights under the Repurchase Documents or the

Repurchase Obligations or delegate any of their respective duties under this Agreement or any other Repurchase Document, in each case, without the prior written consent of Buyer, and any attempt to do so without such consent shall be null and void.

(b) Buyer may at any time, without the consent of Seller, Pledgor, Guarantor or any of their respective Affiliates, sell participations to any Eligible Assignee (other than a natural person or Seller, Pledgor, Guarantor or any of their respective Affiliates) (a "Participant") in all or any portion of Buyer's rights and/or obligations under the Repurchase Documents; provided that (x) if an Event of Default has occurred and is continuing, Buyer may sell participations to any Person at any time without consent, notice or restriction of any kind, other than the requirements set forth in clause (iv) below, and (y) so long as no Event of Default has occurred and is continuing: (i) Buyer's obligations under the Repurchase Documents shall remain unchanged, (ii) Buyer shall remain solely responsible to Seller for the performance of such obligations, (iii) Seller shall continue to deal solely and directly with Buyer in connection with Buyer's rights and obligations under the Repurchase Documents and (iv) each Participant agrees to be bound by the confidentiality provisions set forth in Section 18.10. So long as no Event of Default has occurred and is continuing, no Participant shall have any right to approve any amendment, waiver or consent with respect to any Repurchase Document, except to the extent that the Repurchase Price or Price Differential of any Purchased Asset would be reduced or the Repurchase Date of any Purchased Asset would be postponed. Each Participant shall be entitled to the benefits of Article 12 (subject to the requirements and limitations therein, including the requirements under Section 12.06(e) (it being understood that the documentation required under Section 12.06(e) shall be delivered to the participating Buyer)) and Article 13 to the same extent as if it had acquired its interest by assignment pursuant to Section 18.08(c), provided that such Participant shall not be entitled to receive any greater payment under Section 12.04 or Section 12.06 than its participating Buyer would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from the adoption of or any change in any Requirements of Law or in the interpretation or application thereof by a Governmental Authority or compliance by Buyer or such Participant with a request or directive (whether or not having the force of law) from a central bank or other Governmental Authority having jurisdiction over Buyer or such Participant, in each case made or issued after the Participant acquired the applicable participation. To the extent permitted by Requirements of Law, each Participant shall also be entitled to the benefits of Sections 10.02(i) and 18.17 to the same extent as if it had acquired its interest by assignment pursuant to Section 18.08(c).

(c) Buyer may at any time, without the consent of Seller, Pledgor or Guarantor but upon notice to Seller, sell and assign all or any portion of all of the rights and obligations of Buyer under the Repurchase Documents to any Eligible Assignee proposed by Buyer; provided that if an Event of Default has occurred and is continuing, Buyer may enter into any such sale and assignments with any Person at any time without consent, notice or restriction of any kind, and provided, further, that in the event of any assignment by Buyer of less than the entire remaining rights of Buyer under the Repurchase Documents, so long as no Event of Default has occurred, Buyer shall act as the point of contact for Seller. Each such assignment shall be made pursuant to an Assignment and Acceptance substantially in the form of Exhibit F (an "Assignment and Acceptance"). From and after the effective date of such Assignment and Acceptance, (i) each such assignee shall be a Party and, to the extent provided therein, have the rights and obligations of Buyer under the Repurchase Documents with respect to the percentage and amount of the Repurchase Price allocated to it, (ii) Buyer shall, to the extent of its interest so assigned, be released from such obligations (and, in the case of an Assignment and Acceptance covering all or the remaining portion of Buyer's rights and obligations under the Repurchase Documents, Buyer shall cease to be a Party), (iii) the obligations of Buyer shall be deemed to be so reduced, and (iv) Buyer will give prompt written notice thereof (including identification of the related assignee and the amount of Repurchase Price allocated to it) to each Party (but Buyer shall not have any liability for any failure to timely provide such notice). Any sale or assignment

by Buyer of rights or obligations under the Repurchase Documents that does not comply with this Section 18.08(c) shall be treated for purposes of the Repurchase Documents as a sale by such Buyer of a participation in such rights and obligations in accordance with Section 18.08(b).

(d) Seller shall cooperate with Buyer in connection with any such sale and assignment of participations, syndications or assignments and shall enter into such restatements of, and amendments, supplements and other modifications to, the Repurchase Documents to give effect to any such sale or assignment; provided, that none of the foregoing shall change any economic or other material term of the Repurchase Documents in a manner adverse to Seller without the consent of Seller and shall be at no cost to Seller.

(e) Buyer shall have the right to partially or completely syndicate any or all of its rights under this Agreement and the other Repurchase Documents to any Eligible Assignee.

(f) Buyer, acting solely for this purpose as a non-fiduciary agent of Seller, shall maintain a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the assignees that become Parties hereto and, with respect to each such assignees, the aggregate assigned Purchase Price and applicable Price Differential (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Parties shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Buyer for all purposes of this Agreement. The Register shall be available for inspection by the Parties at any reasonable time and from time to time upon reasonable prior notice.

(g) If Buyer sells a participation of its rights hereunder, it shall, acting solely for this purpose as a non-fiduciary agent of Seller, maintain a register on which it enters the name and address of each Participant and, with respect to each such Participant, the aggregate participated Purchase Price and applicable Price Differential, and any other interest in any obligations under the Repurchase Documents (the "Participant Register"); provided that no Party shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any obligations under any Repurchase Document) to any Person except to the extent that such disclosure is necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the participating Party shall treat each Person whose name is recorded in the Participant Register as the owner of the applicable participation for all purposes of this Agreement notwithstanding any notice to the contrary.

Section 1.09 Ownership and Hypothecation of Purchased Assets. Title to all Purchased Assets shall pass to and vest in Buyer on the applicable Purchase Dates and, subject to the terms of the Repurchase Documents, Buyer or its designee shall have free and unrestricted use of all Purchased Assets and be entitled to exercise all rights, privileges and options relating to the Purchased Assets as the owner thereof, including rights of subscription, conversion, exchange, substitution, voting, consent and approval, and to direct any servicer or trustee subject, in all cases, to the terms and conditions of this Agreement and the other Repurchase Documents. Buyer or its designee may, at any time, without the consent of Seller, Pledgor or Guarantor or any of their respective Affiliates, engage in repurchase transactions with the Purchased Assets or otherwise sell, pledge, repledge, transfer, hypothecate, or rehypothecate the Purchased Assets to any Eligible Assignee, all on terms that Buyer may determine; provided, that no such transaction shall affect the obligations of Buyer to transfer the Purchased Assets to Seller on the applicable Repurchase Dates free and clear of any pledge, Lien, security interest, encumbrance, charge or other adverse claim. In the event Buyer engages in a repurchase transaction with any of the Purchased Assets or otherwise pledges or hypothecates any of the Purchased Assets, Buyer shall have the right to assign to Buyer's counterparty any of the applicable representations or

warranties herein and the remedies for breach thereof, as they relate to the Purchased Assets that are subject to such repurchase transaction.

Section 1.10 Confidentiality. All information regarding the terms set forth in any of the Repurchase Documents or the Transactions shall be kept confidential and shall not be disclosed by either Party to any Person except (a) to the Affiliates of such Party or its or their respective directors, officers, employees, agents, advisors, attorneys, accountants and other representatives who are informed of the confidential nature of such information and instructed to keep it confidential, and who need and will use such information exclusively in connection with administering this Agreement and the Transactions hereunder, (b) to the extent requested by any regulatory authority, stock exchange, government department or agency, or required by Requirements of Law, in which case the disclosing Party agrees, to the extent permitted by Requirements of Law, to inform the other Party promptly thereof, (c) to the extent required to be included in the financial statements of either Party or an Affiliate thereof, (d) to the extent required to exercise any rights or remedies under the Repurchase Documents, Purchased Assets, Pledged Collateral or Mortgaged Properties, (e) to the extent required to consummate and administer a Transaction, (f) to any actual or prospective Participant or Eligible Assignee which agrees to comply with this Section 18.10, and (g) to the extent required in connection with any litigation between the parties in connection with any Repurchase Document or any Transaction; provided, that, except with respect to the disclosures by Buyer under clause (g) of this Section 18.10, no such disclosure made with respect to any Repurchase Document shall include a copy of such Repurchase Document to the extent that a summary would suffice, but if it is necessary for a copy of any Repurchase Document to be disclosed, all pricing and other economic terms set forth therein shall be redacted before disclosure.

Section 1.11 No Implied Waivers; Amendments. No failure on the part of Buyer to exercise, or delay in exercising, any right or remedy under the Repurchase Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy thereunder preclude any further exercise thereof or the exercise of any other right. The rights and remedies in the Repurchase Documents are cumulative and not exclusive of any rights and remedies provided by law. Application of the Default Rate after an Event of Default shall not be deemed to constitute a waiver of any Event of Default or Buyer's rights and remedies with respect thereto, or a consent to any extension of time for the payment or performance of any obligation with respect to which the Default Rate is applied. Except as otherwise expressly provided in the Repurchase Documents, neither Seller nor any of its Affiliates shall agree to any amendment, waiver or other modification of any provision of the Repurchase Documents without the signed agreement of Buyer. Any waiver or consent under the Repurchase Documents shall be effective only if it is in writing and only in the specific instance and for the specific purpose for which given.

Section 1.12 Notices and Other Communications. Unless otherwise provided in this Agreement, all notices, consents, approvals, requests and other communications required or permitted to be given to a Party hereunder shall be in writing and sent prepaid by hand delivery, by certified or registered mail, by expedited commercial or postal delivery service, or by facsimile or email if also sent by one of the foregoing, to the address for such Party specified in Annex 1 or such other address as such Party shall specify from time to time in a notice to the other Party. Any of the foregoing communications shall be effective when delivered, if such delivery occurs on a Business Day; otherwise, each such communication shall be effective on the first Business Day following the date of such delivery. A Party receiving a notice that does not comply with the technical requirements of this Section 18.12 may elect to waive any deficiencies and treat the notice as having been properly given.

Section 1.13 Counterparts; Electronic Transmission. This Agreement and any other Repurchase Document may be executed in separate counterparts, each of which when so

executed and delivered shall be deemed to be an original, but all of which shall together constitute but one and the same instrument. The Parties agree that this Agreement, any documents to be delivered pursuant to this Agreement, any other Repurchase Document and any notices hereunder may be transmitted between them by email and/or facsimile. The Parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties.

Section 1.14 No Personal Liability. No administrator, incorporator, Affiliate, owner, member, partner, stockholder, officer, director, employee, agent or attorney of Buyer, any Indemnified Person, Seller, Pledgor or Guarantor, as such, shall be subject to any recourse or personal liability under or with respect to any obligation of Buyer, Seller, Pledgor or Guarantor under the Repurchase Documents, whether by the enforcement of any assessment, by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed that the obligations of Buyer, Seller, Pledgor or Guarantor under the Repurchase Documents are solely their respective corporate, limited liability company or partnership obligations, as applicable, and that any such recourse or personal liability is hereby expressly waived. This Section 18.14 shall survive the termination of the Repurchase Documents and the repayment in full of the Repurchase Obligations, and each beneficiary of this Section 18.14 shall be a third-party beneficiary of this Section 18.14 with rights to enforce this Section.

Section 1.15 Protection of Buyer's Interests in the Purchased Assets; Further Assurances.

(a) Seller shall take such action as necessary to cause the Repurchase Documents and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of Buyer to the Purchased Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect such right, title and interest. Seller shall deliver to Buyer file–stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. Seller shall execute any and all documents reasonably required to fulfill the intent of this Section 18.15.

(b) Seller will promptly at its expense execute and deliver such instruments and documents and take such other actions as Buyer may reasonably request from time to time in order to perfect, protect, evidence, exercise and enforce Buyer's rights and remedies under and with respect to the Repurchase Documents, the Transactions and the Purchased Assets. Seller, Pledgor and Guarantor shall, promptly upon Buyer's request, deliver documentation in form and substance satisfactory to Buyer which Buyer deems necessary or desirable to evidence compliance with all applicable "know your customer" due diligence checks, including, but not limited to, any information required to be obtained by Buyer pursuant to the Beneficial Ownership Regulation.

(c) If Seller fails to perform any of its Repurchase Obligations, then Buyer may (but shall not be required to) perform or cause to be performed such Repurchase Obligation, and the costs and expenses incurred by Buyer in connection therewith shall be payable by Seller. Without limiting the generality of the foregoing, Seller authorizes Buyer, at the option of Buyer and the expense of Seller, at any time and from time to time, to take all actions and pay all amounts that Buyer deems necessary or appropriate to protect, enforce, preserve, insure, service, administer, manage, perform, maintain, safeguard, collect or realize on the Purchased Assets and Buyer's Liens and interests therein or thereon and to give effect to the intent of the Repurchase Documents. No Default or Event of Default shall be cured by the payment or performance of any Repurchase Obligation by Buyer on behalf of Seller. Buyer may make any such payment in accordance with any bill, statement or estimate procured from the appropriate public office or

holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax Lien, title or claim except to the extent such payment is being contested in good faith by Seller in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

(d) Without limiting the generality of the foregoing, Seller will no earlier than six (6) months or later than three (3) months before the fifth (5th) anniversary of the date of filing of each UCC financing statement filed in connection with any Repurchase Document or any Transaction, if this Agreement is then in effect (i) deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement (provided that Buyer may elect to file such continuation statement), and (ii) deliver or cause to be delivered to Buyer an opinion of counsel, in form and substance reasonably satisfactory to Buyer, confirming and updating the security interest opinion delivered pursuant to Section 6.01(a) with respect to perfection and otherwise to the effect that the security interests hereunder continue to be enforceable and perfected security interests, and Buyer's rights to the Purchased Assets, are senior to the rights of any other creditor of Seller, which opinion may contain usual and customary assumptions, limitations and exceptions.

(e) Except as provided in the Repurchase Documents, the sole duty of Buyer, Custodian or any other designee or agent of Buyer with respect to the Purchased Assets shall be to use reasonable care in the custody, use, operation and preservation of the Purchased Assets in its possession or control. Buyer shall incur no liability to Seller or any other Person for any act of Governmental Authority, act of God or other destruction in whole or in part or negligence or wrongful act of custodians or agents selected by Buyer with reasonable care, or Buyer's failure to provide adequate protection or insurance for the Purchased Assets. Buyer shall have no obligation to take any action to preserve any rights of Seller in any Purchased Asset against prior parties, and Seller hereby agrees to take such action. Buyer shall have no obligation to realize upon any Purchased Asset except through proper application of any distributions with respect to the Purchased Assets made directly to Buyer or its agent(s). So long as Buyer and Custodian shall act in good faith in their handling of the Purchased Assets, Seller waives or is deemed to have waived the defense of impairment of the Purchased Assets by Buyer and Custodian.

Section 1.16 Default Rate. To the extent permitted by Requirements of Law, Seller shall pay interest at the Default Rate on the amount of all Repurchase Obligations not paid when due under the Repurchase Documents until such Repurchase Obligations are paid or satisfied in full.

Section 1.17 Set-off. In addition to any rights now or hereafter granted under the Repurchase Documents, Requirements of Law or otherwise, Seller hereby grants to Buyer and each Indemnified Person, to secure repayment of the Repurchase Obligations, and Guarantor and each of the Affiliates of either Seller or Guarantor, hereby grants to Buyer and each Indemnified Person, to secure repayment of the Guaranteed Obligations (as defined in the Guarantee Agreement), a right of set-off upon any and all of the following: monies, securities, collateral or other property of Seller, Guarantor and each of their respective Affiliates and any proceeds from the foregoing, now or hereafter held or received by Buyer, any Affiliate of Buyer or any Indemnified Person, for the account of Seller, Guarantor or any such Affiliate of Seller or Guarantor, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and also upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or Indebtedness of Seller, Guarantor or any Affiliate of Seller or Guarantor at any time existing, and any obligation owed by Buyer or any Affiliate of Buyer to Seller, Guarantor or any Affiliate of Seller or Guarantor and to set–off against any Repurchase Obligations or Indebtedness owed by Seller, Guarantor or any Affiliate of Seller or Guarantor and any Indebtedness owed by Buyer or any Affiliate of Buyer to Seller, Guarantor or any Affiliate of Seller or Guarantor, in each case whether direct or indirect, absolute or contingent,

matured or unmatured, whether or not arising under the Repurchase Documents and irrespective of the currency, place of payment or booking office of the amount or obligation and in each case at any time held or owing by Buyer, any Affiliate of Buyer or any Indemnified Person to or for the credit of Seller, Guarantor or any Affiliate of Seller or Guarantor, without prejudice to Buyer's right to recover any deficiency. Each of Buyer, each Affiliate of Buyer and each Indemnified Person is hereby authorized upon any amount becoming due and payable by Seller, Guarantor or any Affiliate of Seller or Guarantor to Buyer or any Indemnified Person under the Repurchase Documents, the Repurchase Obligations or otherwise or upon the occurrence of an Event of Default, without notice to Seller, Guarantor or any Affiliate of Seller or Guarantor, any such notice being expressly waived by Seller, Guarantor and each Affiliate of Seller or Guarantor to the extent permitted by any Requirements of Law, to set–off, appropriate, apply and enforce such right of set–off against any and all items hereinabove referred to against any amounts owing to Buyer, any Affiliate of Buyer or any Indemnified Person by Seller, Guarantor or any Affiliate of Seller or Guarantor under the Repurchase Documents and the Repurchase Obligations, irrespective of whether Buyer, any Affiliate of Buyer or any Indemnified Person shall have made any demand under the Repurchase Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Buyer's rights to recover a deficiency. Seller, Guarantor and all Affiliates of Seller or Guarantor shall be deemed directly indebted to Buyer, any Affiliate of Buyer and the other Indemnified Persons in the full amount of all amounts owing to Buyer, any Affiliate of Buyer and the other Indemnified Persons by Seller, Guarantor or any Affiliates of Seller or Guarantor under the Repurchase Documents and the Repurchase Obligations, and Guarantor shall be deemed directly indebted to Buyer and the other Indemnified Persons in the full amount of all amounts owing to Buyer and the other Indemnified Persons by Guarantor under the Guarantee Agreement, and Buyer, any Affiliate of Buyer and the other Indemnified Persons shall be entitled to exercise the rights of set–off provided for above. ANY AND ALL RIGHTS TO REQUIRE BUYER, ANY AFFILIATE OF BUYER OR ANY OTHER INDEMNIFIED PERSONS TO EXERCISE THEIR RIGHTS OR REMEDIES WITH RESPECT TO THE PURCHASED ASSETS, THE PLEDGED COLLATERAL OR OTHER INDEMNIFIED PERSONS UNDER THE REPURCHASE DOCUMENTS, PRIOR TO EXERCISING THE FOREGOING RIGHT OF SET–OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY SELLER, GUARANTOR AND EACH AFFILIATE OF SELLER AND GUARANTOR.

Buyer, any Affiliate of Buyer or any Indemnified Person shall promptly notify the affected Seller, Guarantor or Affiliate thereof after any such set-off and application made by Buyer, any Affiliate of Buyer or such Indemnified Person, provided that the failure to give such notice shall not affect the validity of such set–off and application. If an amount or obligation is unascertained, Buyer, any Affiliate of Buyer or any Indemnified Person may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other party when the amount or obligation is ascertained. Nothing in this Section 18.17 shall be effective to create a charge or other security interest. This Section 18.17 shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer, any Affiliate of Buyer or any Indemnified Person is at any time otherwise entitled.

Section 1.18 Seller's Waiver of Set-off. Seller hereby waives any right of set-off it may have or to which it may be or become entitled under the Repurchase Documents or otherwise against Buyer, any Affiliate of Buyer, any Indemnified Person or their respective assets or properties.

Section 1.19 Power of Attorney. Seller hereby authorizes Buyer to file such financing statement or statements relating to the Purchased Assets (including a financing statement describing the collateral as "all assets of the debtor" or such other super-generic description thereof as Buyer may determine) without Seller's signature thereon as Buyer, at its

option, may deem appropriate. Seller hereby appoints Buyer as Seller's agent and attorney in fact to file any such financing statement or statements in Seller's name and to perform all other acts which Buyer deems appropriate to perfect and preserve its ownership interest in and/or the security interest granted hereby, if applicable, and to protect, preserve and realize upon the Purchased Assets, including, but not limited to, the right to endorse notes, complete blanks in documents, transfer servicing (including, but not limited, to sending "good-bye letters" to any Underlying Obligor with respect to Purchased Assets which are Whole Loans, each to be in a form acceptable to Buyer), and sign assignments on behalf of such Seller as its agent and attorney in fact. This agency and power of attorney is coupled with an interest and is irrevocable without Buyer's consent. Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 18.19. In addition, Seller shall execute and deliver to Buyer a power of attorney in the form and substance of Exhibit I hereto ("Power of Attorney").

Section 1.20 Periodic Due Diligence Review. Buyer may perform continuing due diligence reviews with respect to any or all of the Purchased Assets, Seller and Affiliates of Seller, including ordering new third party reports, for purposes of, among other things, verifying compliance with the representations, warranties, covenants, agreements, duties, obligations and specifications made under the Repurchase Documents or otherwise. Upon reasonable prior notice to Seller, unless a Default or Event of Default exists, in which case no notice is required, Buyer or its representatives may during normal business hours inspect any properties and examine, inspect and make copies of the books and records of Seller, Guarantor and Pledgor, the Purchased Asset Documents and the Servicing Files. Buyer shall, and its representatives (who shall be informed of the confidential nature of such information) shall be instructed to, keep such information confidential in accordance with Section 18.10 of this Agreement. Upon reasonable prior notice to Seller, unless a Default or Event of Default exists, in which case no notice is required, Seller shall make available to Buyer one or more knowledgeable financial or accounting officers and representatives of the independent certified public accountants of Seller for the purpose of answering questions of Buyer concerning any of the foregoing. Seller shall cause Servicer to cooperate with Buyer by permitting Buyer to conduct due diligence reviews of the Servicing Files. Buyer may purchase Purchased Assets from Seller based solely on the information provided by Seller to Buyer in the Underwriting Package and the representations, warranties, duties, obligations and covenants contained herein, and Buyer may at any time conduct a partial or complete due diligence review on some or all of the Purchased Assets, including ordering new credit reports and new Appraisals on the Mortgaged Properties and otherwise re-generating the information used to originate and underwrite such Purchased Assets. Buyer may underwrite such Purchased Assets itself or engage a mutually acceptable third-party underwriter to do so.

Section 1.21 Time of the Essence. Time is of the essence with respect to all obligations, duties, covenants, agreements, notices or actions or inactions of the parties under the Repurchase Documents.

Section 1.22 PATRIOT Act Notice. Buyer hereby notifies Seller that Buyer is required by the PATRIOT Act to obtain, verify and record information that identifies Seller.

Section 1.23 Successors and Assigns. Subject to the foregoing, the Repurchase Documents and any Transactions shall be binding upon and shall inure to the benefit of the Parties and their successors and permitted assigns.

Section 1.24 Acknowledgement of Anti-Predatory Lending Policies. Seller and Buyer each have in place internal policies and procedures that expressly prohibit their purchase of any high cost mortgage loan.

Section 1.25 Recognition of the U.S. Special Resolution Regimes.

(a) In the event that Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from Buyer of this Agreement and/or the Repurchase Documents, and any interest and obligation in or under this Agreement and/or the Repurchase Documents, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that Buyer or a BHC Act Affiliate of Buyer becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or the Repurchase Documents that may be exercised against Buyer are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or the Repurchase Documents were governed by the laws of the United States or a state of the United States.

[ONE OR MORE UNNUMBERED SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

SELLER:

BSPRT WFB LOAN, LLC, a Delaware limited liability company

By: /s/ Micah Goodman
Name: Micah Goodman
Title: Authorized Signatory

BUYER:

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

By: /s/ Michael P. Duncan
Name: Michael P. Duncan
Title: Director

Annex I

EXHIBIT B

FORM OF [AMENDED AND RESTATED][1] CONFIRMATION

[ ] [ ], 20[ ]

Wells Fargo Bank, National Association
One Wells Fargo Center
301 South College Street
MAC D1053-125, 12th Floor
Charlotte, North Carolina 28202

Attention: Karen Whittlesey

Re: Master Repurchase and Securities Contract dated as of November 21, 2018, (the "Agreement") among BSPRT WFB LOAN, LLC ("Seller") and WELLS FARGO BANK, N.A. ("Buyer")

Ladies and Gentlemen:

This is [a] [an Amended and Restated][2] Confirmation (as this and other terms used but not defined herein are defined in the Agreement) executed and delivered by Seller and Buyer pursuant to Section 3.01 of the Agreement. Seller and Buyer hereby confirm and agree that as of the Purchase Date and upon the other terms specified below, Seller shall sell and assign to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title and interest in, to and under the Purchased Assets listed in Appendix 1 hereto.

[Effective as of [ ] [ ], 20[ ], this Amended and Restated Confirmation amends, restates and replaces in its entirety that certain Confirmation dated as of [ ] [ ], 20[ ] relating to the Purchased Asset referenced on Appendix 1 attached hereto.][3]

Purchased Assets (including Class and Mortgaged Property): As described in Appendix 1 hereto.

Applicable Benchmark (subject to Section 12.01 of the Agreement): [LIBOR Based Transaction] [SOFR Based Transaction]

Applicable SOFR (subject to Section 12.01 of the Agreement): [N/A] [SOFR Average] [Term SOFR]

Market Value: $_____

Applicable Percentage: _____%

[1] Insert if applicable.

[2] Insert if applicable.

[3] Insert if applicable.

Pricing Margin : _____%

Floor: _____%

Future Funding Amount (if applicable): $_____%

Purchased Asset Documents: As described in Appendix 1 hereto

Purchase Date: [ ] [ ], 20[ ]

Repurchase Date: [ ] [ ], 20[ ]

Purchase Price: $_____

Recourse Percentage: [__]%

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

1. All of the conditions precedent in Article 6 of the Agreement have been satisfied.

2. Except as otherwise disclosed by Seller to Buyer in writing, (a) no Default or Event of Default has occurred and is continuing and (b) Guarantor is in compliance with the financial covenants set forth in Section 9 of the Guarantee Agreement.

3. Except as specified in Appendix 1 hereto, Seller will make all of the representations and warranties contained in the Agreement (including Schedule 1 to the Agreement as applicable to the Class of such Asset).

Seller:
BSPRT WFB LOAN, LLC, a Delaware limited liability company
By:
Name:
Title:

Buyer:
Acknowledged and Agreed:

Wells Fargo Bank, National Association

By: _____
Name:
Title:

Appendix 1 to Confirmation

Description of Purchased Asset:

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

AMENDMENT NO. 1 TO
AMENDED AND RESTATED GUARANTEE AGREEMENT

This Amendment No. 1 to Amended and Restated Guarantee Agreement (this "Amendment") is made and entered into as of September 29, 2021, by and between Benefit Street Partners Realty Trust, Inc. ("Guarantor"), and JPMorgan Chase Bank, National Association ("Buyer").

W I T N E S S E T H:

WHEREAS, Buyer and Guarantor have entered into that certain Amended and Restated Guarantee Agreement, dated as of June 12, 2017 (as amended hereby, the "Guarantee"; capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Guarantee);

WHEREAS, Guarantor desires to amend certain provisions of the Guarantee, and Buyer is willing to agree to the same on the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the foregoing and for ten dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. ***Amendment.*** The definition of "Fixed Charges" contained in Section 1(b) of the Guarantee is hereby amended and restated in its entirety as follows:

> ""Fixed Charges" shall mean, with respect to any Person and its consolidated Subsidiaries and for any fiscal quarter, the sum of (a) all cash interest paid or accrued during such period and all scheduled principal amortization payments, interest, fees and other debt service payable by such Person and its consolidated Subsidiaries during such period, (b) all preferred dividends payable by such Person and its consolidated Subsidiaries during such period, other than in connection with any dividend payment owing to holders of any class of preferred shares which is convertible into and has equal dividend and voting rights as common shares of the Guarantor, (c) Capitalized Lease Obligations paid or accrued during such period, (d) capital expenditures (if any) incurred by such Person and its consolidated Subsidiaries during such period, (e) any amounts payable during such period under any ground lease, and (f) all amounts paid or accrued during such period in respect of any Hedging Transactions or other derivative contracts."

2. ***Entire Agreement; No Novation or Release.*** This Amendment, together with the Guarantee, reflects the entire understanding with respect to the subject matter contained herein, and supersedes any prior agreements, whether written or oral. This Amendment is not intended to be, and shall not be deemed or construed to be, a satisfaction, novation or release of the Guarantee. Except as expressly amended hereby, all representations,

warranties, terms, covenants and conditions of the Guarantee shall remain unamended and unwaived and shall continue in full force and effect.

3. ***Choice of Law.*** This Amendment shall be construed and enforced in accordance with and governed by the internal laws (as opposed to the conflicts of laws provisions) of the State of New York.

4. ***Headings***. The headings used in this Amendment are for reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

5. ***Successors and Assigns.*** This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. ***Counterparts***. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument.

[*Signatures on the Following Page*]

WITNESS the hand and seal of each of the undersigned as of the date first written above.

BUYER:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

By: /s/: Thomas Cassino
Name: Thomas Cassino
Title: Managnig Director

GUARANTOR:

BENEFIT STREET PARTNERS REALTY TRUST,INC.

By: /s/: Micah Goodman
Name: Micah Goodman
Title: Authorized Person

AMENDMENT NO. 7 TO AMENDED AND RESTATED
UNCOMMITTED
MASTER REPURCHASE AGREEMENT

This Amendment No. 7 to Amended and Restated Uncommitted Master Repurchase Agreement (this "Amendment") is made and entered into as of September 29, 2021, by and between BSPRT JPM Loan, LLC ("Seller"), and JPMorgan Chase Bank, National Association ("Buyer").

W I T N E S S E T H:

WHEREAS, Buyer and Seller have made and entered into that certain Amended and Restated Master Repurchase Agreement, dated as of June 12, 2017, as amended by that certain Amendment No. 1 to Amended and Restated Master Purchase 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 Purchase 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 further amended by that certain Amendment No. 5 to Amended and Restated Master Repurchase Agreement, dated as of October 6, 2020, as further amended by that certain Amendment No. 7 to Amended and Restated Master Repurchase Agreement, dated as of July 21, 2021 (collectively, the "Original MRA" and, as amended hereby, the "MRA"; capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Original MRA);

WHEREAS, Seller desires to amend certain provisions of the Original MRA, and Buyer is willing to agree to the same on the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the foregoing and for ten dollars ($10.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. ***Amendment.*** The definition of "Indebtedness" contained in Article 2 of the Original MRA is hereby amended by inserting the following after the last sentence of such definition:

   > "Notwithstanding the foregoing, neither (i) Non-Recourse Indebtedness owing pursuant to a real estate mortgage investment conduit, a collateralized loan obligation transaction, or other similar securitization, or (ii) Indebtedness owing pursuant to an adjustable-rate mortgage security or any related repurchase agreement, shall be considered Indebtedness for any Person."

2. ***Entire Agreement; No Novation or Release.*** This Amendment, together with the Original MRA, reflects the entire understanding with respect to the subject matter contained herein, and supersedes any prior agreements, whether written or oral. This Amendment is not intended to be, and shall not be deemed or construed to be, a satisfaction, novation or

release of the MRA. Except as expressly amended hereby, all representations, warranties, terms, covenants and conditions of the Original MRA shall remain unamended and unwaived and shall continue in full force and effect.

3. ***Choice of Law.*** This Amendment shall be construed and enforced in accordance with and governed by the internal laws (as opposed to the conflicts of laws provisions) of the State of New York.

4. ***Headings***. The headings used in this Amendment are for reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

5. ***Successors and Assigns.*** This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. ***Counterparts***. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument.

[*Signatures on the Following Page*]

WITNESS the hand and seal of each of the undersigned as of the date first written above.

BUYER:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

By: /s/: Thomas Cassino
Name: Thomas Cassino
Title: Managnig Director

SELLER:

By: /s/: Micah Goodman
Name: Micah Goodman
Title: Authorized Person

EXECUTION VERSION

AMENDMENT NO. 8 TO AMENDED AND RESTATED UNCOMMITTED MASTER REPURCHASE AGREEMENT

AMENDMENT NO. 8 TO AMENDED AND RESTATED UNCOMMITTED MASTER REPURCHASE AGREEMENT, dated as of October 20, 2021 (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 further amended by that certain Amendment No. 5 to Amended and Restated Master Repurchase Agreement, dated as of October 6, 2020, as further amended by that certain Amendment No. 6 to Amended and Restated Master Repurchase Agreement, dated as of July 21, 2021, as further amended by that certain Amendment No. 7 to Amended and Restated Master Repurchase Agreement, dated as of September 29, 2021, 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 "Maximum Facility Amount", as set forth Article 2 of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

"Maximum Facility Amount" shall mean $400,000,000.

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 $250,000, 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 Unites States

By: /s/: Thomas Cassino
Name: Thomas Cassino
Title: Managnig 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

FRANKLIN BSP REALTY TRUST, INC.
2021 EQUITY INCENTIVE PLAN

RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (this "**Agreement**") is made by and between Franklin BSP Realty Trust, Inc., a Maryland corporation (the "**Company**"), and [●] (the "**Grantee**"), dated as of the [●] day of [●], 20[●] (the "**Grant Date**").

WHEREAS, the Company maintains the Franklin BSP Realty Trust, Inc. 2021 Equity Incentive Plan (the "**Plan**") (capitalized terms used but not defined herein shall have the respective meanings ascribed thereto by the Plan);

WHEREAS, in accordance with the Plan, the Company may from time to time issue awards of Restricted Share Units ("**RSUs**") to individuals and persons who provide services to, among others, the Company and the Advisor;

WHEREAS, the Grantee, as an employee of the Advisor, is an Employee who is eligible to be granted Awards under the terms of the Plan; and

WHEREAS, in accordance with the Plan, the Committee has determined that it is in the best interests of the Company and its shareholders to grant RSUs to the Grantee subject to the terms and conditions set forth below.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. **Grant of RSUs.**

The Company hereby grants the Grantee [●] RSUs. The RSUs are subject to the terms and conditions of this Agreement, and are also subject to the provisions of the Plan. The Plan is hereby incorporated herein by reference as though set forth herein in its entirety. Where the context permits, references to the Company shall include any successor to the Company.

2. **Restrictions.**

The RSUs awarded pursuant to this Agreement and the Plan shall be subject to the terms and conditions set forth in this Paragraph 2.

(a) Subject to clauses (b) and (c) below, the RSUs granted hereunder shall vest, solely to the extent the Grantee has not had a termination of Service, in accordance with the following schedule:

Vesting Date	**Shares Vested**
1st anniversary of Grant Date	1/3 of total award
2nd anniversary of Grant Date	1/3 of total award
3rd anniversary of Grant Date	1/3 of total award

(b) Subject to clause (c) and (d) below, upon the Grantee's termination of Service for any reason (including in connection with any Advisor Termination), all unvested RSUs shall thereupon, and with no further action, be forfeited by the Grantee, and neither the

Grantee nor any of his or her successors, heirs, assigns, or personal representatives shall thereafter have any further rights or interests in such RSUs.

(c) If the Grantee's Service terminates due to his or her death or Disability, then all outstanding and unvested RSUs shall be immediately fully vested as of the date of the Grantee's termination of Service.

(d) In the event of a Change in Control, the Grantee's RSUs will be treated in the manner provided in Sections 17.3 or 17.4 of the Plan, as applicable.

3. **Voting and Other Rights.**

The Grantee shall have no rights of a shareholder (including the right to distributions or dividends), and will not be treated as an owner of Common Shares for tax purposes, except with respect to Common Shares that have been issued. Notwithstanding the foregoing, a Dividend Equivalent Right is hereby granted to the Grantee, consisting of the right to receive, with respect to each outstanding and non-forfeited RSU, cash in an amount equal to the cash dividend distributions paid in the ordinary course on a Common Share to the Company's common shareholders, as set forth below. All Dividend Equivalent Rights (if any) payable on an outstanding and non-forfeited RSU, whether or not then vested, shall be paid not later than 30 days after any ordinary cash dividend distributions on Common Shares are paid to the Company's common shareholders. Under no circumstances shall the Grantee be entitled to receive both (i) a distribution and a Dividend Equivalent Right with respect to a vested RSU (or its associated Common Share) or (ii) a distribution and a Dividend Equivalent Right with respect to an unvested RSU.

4. **Settlement.**

One Common Share shall be issued to the Grantee in settlement of each vested RSU within sixty (60) days following the applicable vesting date of the RSU (as set forth in Paragraphs 2(a) or 2(c) above, as applicable) (either by delivering one or more share certificates for such Common Share or by entering such Common Share in book-entry form, as determined by the Company in its discretion). Such issuance shall constitute payment of the RSUs. References herein to issuances to the Grantee shall include issuances to any beneficial owner or other person to whom (or to which) the Common Shares are issued. The Company's obligation to issue Common Shares or otherwise make any payment with respect to vested RSUs is subject to the condition precedent that the Grantee or other person entitled under the Plan to receive any Common Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required pursuant to Paragraph 5(o) and the Company may meet any obligation to issue Common Shares by having one or more of its Affiliates issue the Common Shares. The Grantee shall have no further rights with respect to any RSUs, including with respect to any Dividend Equivalent Right granted in connection with the RSU, that are paid or that terminate pursuant to Paragraph 2(b). For the avoidance of doubt, to the extent the terms of this Paragraph 4 conflict with any terms of the Plan relating to the settlement of RSU or Dividend Equivalent Rights, the terms of this Paragraph 4 shall govern.

5. **Miscellaneous.**

(a) In the event of any recapitalization, reclassification, share split, reverse share split, spin-off, combination of shares, exchange of shares, share dividend or other distribution payable in equity shares, or other increase or decrease in Common Shares effected without receipt of consideration by the Company, the number of Common Shares subject to the RSUs covered by this grant shall be adjusted pursuant to Section 17 of the Plan.

(b) The value of an RSU may decrease depending upon the Fair Market Value of a Common Share from time to time. Neither the Company, the Committee, the Advisor, nor any other party associated with the Plan, shall be held liable for any decrease in the value of the RSUs. If the value of such RSUs decrease, there will be a decrease in the underlying value of what is distributed to the Grantee under the Plan and this Agreement.

(c) Participation in the Plan confers no rights or interests other than as herein provided. With respect to this Agreement, (i) the RSUs are bookkeeping entries, (ii) the obligations of the Company under the Plan are unsecured and constitute a commitment by the Company to make benefit payments in the future, (iii) to the extent that any person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of any general unsecured creditor of the Company, (iv) all payments under the Plan (including distributions of Common Shares) shall be paid from the general funds of the Company and (v) no special or separate fund shall be established or other segregation of assets made to assure such payments (except that the Company may in its discretion establish a bookkeeping reserve to meet its obligations under the Plan). The RSUs shall be used solely as a device for the determination of the payment to eventually be made to the Grantee if the RSUs vest pursuant to Paragraph 2. The award of RSUs is intended to be an arrangement that is unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended.

(d) This Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Maryland (without regard to any conflicts of laws principles thereof that would give effect to the laws of another jurisdiction).

(e) The Committee may construe and interpret this Agreement and establish, amend and revoke such rules, regulations and procedures for the administration of this Agreement as it deems appropriate. In this connection, the Committee may correct any defect or supply any omission, or reconcile any inconsistency in this Agreement or in any related agreements, in the manner and to the extent it shall deem necessary or expedient to make the Plan fully effective. All decisions and determinations by the Committee in the exercise of this power shall be final and binding upon the Company and the Grantee.

(f) All notices hereunder shall be in writing, and if to the Company or the Committee, shall be delivered to the Board or mailed to its principal office, addressed to the attention of the Board; and if to the Grantee, shall be delivered personally, sent by facsimile transmission or mailed to the Grantee at the address appearing in the records of the Company. Such addresses may be changed at any time by written notice to the other party given in accordance with this Paragraph 5(f).

(g) This award of RSUs will be subject to mandatory repayment by the Grantee to the Company to the extent the Grantee is, or in the future becomes, subject to (a) any Company "clawback" or recoupment policy that is adopted to comply with the requirements of any Applicable Law, rule or regulation, or otherwise, or (b) any law, rule or regulation that imposes mandatory recoupment, under circumstances set forth in such law, rule or regulation.

(h) The failure of the Grantee or the Company to insist upon strict compliance with any provision of this Agreement or the Plan, or to assert any right the Grantee or the Company, respectively, may have under this Agreement or the Plan, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement or the Plan.

(i) The Grantee hereby agrees as a condition of this Agreement that the Grantee will make acceptable arrangements to pay any withholding or other taxes that may be

due relating to the RSUs and the issuance of Common Shares with respect to the RSUs. In the event that the Company determines that any federal, state or local tax or withholding payment is required relating to the RSUs and/or the issuance of Common Shares with respect to the RSUs, the Company shall have the right to (i) require the Grantee to tender a cash payment, (ii) deduct from payments of any kind otherwise due to the Grantee, or (iii) withhold the delivery of vested Common Shares otherwise deliverable under this Agreement to meet such obligations Any Common Shares so withheld will have an aggregate Fair Market Value not exceeding the minimum amount of tax required to be withheld by applicable laws; provided, however, for so long as Accounting Standards Update 2016-09 or a similar rule is otherwise in effect, the Board or the Committee has full discretion to choose, or to allow Grantee to elect, to withhold a number of Common Shares having an aggregate Fair Market Value that is greater than the applicable minimum required statutory withholding obligation (but such withholding may in no event be in excess of the maximum statutory withholding amount(s) in the Grantee's relevant tax jurisdictions). The Grantee agrees that the Company or any Affiliate shall be entitled to use whatever method it may deem appropriate to recover such taxes. The Grantee further agree that the Company or any Affiliate may, as it reasonably considers necessary, amend or vary this Agreement to facilitate such recovery of taxes.

(j) In order to administer the Plan, the Company may process personal data about the Grantee. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Grantee such as home address and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan. By accepting this grant, the Grantee gives explicit consent to the Company to process any such personal data.

(k) By accepting this grant of RSUs, the Grantee consents to receive documents related to the RSUs by electronic delivery (including e-mail or reference to a website or other URL) and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company, and the Grantee's consent shall remain in effect throughout the Grantee's term of Service and thereafter until the Grantee withdraws such consent in writing to the Company.

(l) The RSUs granted hereunder are intended and shall be construed to comply with Section 409A of the Code (including the requirements applicable to, or the conditions for exemption from treatment as, a "deferral of compensation" or "deferred compensation" as those terms are defined in the regulations under Section 409A of the Code, whether by reason of short-term deferral treatment or other exceptions or provisions). Notwithstanding anything to the contrary contained in this Agreement, to the extent that the Board determines that the Plan or the RSU is subject to Section 409A of the Code and fails to comply with the requirements of Section 409A of the Code, the Board and the Committee, as applicable, reserve the right (without any obligation to do so or to indemnify the Grantee for failure to do so), without the consent of the Grantee, to amend or terminate the Plan and this Agreement and/or amend, restructure, terminate or replace the RSU in order to cause the RSU to either not be subject to Section 409A of the Code or to comply with the applicable provisions of such section.

(m) The terms of this Agreement shall be binding upon the Grantee and upon the Grantee's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest and upon the Company and its successors and assignees, subject to the terms of the Plan.

(n) Unless otherwise permitted in the sole discretion of the Committee, (i) neither this Agreement nor any rights granted herein shall be assignable by the Grantee, and (ii) no purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any RSUs or Common Shares by any holder thereof in violation of the provisions of this Agreement or the Plan will be valid, and the Company will not transfer any of said RSUs or Common Shares on its books nor will any Common Shares be entitled to vote, nor will any distributions be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

(o) The Grantee hereby agrees to perform all acts, and to execute and deliver any documents, that may be reasonably necessary to carry out the provisions of this Agreement, including but not limited to all acts and documents related to compliance with securities, tax and other applicable laws and regulations.

(p) The Grantee hereby represents and agrees that the Grantee is not acquiring the RSUs or the Common Shares with a view to distribution thereof.

(q) Nothing in the Plan or in this Agreement shall confer upon the Grantee any right to continue in the service of the Company or its Affiliates. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Grantee to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of Service as provided in this Agreement or under the Plan.

(r) This Agreement and the Plan contain the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto.

(s) This Agreement may be executed in any number of counterparts, including via facsimile, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

(t) Except as otherwise provided in the Plan or clause (l) above, no amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

IN WITNESS WHEREOF, the Company and the Grantee have executed this Agreement as of the day and year first above written.

FRANKLIN BSP REALTY TRUST, INC.

By:__
Name:
Title:

The undersigned hereby accepts and agrees to all of the terms and provisions of this Agreement.

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Exhibit 21

Subsidiaries of Franklin BSP Realty Trust, Inc.

Name	Jurisdiction of Incorporation/Formation
Franklin BSP 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 2021-FL6 Holder, LLC	Delaware
BSPRT 2021-FL6 Seller, LLC	Delaware
BSPRT 2021-FL6 Issuer, Ltd.	Maryland
BSPRT 2021-FL6 Co-Issuer, LLC	Delaware
BSPRT 2021-FL7 Holder, LLC	Delaware
BSPRT 2021-FL7 Seller, LLC	Delaware
BSPRT 2021-FL7 Issuer, Ltd.	Maryland
BSPRT 2021-FL7 Co-Issuer, LLC	Delaware
BSPRT 2022-FL8 Holder, LLC	Delaware
BSPRT 2022-FL8 Seller, LLC	Delaware
BSPRT 2022-FL8 Issuer, Ltd.	Maryland
BSPRT 2022-FL8 Co-Issuer, 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 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 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 Northbrook, LLC	Delaware
BSPRT Oliver Finance, LLC	Delaware
BSPRT OP Sub I, LLC	Delaware
BSPRT Pickwick, LLC	Delaware
BSPRT WFB Loan, LLC	Delaware
BSPRT Jeffersonville Member, LLC	Delaware
BSPRT Jeffersonville, LLC	Delaware
Capstead Capital Corp	Delaware
Capstead Inc.	Delaware
Capstead Insurance LLC	Tennessee
Capstead SC IV	Delaware
Capstead Securities Holding, LLC	Delaware
FBRT Member LLC	Delaware
FBRT Sub REIT	Maryland
FBRT Sub I, LLC	Delaware
Rodeo Sub I, LLC	Maryland

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-3 No. 333-186111) of Franklin BSP Realty Trust, Inc.;
2. Registration Statement (Form S-3 No. 333-261039) of Franklin BSP Realty Trust, Inc., and
3. Registration Statement (Form S-8 No. 333-261041) pertaining to the Franklin BSP Realty Trust, Inc. 2021 Equity Incentive Plan:

of our report dated February 25, 2022, with respect to the consolidated financial statements and schedule of Franklin BSP Realty Trust, Inc., (formerly Benefit Street Partners Realty Trust, Inc.), included in this Annual Report (Form 10-K) of Franklin BSP Realty Trust, Inc., for the year ended December 31, 2021.

/s/ Ernst & Young LLP

New York, NY
February 25, 2022

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, 2021 of Franklin BSP 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:		February 25, 2022		/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, 2021 of Franklin BSP 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:		February 25, 2022		/s/ Jerome S. Baglien_____ Jerome S. Baglien Chief Financial Officer, Chief Operating 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 Franklin BSP 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:		February 25, 2022		/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, Chief Operating Officer and Treasurer (Principal Financial and Accounting Officer)