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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2014

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 001-14788

Blackstone Mortgage Trust, Inc.
(Exact name of Registrant as specified in its charter)

Maryland	**94-6181186**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

345 Park Avenue, 42nd Floor
New York, New York 10154
(Address of principal executive offices)(Zip Code)

(212) 655-0220
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

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

The number of the Registrant’s outstanding shares of class A common stock, par value $0.01 per share, as of July 22, 2014 was 48,479,505.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2014	December 31, 2013
Assets		
Cash and cash equivalents	$ 120,456	$ 52,342
Restricted cash	11,392	10,096
Loans receivable, net	3,488,179	2,047,223
Equity investments in unconsolidated subsidiaries	14,038	22,480
Accrued interest receivable, prepaid expenses, and other assets	120,704	80,639
Total assets	$3,754,769	$ 2,212,780
Liabilities and equity		
Accounts payable, accrued expenses, and other liabilities	$ 71,345	$ 97,153
Repurchase obligations	1,779,650	1,109,353
Convertible notes, net	160,671	159,524
Participations sold	461,078	90,000
Total liabilities	2,472,744	1,456,030
Equity		
Class A common stock, $0.01 par value, 100,000 shares authorized, 47,935 and 28,802 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively	479	288
Restricted class A common stock, $0.01 par value, 544 and 700 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively	5	7
Additional paid-in capital	1,767,954	1,252,986
Accumulated other comprehensive income	2,728	798
Accumulated deficit	(531,858)	(536,170)
Total Blackstone Mortgage Trust, Inc. stockholders' equity	1,239,308	717,909
Non-controlling interests	42,717	38,841
Total equity	1,282,025	756,750
Total liabilities and equity	$3,754,769	$ 2,212,780

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Income from loans and other investments				
Interest and related income	$ 42,466	$ 6,017	$ 76,122	$ 7,473
Less: Interest and related expenses	15,720	1,306	27,794	2,083
Income from loans and other investments, net	26,746	4,711	48,328	5,390
Other expenses				
Management fees	4,410	920	7,807	983
General and administrative expenses	15,356	2,507	18,554	4,482
Total other expenses	19,766	3,427	26,361	5,465
Valuation allowance on loans held-for-sale	—	2,000	—	1,800
Gain on investments at fair value	7,163	4,000	5,824	4,000
Income from equity investments in unconsolidated subsidiaries	24,294	—	24,294	—
Gain on extinguishment of debt	—	38	—	38
Income before income taxes	38,437	7,322	52,085	5,763
Income tax (benefit) provision	(2)	554	530	593
Net income	38,439	6,768	51,555	5,170
Net income attributable to non-controlling interests	(4,973)	(4,020)	(5,024)	(5,537)
Net income (loss) attributable to Blackstone Mortgage Trust, Inc.	$ 33,466	$ 2,748	$ 46,531	$ (367)
Net income (loss) per share of common stock				
Basic	$ 0.70	$ 0.22	$ 1.08	$ (0.05)
Diluted	$ 0.70	$ 0.22	$ 1.08	$ (0.05)
Weighted-average shares of common stock outstanding				
Basic	47,977,813	12,401,274	43,000,242	7,734,774
Diluted	47,977,813	12,401,274	43,000,242	7,734,774
Dividends declared per share of common stock	$ 0.48	$ —	$ 0.96	$ —

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income	$38,439	$ 6,768	$51,555	$ 5,170
Other comprehensive income:				
Unrealized gain on foreign currency remeasurement	1,894	—	1,930	—
Other comprehensive income	1,894	—	1,930	—
Comprehensive income	40,333	6,768	53,485	5,170
Comprehensive income attributable to non-controlling interests	(4,973)	(4,020)	(5,024)	(5,537)
Comprehensive income (loss) attributable to Blackstone Mortgage Trust, Inc.	$35,360	$ 2,748	$48,461	$ (367)

See accompanying notes to consolidated financial statements.

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

	Blackstone Mortgage Trust, Inc.							
	Class A Common Stock	Restricted Class A Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total	Non-Controlling Interests	Total
Balance at December 31, 2012	$ 293	$ —	$ 609,002	$ —	$ (535,851)	$ 73,444	$ 80,009	$ 153,453
Reverse stock split	(263)	—	263	—	—	—	—	—
Shares of class A common stock issued	258	—	633,552	—	—	633,810	—	633,810
Deferred directors' compensation	—	—	75	—	—	75	—	75
Net (loss) income	—	—	—	—	(367)	(367)	5,537	5,170
Consolidation of subsidiary	—	—	—	—	5,727	5,727	6,235	11,962
Contributions from non-controlling interests	—	—	—	—	—	—	15,000	15,000
Purchase of and distributions to non-controlling interests	—	—	—	—	—	—	(17,803)	(17,803)
Balance at June 30, 2013	$ 288	$ —	$1,242,892	$ —	$ (530,491)	$ 712,689	$ 88,978	$ 801,667
Balance at December 31, 2013	$ 288	$ 7	$1,252,986	$ 798	$ (536,170)	$ 717,909	$ 38,841	$ 756,750
Shares of class A common stock issued	191	—	510,654	—	—	510,845	—	510,845
Restricted class A common stock earned	—	(2)	4,029	—	—	4,027	—	4,027
Dividends reinvested	—	—	97	—	(97)	—	—	—
Deferred directors' compensation	—	—	188	—	—	188	—	188
Other comprehensive income	—	—	—	1,930	—	1,930	—	1,930
Net income	—	—	—	—	46,531	46,531	5,024	51,555
Dividends declared on common stock	—	—	—	—	(42,122)	(42,122)	—	(42,122)
Distributions to non-controlling interests	—	—	—	—	—	—	(1,148)	(1,148)
Balance at June 30, 2014	$ 479	$ 5	$1,767,954	$ 2,728	$ (531,858)	$1,239,308	$ 42,717	$1,282,025

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities		
Net income	$ 51,555	$ 5,170
Adjustments to reconcile net income to net cash provided by operating activities		
Valuation allowance on loans held-for-sale	—	(1,800)
Gain on investments at fair value	(5,824)	(4,000)
Income from equity investments in unconsolidated subsidiaries	(24,294)	—
Gain on extinguishment of debt	—	(38)
Non-cash compensation expense	4,769	1,586
Distributions of income from unconsolidated subsidiaries	14,125	—
Amortization of deferred interest on loans	(7,702)	(434)
Amortization of deferred financing costs and premiums/discount on debt obligations	4,103	401
Changes in assets and liabilities, net		
Accrued interest receivable, prepaid expenses, and other assets	(5,236)	2,205
Accounts payable, accrued expenses, and other liabilities	2,513	1,293
Net cash provided by operating activities	34,009	4,383
Cash flows from investing activities		
Originations and fundings of loans receivable	(1,740,977)	(756,638)
Origination and exit fees received on loans receivable	21,751	4,219
Principal collections and proceeds from the sale of loans receivable and other assets	271,884	96,895
Increase in restricted cash	(1,296)	(7,726)
Net cash used in investing activities	(1,448,638)	(663,250)
Cash flows from financing activities		
Borrowings under repurchase obligations	1,835,136	216,464
Repayments under repurchase obligations	(1,167,507)	(71,439)
Repayment of other liabilities	(20,794)	(64,674)
Proceeds from sales of loan participations	368,850	—
Payment of deferred financing costs	(10,510)	(2,175)
Contributions from non-controlling interests	—	15,000
Purchase of and distributions to non-controlling interests	(1,148)	(17,672)
Settlement of interest rate swaps	—	(6,123)
Proceeds from issuance of class A common stock	510,845	633,810
Dividends paid on class A common stock	(32,129)	—
Net cash provided by financing activities	1,482,743	703,191
Net increase in cash and cash equivalents	68,114	44,324
Cash and cash equivalents at beginning of period	52,342	15,423
Cash and cash equivalents at end of period	$ 120,456	$ 59,747
Supplemental disclosure of cash flows information		
Payments of interest	$ (21,522)	$ (1,434)
Payments of income taxes	$ (1,159)	$ (410)
Supplemental disclosure of non-cash investing and financing activities		
Dividends declared, not paid	$ 23,322	$ —
Consolidation of subsidiaries	$ —	$ (38,913)

See accompanying notes to consolidated financial statements.

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

1. ORGANIZATION

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

Blackstone Mortgage Trust is a real estate finance company that primarily originates and purchases senior loans collateralized by properties in the United States and Europe. We are externally managed by BXMT Advisors L.L.C., or our Manager, a subsidiary of The Blackstone Group L.P., or Blackstone, and are a real estate investment trust, or REIT, traded on the New York Stock Exchange, or NYSE, under the symbol "BXMT." We are headquartered in New York City.

We conduct our operations as a REIT for U.S. federal income tax purposes. We generally will not be subject to U.S. federal income taxes on our taxable income to the extent that we annually distribute all of our net taxable income to stockholders and maintain our qualification as a REIT. We also operate our business in a manner that permits us to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the Investment Company Act. We are organized as a holding company and conduct our business primarily through our various subsidiaries. Our business is organized into two operating segments: the Loan Origination segment and the CT Legacy Portfolio segment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The consolidated financial statements, including the notes, are unaudited and exclude some of the disclosures required in audited financial statements. Management believes it has made all necessary adjustments, consisting of only normal recurring items, so that the consolidated financial statements are presented fairly and that estimates made in preparing its consolidated financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. The accompanying unaudited consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and the related management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed with the Securities and Exchange Commission.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with GAAP and include, on a consolidated basis, our accounts, the accounts of our wholly-owned subsidiaries, majority-owned subsidiaries, and variable interest entities, or VIEs, of which we are the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation. Certain of the assets and credit of our consolidated subsidiaries are not available to satisfy the debt or other obligations of us, our affiliates, or other entities.

Our subsidiary, CT Legacy Partners, LLC, or CT Legacy Partners, accounts for its operations in accordance with industry-specific GAAP accounting guidance for investment companies, pursuant to which it reports its investments at fair value. We have retained this accounting treatment in consolidation and, accordingly, report the loans and other investments of CT Legacy Partners at fair value on our consolidated balance sheets.

Certain reclassifications have been made in the presentation of the prior period consolidated financial statements to conform to the current presentation including reclassifying loans receivable, at fair value, into accrued interest receivable, prepaid expenses, and other assets and reclassifying securitized debt obligations into accounts payable, accrued expenses, and other liabilities.

Principles of Consolidation

We consolidate all entities that we control through either majority ownership or voting rights. In addition, we consolidate all VIEs of which we are considered the primarily beneficiary. VIEs are defined as 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 known as its primary beneficiary and is generally the entity with (i) the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the right to receive benefits from the VIE or the obligation to absorb losses of the VIE that could be significant to the VIE.

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

Certain assets of consolidated VIEs can only be used to satisfy the obligations of those VIEs. The liabilities of consolidated VIEs are non-recourse to us. As of June 30, 2014, our consolidated balance sheet included $28.9 million of other assets, and $19.6 million of other liabilities that were attributable to consolidated VIEs. As of December 31, 2013, our consolidated balance sheet included $49.8 million of other assets, and $40.2 million of other liabilities, all of which were attributable to consolidated VIEs. As of both June 30, 2014 and December 31, 2013, all assets and liabilities of consolidated VIEs were part of our CT Legacy Portfolio segment.

Use of Estimates

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

Revenue Recognition

Interest income from our loans receivable is recognized over the life of each investment using the effective interest method and is recorded on the accrual basis. Recognition of fees, premiums, discounts, and direct costs associated with these investments is deferred until the loan is advanced and is then recorded over the term of the loan as an adjustment to yield. Income accrual is generally suspended for loans at the earlier of the date at which payments become 90 days past due or when, in the opinion of our Manager, recovery of income and principal becomes doubtful. Income is then recorded on the basis of cash received until accrual is resumed when the loan becomes contractually current and performance is demonstrated to be resumed.

Cash and Cash Equivalents

Cash and cash equivalents represent cash held in banks, cash on hand, and liquid investments with original maturities of three months or less. We may have bank balances in excess of federally insured amounts; however, we deposit our cash and cash equivalents with high credit-quality institutions to minimize credit risk exposure. We have not experienced, and do not expect, any losses on our cash or cash equivalents.

Restricted Cash

We classify the cash balances held by CT Legacy Partners as restricted because, while these cash balances are available for use by CT Legacy Partners for its operations, they cannot be used by us until our allocable share is distributed from CT Legacy Partners and cannot be commingled with any of our unrestricted cash balances.

Loans Receivable and Provision for Loan Losses

We purchase and originate commercial real estate debt and related instruments generally to be held as long-term investments at amortized cost. We are required to periodically evaluate each of these loans for possible impairment. Impairment is indicated when it is deemed probable that we will not be able to collect all amounts due according to the contractual terms of the loan. If a loan is determined to be impaired, we write down the loan through a charge to the provision for loan losses. Impairment of these loans, which are collateral dependent, is measured by comparing the estimated fair value of the underlying collateral to the book value of the respective loan. These valuations require significant judgments, which include assumptions regarding capitalization rates, leasing, creditworthiness of major tenants, occupancy rates, availability of financing, exit plan, loan sponsorship, actions of other lenders, and other factors deemed necessary by our Manager. Actual losses, if any, could ultimately differ from these estimates.

Our Manager performs a quarterly review of our portfolio of loans. In conjunction with this review, our Manager assesses the performance of each loan, and assigns a risk rating based on several factors, including risk of loss, loan-to-value ratio, or LTV, collateral performance, structure, exit plan, and sponsorship.

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

Loans are rated "1" through "8," from less risk to greater risk, which ratings are defined as follows:

1 - Low Risk: A loan that is expected to perform through maturity, with relatively lower LTV, higher in-place debt yield, and stable projected cash flow.

2 - Average Risk: A loan that is expected to perform through maturity, with medium LTV, average in-place debt yield, and stable projected cash flow.

3 - Acceptable Risk: A loan that is expected to perform through maturity, with relatively higher LTV, acceptable in-place debt yield, and some uncertainty (due to lease rollover or other factors) in projected cash flow.

4 - Higher Risk: A loan that is expected to perform through maturity, but has exhibited a material deterioration in cash flow and/or other credit factors. If negative trends continue, default could occur.

5 - Low Probability of Default/Loss: A loan with one or more identified weaknesses that we expect to have a 15% probability of default or principal loss.

6 - Medium Probability of Default/Loss: A loan with one or more identified weaknesses that we expect to have a 33% probability of default or principal loss.

7 - High Probability of Default/Loss: A loan with one or more identified weaknesses that we expect to have a 67% or higher probability of default or principal loss.

8 - In Default: A loan which is in contractual default and/or that has a very high likelihood of principal loss.

Loans Held-for-Sale and Related Allowance

In certain cases, we may classify loans as held-for-sale based upon the specific facts and circumstances of particular loans, including known or expected transactions. Loans held-for-sale are carried at the lower of their amortized cost basis or fair value, less costs to sell. A reduction in the fair value of loans held-for-sale is recorded as a charge to our consolidated statements of operations as a valuation allowance on loans held-for-sale.

Participations Sold

Participations sold represent senior interests in certain loans that we sold. We present these participations sold as both assets and non-recourse liabilities because these arrangements do not qualify as sales under GAAP. Generally, participations sold are recorded as assets and liabilities in equal amounts on our consolidated balance sheets, and an equivalent amount of interest income and interest expense is recorded on our consolidated statements of operations.

Equity Investments in Unconsolidated Subsidiaries

Our carried interest in CT Opportunity Partners I, LP, or CTOPI, is accounted for using the equity method. CTOPI's assets and liabilities are not consolidated into our financial statements due to our determination that (i) it is not a VIE and (ii) the other investors in CTOPI have sufficient rights to preclude consolidation by us. As such, we report our allocable percentage of the net assets of CTOPI on our consolidated balance sheets. The recognition of income from CTOPI is generally deferred until cash is collected or appropriate contingencies have been eliminated.

Deferred Financing Costs

The deferred financing costs that are included in accrued interest receivable, prepaid expenses, and other assets on our consolidated balance sheets include issuance and other costs related to our debt obligations. These costs are amortized as interest expense using the effective interest method over the life of the related obligations.

Repurchase Obligations

We record investments financed with repurchase obligations as separate assets and the related borrowings under any repurchase agreements are recorded as separate liabilities on our consolidated balance sheets. Interest income earned on the investments and interest expense incurred on the repurchase obligations are reported separately on our consolidated statements of operations.

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

Convertible Notes

The "Debt with Conversion and Other Options" Topic of the Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or Codification, requires the liability and equity components of convertible debt instruments that may be settled in cash upon conversion, including partial cash settlement, to be separately accounted for in a manner that reflects the issuer's nonconvertible debt borrowing rate. The initial proceeds from the sale of convertible notes are allocated between a liability component and an equity component in a manner that reflects interest expense at the rate of similar nonconvertible debt that could have been issued at such time. The equity component represents the excess initial proceeds received over the fair value of the liability component of the notes as of the date of issuance. We measured the fair value of the debt component of our convertible notes as of the issuance date based on our nonconvertible debt borrowing rate. The equity component of the convertible notes is reflected within additional paid-in capital on our consolidated balance sheet, and the resulting debt discount is amortized over the period during which the convertible notes are expected to be outstanding (the maturity date) as additional non-cash interest expense. The additional non-cash interest expense attributable to the convertible notes will increase in subsequent periods through the maturity date as the notes accrete to their par value over the same period.

Fair Value of Financial Instruments

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

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

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

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

The value of each asset recorded at fair value using Level 3 inputs is determined by an internal committee composed of members of senior management of our Manager, including our Chief Executive Officer, Chief Financial Officer, and other senior officers.

Certain of our other assets are recorded at fair value either (i) on a recurring basis, as of each quarter-end, or (ii) on a nonrecurring basis, as a result of impairment or other events. Our assets that are recorded at fair value are discussed further in Note 12. We generally value our assets recorded at fair value by either (i) discounting expected cash flows based on assumptions regarding the collection of principal and interest and estimated market rates, or (ii) obtaining assessments from third-party dealers. For collateral dependent loans that are identified as impaired, we measure impairment by comparing our Manager's estimation of fair value of the underlying collateral, less costs to sell, to the book value of the respective loan. These valuations may require significant judgments, which include assumptions regarding capitalization rates, leasing, creditworthiness of major tenants, occupancy rates, availability of financing, exit plan, loan sponsorship, actions of other lenders, and other factors deemed necessary by our Manager.

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

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

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

- Cash and cash equivalents: The carrying amount of cash on deposit and in money market funds approximates fair value.
- Restricted cash: The carrying amount of restricted cash approximates fair value.
- Loans receivable, net: These assets are recorded at their amortized cost and not at fair value. The fair values for these loans are estimated by our Manager taking into consideration factors, including capitalization rates, leasing, occupancy rates, availability and cost of financing, exit plan, sponsorship, actions of other lenders, and indications of market value from other market participants. In the case of impaired loans receivable, fair value is determined by reference to the lower of amortized cost and the value of the underlying real estate collateral.
- Repurchase obligations: These facilities are recorded at their aggregate principal balance and not at fair value. The fair value was estimated based on the rate at which a similar credit facility would be priced today.
- Convertible notes, net: These notes are recorded at their amortized cost and not at fair value. These convertible notes are publicly traded and their fair values are obtained using quoted market prices.
- Participations sold: These obligations are recorded at their face value and not at fair value. The fair value was estimated based on the value of the related loan receivable asset.

Income Taxes

Our financial results generally do not reflect provisions for current or deferred income taxes on our REIT taxable income. We believe that we operate in a manner that will continue to allow us to be taxed as a REIT and, as a result, we generally do not expect to pay substantial corporate level taxes other than those payable by our taxable REIT subsidiaries. If we were to fail to meet these requirements, we may be subject to federal, state, and local income tax on current and past income, and penalties. Refer to Note 10 for additional information.

Accounting for Stock-Based Compensation

Our stock-based compensation consists of awards issued to our Manager and certain of its employees that vest over the life of the awards. Stock-based compensation expense is recognized for these awards in net income on a variable basis over the applicable vesting period of the awards, based on the value of our class A common stock. Refer to Note 11 for additional information.

Earnings per Share

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

Diluted earnings per share, or Diluted EPS, is determined using the treasury stock method, and is based on the net earnings allocable to our class A common stock, restricted class A common stock, and deferred stock units, divided by the weighted-average number of shares of class A common stock, restricted class A common stock, and deferred stock units. Refer to Note 8 for additional discussion of earnings per share.

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

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

Segment Reporting

We operate our real estate finance business through a Loan Origination segment and a CT Legacy Portfolio segment. The Loan Origination segment includes our activities associated with the origination and acquisition of mortgage loans, the capitalization of our loan portfolio, and the costs associated with operating our business generally. The CT Legacy Portfolio segment includes our activities specifically related to CT Legacy Partners, CT CDO I, a securitization vehicle formed in 2004, and our equity investment in CTOPI. Our Manager makes operating decisions and assesses the performance of each of our business segments based on financial and operating data and metrics generated from our internal information systems.

Recent Accounting Pronouncements

In June 2013, the FASB issued ASU 2013-08, “Financial Services-Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements,” or ASU 2013-08. ASU 2013-08 amends the criteria for qualification as an investment company under Topic 946 of the FASB Accounting Standards Codification, or Topic 946, and requires additional disclosure by investment companies. ASU 2013-08 is effective for the first interim or annual period beginning after December 15, 2013, and is to be applied prospectively. We currently consolidate CT Legacy Partners, which accounts for its operations as an investment company under Topic 946. The adoption of ASU 2013-08 did not impact CT Legacy Partners’ status as an investment company. Further, because ASU 2013-08 specifically excluded REITs from its scope, it did not otherwise impact our consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606),” or ASU 2014-09. ASU 2014-09 broadly amends the accounting guidance for revenue recognition. ASU 2013-08 is effective for the first interim or annual period beginning after December 15, 2016, and is to be applied prospectively. We do not anticipate that the adoption of ASU 2014-09 will have a material impact on our consolidated financial statements.

In June 2014, the FASB issued ASU 2014-11, “Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures,” or ASU 2014-11. ASU 2014-11 amends the accounting guidance for repurchase-to-maturity transactions and repurchase agreements executed as repurchase financings, and requires additional disclosure about certain transactions by the transferor. ASU 2014-11 is effective for certain transactions that qualify for sales treatment for the first interim or annual period beginning after December 15, 2014. The new disclosure requirements for repurchase agreements, securities lending transactions and repurchase-to-maturity transactions that qualify for secured borrowing treatment is effective for annual periods beginning after December 15, 2014 and for interim periods beginning after March 15, 2014. We currently record our repurchase arrangements as secured borrowings and do not anticipate that ASU 2014-11 will have a material impact on our consolidated financial statements.

3. CASH AND CASH EQUIVALENTS, INCLUDING RESTRICTED CASH

As discussed in Note 2, we deposit our cash and cash equivalents, including restricted cash, with high credit-quality institutions to minimize credit risk exposure.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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The following table provides details of our cash and cash equivalents, including restricted cash balances ($ in thousands):

Asset Category	Depository	Credit Rating [1]	June 30, 2014	December 31, 2013
Cash and cash equivalents	Bank of America	A-1	$ 120,456	$ 52,342
Restricted cash	Bank of America	A-1	11,392	10,096
			$ 131,848	$ 62,438

(1) Represents the short-term credit rating for the Bank of America, N.A. legal entity as issued by Standard & Poor's as of June 30, 2014.

4. LOANS RECEIVABLE

Activity relating to our loans receivable was ($ in thousands):

	Principal Balance	Deferred Fees and Other Items [1]	Net Book Value
December 31, 2013	$2,076,411	$ (29,188)	$2,047,223
Loan fundings	1,740,977	—	1,740,977
Loan repayments and sales	(265,809)	—	(265,809)
Deferred origination fees and expenses	—	(21,751)	(21,751)
Amortization of deferred fees and expenses	—	7,702	7,702
Unrealized gain on foreign currency translation	—	6,837	6,837
Realized loan losses	(10,547)	10,547	—
Reclassification to other assets	(27,000)	—	(27,000)
June 30, 2014	$3,514,032	$ (25,853)	$3,488,179

(1) Includes a loan loss reserve of $10.5 million as of December 31, 2013, related to one loan in the CT Legacy Portfolio segment, owned by CT CDO I, with a principal balance of $10.5 million. This loan was subsequently written-off resulting in an aggregate loan loss reserve of zero as of June 30, 2014.

As of June 30, 2014, we had unfunded commitments of $407.3 million related to 28 loans receivable, which amounts will primarily be funded to finance property improvements or lease-related expenditures by the borrowers. These future commitments will expire over the next five years.

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

	June 30, 2014	December 31, 2013
Number of loans	48	31
Principal balance	$3,514,032	$ 2,076,411
Net book value	$3,488,179	$ 2,047,223
Weighted-average cash coupon [1]	L+4.46%	L+4.64%
Weighted-average all-in yield [1]	L+5.02%	L+5.26%
Weighted-average maximum maturity (years) [2]	4.1	4.1

(1) As of June 30, 2014, 83% of our loans are indexed to one-month LIBOR and 17% are indexed to three-month LIBOR. In addition, 18% of our loans currently earn interest based on LIBOR floors, with an average floor of 0.31%, as of June 30, 2014. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of exit fees.

(2) Maximum maturity assumes all extension options are exercised, however our loans may be repaid prior to such date. As of June 30, 2014, 89% of our loans are subject to yield maintenance, lock-out provisions, or other prepayment restrictions and 11% are open to repayment by the borrower.

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

The tables below detail the types of loans in our loan portfolio, as well as the property type and geographic distribution of the properties securing these loans ($ in thousands):

	June 30, 2014		December 31, 2013	
Asset Type	**Net Book Value**	**Percentage**	**Net Book Value**	**Percentage**
Senior loans (1)	$3,285,398	94%	$1,800,329	88%
Subordinate loans (2)	202,781	6	246,894	12
	$3,488,179	100%	$2,047,223	100%
Property Type	**Net Book Value**	**Percentage**	**Net Book Value**	**Percentage**
Office	$1,296,464	37%	$ 864,666	42%
Hotel	1,117,724	32	390,492	19
Multifamily	451,193	13	341,819	17
Condominium	317,876	9	275,645	13
Other	304,922	9	174,601	9
	$3,488,179	100%	$2,047,223	100%
Geographic Location	**Net Book Value**	**Percentage**	**Net Book Value**	**Percentage**
United States				
Northeast	$1,149,246	33%	$ 828,571	40%
West	708,564	20	469,262	23
Southeast	437,627	12	243,798	12
Southwest	304,747	9	216,429	11
Northwest	240,685	7	166,207	8
Midwest	100,865	3	85,708	4
Subtotal	2,941,734	84	2,009,975	98
International				
United Kingdom	508,872	15	37,248	2
Netherlands	37,573	1	—	—
Subtotal	546,445	16	37,248	2
Total	$3,488,179	100%	$2,047,223	100%

(1) Includes senior mortgages and similar credit quality loans, including related contiguous subordinate loans, note financings of senior mortgage loans, and pari passu participations in senior mortgage loans.
(2) Includes subordinate interests in mortgages and mezzanine loans.

Loan Risk Ratings

As described in Note 2, our Manager evaluates our loan portfolio on a quarterly basis. In conjunction with our quarterly loan portfolio review, our Manager assesses the performance of each loan, and assigns a risk rating based on several factors. One of the primary factors considered is how senior or junior each loan is relative to other debt obligations of the borrower. Additional factors considered in the assessment include risk of loss, current LTV, collateral performance, structure, exit plan, and sponsorship. Loans are rated “1” (less risk) through “8” (greater risk), which ratings are defined in Note 2.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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The following table allocates the principal balance and net book value of our loans receivable based on our internal risk ratings as of June 30, 2014 ($ in thousands):

	Senior Loans [1]			Subordinate Loans [2]			Total
Risk Rating	Number of Loans	Principal Balance	Net Book Value	Number of Loans	Principal Balance	Net Book Value	Net Book Value
1 - 3	46	$3,306,575	$3,285,398	2	$207,457	$ 202,781	$3,488,179
4 - 5	—	—	—	—	—	—	—
6 - 8	—	—	—	—	—	—	—
	46	$3,306,575	$3,285,398	2	$207,457	$ 202,781	$3,488,179

(1) Includes senior mortgages and similar credit quality loans, including related contiguous subordinate loans, note financings of senior mortgage loans, and pari passu participations in senior mortgage loans.
(2) Includes subordinate interests in mortgages and mezzanine loans.

The following table allocates the principal balance and net book value of our loans receivable based on our internal risk ratings as of December 31, 2013 ($ in thousands):

	Senior Loans [1]			Subordinate Loans [2]			Total
Risk Rating	Number of Loans	Principal Balance	Net Book Value	Number of Loans	Principal Balance	Net Book Value	Net Book Value
1 - 3	26	$1,811,513	$1,800,329	3	$227,350	$ 219,894	$2,020,223
4 - 5	—	—	—	—	—	—	—
6 - 8	—	—	—	2	37,548	27,000	27,000
	26	$1,811,513	$1,800,329	5	$264,898	$ 246,894	$2,047,223

(1) Includes senior mortgages and similar credit quality loans, including related contiguous subordinate loans, note financings of senior mortgage loans, and pari passu participations in senior mortgage loans.
(2) Includes subordinate interests in mortgages and mezzanine loans.

Loan Impairments

We do not have any loan impairments or loans in maturity default as of June 30, 2014. As of December 31, 2013, CT CDO I, which is a component of our CT Legacy Portfolio segment, had one impaired subordinate interest in a mortgage loan with a gross book value of $10.5 million that was delinquent on its contractual payments. As of December 31, 2013, we had recorded a 100% loan loss reserve on this loan. This loan was subsequently written-off resulting in an aggregate loan loss reserve of zero as of June 30, 2014. As of December 31, 2013, CT CDO I had one loan with a net book value of $27.0 million in maturity default, but which had no reserve recorded due to our expectation of future repayment. In June 2014, this loan was restructured and reclassified to other assets.

Nonaccrual Loans

As of June 30, 2014, we did not have any nonaccrual loans in our loan portfolio. As of December 31, 2013, CT CDO I had one subordinate interest in a mortgage loan on nonaccrual status with a principal balance of $10.5 million and a net book value of zero. This loan was subsequently written-off resulting in an aggregate loan loss reserve of zero as of June 30, 2014. In accordance with our revenue recognition policies discussed in Note 2, we do not accrue interest on loans that are 90 days past due or, in the opinion of our Manager, are otherwise uncollectable. Accordingly, we did not have any material interest receivable accrued on nonperforming loans as of June 30, 2014 or December 31, 2013.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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5. EQUITY INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES

As of June 30, 2014, our equity investments in unconsolidated subsidiaries consisted solely of our carried interest in CTOPI, a fund sponsored and managed by an affiliate of our Manager. Activity relating to our equity investments in unconsolidated subsidiaries was ($ in thousands):

	CTOPI Carried Interest
Total as of December 31, 2013	$ 22,480
Distributions	(14,125)
Deferred income allocation [(1)]	5,683
Total as of June 30, 2014	$ 14,038

(1) In instances where we have not received cash or all appropriate contingencies have not been eliminated, we have deferred the recognition of promote revenue allocated to us from CTOPI in respect of our carried interest in CTOPI, and recorded an offsetting liability as a component of accounts payable, accrued expenses, and other liabilities on our consolidated balance sheets.

Our carried interest in CTOPI entitles us to earn promote revenue in an amount equal to 17.7% of the fund's profits, after a 9% preferred return and 100% return of capital to the CTOPI partners. As of June 30, 2014, we had been allocated $14.0 million of promote revenue from CTOPI based on a hypothetical liquidation of the fund at its net asset value. Accordingly, we have recognized this allocation as an equity investment in CTOPI on our consolidated balance sheets. Generally, we defer recognition of income from CTOPI until cash is received and appropriate contingencies have been eliminated. During the three months ended June 30, 2014, we received a $14.1 million distribution from CTOPI in respect of our carried interest and recorded such amount as income in our consolidated statement of operations. In addition, we had previously recorded, but deferred recognition of, $10.2 million of advance distributions in respect of our carried interest to allow us to pay any income owed on phantom taxable income allocated to us from the partnership. We recognized these prior distributions as income during the three months ended June 30, 2014 as all fund-level contingencies have been satisfied.

CTOPI Incentive Management Fee Grants

In January 2011, we created a management compensation pool for employees equal to 45% of the CTOPI promote distributions received by us. As of June 30, 2014, we had granted 96% of the pool, and the remainder was unallocated. If any awards remain unallocated at the time promote distributions are received by us, any amounts otherwise payable to the unallocated awards will be distributed pro rata to the plan participants then employed by an affiliate of our Manager.

Approximately 65% of these grants have the following vesting schedule: (i) one-third on the date of grant; (ii) one-third on September 13, 2012; and (iii) the remainder is contingent on continued employment with an affiliate of our Manager and upon our receipt of promote distributions from CTOPI. Of the remaining 35% of these grants, 31% are fully vested as a result of an acceleration event, and 4% vest solely upon our receipt of promote distributions from CTOPI or the disposition of certain investments owned by CTOPI.

During the three months ended June 30, 2014, we made payments of $11.2 million under the CTOPI incentive plan, which amount was recognized as a component of general and administrative expenses in our consolidated statement of operations.

6. DEBT OBLIGATIONS

Repurchase Facilities

During the six months ended June 30, 2014, we entered into three revolving repurchase facilities and one asset-specific repurchase agreement, providing an additional $1.6 billion of credit capacity.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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The following table details our repurchase obligations outstanding ($ in thousands):

Lender	June 30, 2014					Dec. 31, 2013
	Maximum Facility Size [1]	Collateral Assets [2]	Repurchase Borrowings [3]			Borrowings Outstanding
			Potential	Outstanding	Available	
Revolving Repurchase Facilities						
Bank of America	$ 500,000	$ 517,280	$ 406,653	$ 387,653	$ 19,000	$ 271,320
Citibank	500,000	611,459	461,556	351,245	110,311	334,692
JP Morgan [4]	510,697	467,722	354,776	293,600	61,176	257,610
Wells Fargo	500,000	301,083	231,600	190,125	41,475	—
Morgan Stanley [5]	425,875	169,804	135,765	135,765	—	—
MetLife	500,000	214,524	165,369	165,369	—	—
Subtotal	2,936,572	2,281,872	1,755,719	1,523,757	231,962	863,622
Asset-Specific Repurchase Agreements						
Wells Fargo [6]	148,110	155,184	120,485	120,485	—	245,731
Goldman Sachs	194,400	169,260	135,408	135,408	—	—
Total	**$ 3,279,082**	**$2,606,316**	**$2,011,612**	**$1,779,650**	**$231,962**	**$1,109,353**

(1) Maximum facility size represents the total amount of borrowings provided for in each repurchase agreement, however these borrowings are only available to us once sufficient collateral assets have been pledged under each facility.
(2) Represents the principal balance of the collateral assets.
(3) Potential borrowings represent the total amount we could draw under each facility based on collateral already approved and pledged. When undrawn, these amounts are immediately available to us at our sole discretion under the terms of each revolving credit facility.
(4) The JP Morgan maximum facility size is composed of a $250.0 million facility and a £153.0 million ($260.7 million) facility.
(5) The Morgan Stanley maximum facility size represents a £250.0 million ($425.9 million) facility.
(6) Represents an aggregate of two asset-specific repurchase agreements with Wells Fargo.

The weighted-average outstanding repurchase obligation balance was $1.4 billion and $1.3 billion for the three and six months ended June 30, 2014, respectively.

Revolving Repurchase Facilities

As of June 30, 2014, we had aggregate borrowings of $1.5 billion outstanding under our revolving repurchase facilities, with a weighted-average cash coupon of LIBOR plus 1.95% per annum and a weighted-average all-in cost of credit, including associated fees and expenses, of LIBOR plus 2.19% per annum. As of June 30, 2014, outstanding borrowings under these facilities had a weighted-average maturity, excluding extension options and term-out provisions, of 2.3 years. Borrowings under each facility are subject to the initial approval of eligible collateral loans by the lender and the maximum advance rate and pricing rate of individual advances are determined with reference to the attributes of the respective collateral loan.

Our $500.0 million master repurchase agreement with Bank of America has an initial maturity date of May 21, 2017, subject to two one-year extension options, each of which may be exercised by us. The weighted-average pricing rate of the $387.7 million of borrowings outstanding as of June 30, 2014 was LIBOR plus 1.78% and the weighted-average maximum advance rate was 78.7%. We guarantee 50% of the advances related to senior collateral and 100% of the advances related to mezzanine and junior mortgage collateral under this facility. Otherwise, obligations under this repurchase agreement are not recourse to us.

Our $500.0 million master repurchase agreement with Citibank has an initial facility expiration date of June 12, 2017, which may be extended annually by us. If upon the initial facility expiration date, Citibank does not extend the facility availability period, in its sole discretion, then no new advances may be drawn and all collateral interest and principal proceeds would be required to repay existing advances, subject to certain provisions for REIT income distribution requirements. In either case, individual advances mature upon the maturity date of the respective collateral maturity dates.

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Notes to Consolidated Financial Statements (continued)
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The weighted-average pricing rate of the $351.2 million of borrowings outstanding as of June 30, 2014 was LIBOR plus 1.95% and the weighted-average maximum advance rate was 75.6%. We guarantee 25% of the advances under this facility. Otherwise, obligations under this master repurchase agreement are not recourse to us.

Our $250.0 million master repurchase agreement with JP Morgan specifies an availability period ending on June 28, 2015, during which new advances can be made and which availability period is renewable at the discretion of JP Morgan. In the event that the availability period is not renewed, it is followed by a two-year 'stabilization' period and then a 'term out' period, during which all collateral interest and principal proceeds would be required to repay existing advances, subject to certain provisions for REIT income distribution requirements. Maturity dates for individual advances are tied to their respective collateral loan maturity dates. Our £153.0 million ($260.7 million as of June 30, 2014) master repurchase agreement with JP Morgan is linked to the $250.0 million agreement through cross-collateralization and cross-default provisions. Individual advances can be made under this agreement at any time prior to the maturity date of December 20, 2016. The weighted-average pricing rate of the $293.6 million of borrowings outstanding under the JP Morgan facilities as of June 30, 2014 was LIBOR plus 2.02% and the weighted-average maximum advance rate was 75.8%. We guarantee 25% of the advances related to senior mortgage collateral and 100% of the advances related to mezzanine and junior mortgage collateral under these facilities. Otherwise, obligations under these master repurchase agreements are not recourse to us.

Our $500.0 million master repurchase agreement with Wells Fargo specifies a one-year availability period, during which new advances can be made and which availability period is renewable at the discretion of Wells Fargo. Maturity dates for individual advances are tied to their respective collateral loan maturity dates subject to annual renewal at our discretion. The weighted-average pricing rate of the $190.1 million of borrowings outstanding as of June 30, 2014 was LIBOR plus 2.00% and the weighted-average maximum advance rate was 77.0%. We guarantee 25% of the advances under this facility. Otherwise, obligations under this master repurchase agreement are not recourse to us.

Our £250.0 million ($425.9 million as of June 30, 2014) master repurchase agreement with Morgan Stanley provides for advances at any time prior to its maturity date of March 3, 2017. The weighted-average pricing rate of the $135.8 million of borrowings outstanding as of June 30, 2014 was three-month LIBOR plus 2.32% and the weighted-average maximum advance rate was 78.6%. We guarantee 25% of the advances under this facility. Otherwise, obligations under this master repurchase agreement are not recourse to us.

Our $500.0 million master repurchase agreement with MetLife has an initial facility expiration date of June 29, 2015, subject to five one-year extension options, each of which may be exercised at our option. Maturity dates for individual advances are tied to their respective collateral loan maturity dates subject to annual renewal at our discretion. The weighted-average pricing rate of the $165.4 million of borrowings outstanding as of June 30, 2014 was LIBOR plus 1.89% and the weighted-average maximum advance rate was 77.0%. We guarantee 50% of the advances under this facility. Otherwise, obligations under this master repurchase agreement are not recourse to us.

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Asset-specific Repurchase Agreements

Our $88.3 million asset-specific repurchase agreement with Wells Fargo accrues interest at a per annum pricing rate equal to LIBOR plus a margin of 2.50%. The initial maturity date of the facility is June 7, 2016, which may be extended pursuant to (i) two one-year extension options, each of which may be exercised by us, and (ii) an additional one-year extension option, contingent upon notice regarding the failure of the collateral mortgage loan to be repaid at its final maturity. We do not guarantee the obligations under this repurchase agreement other than in the case of customary "bad-boy" events.

Our $59.8 million asset-specific repurchase agreement with Wells Fargo accrues interest at a per annum pricing rate equal to LIBOR plus a margin of 2.25%. The initial maturity date of the facility is August 8, 2015, which may be extended pursuant to three one-year extension options, each of which may be exercised by us. We do not guarantee the obligations under this repurchase agreement other than in the case of customary "bad-boy" events.

Our $32.0 million asset-specific repurchase agreement with Wells Fargo was repaid in full on May 23, 2014 in conjunction with the repayment of its collateral asset. Advances under the repurchase agreement accrued interest at a per annum pricing rate equal to LIBOR plus a margin of 4.00%.

Our $194.4 million asset-specific repurchase agreement with Goldman Sachs accrues interest at a per annum pricing rate equal to LIBOR plus a margin of 2.75%. The initial maturity date of the facility is April 25, 2017. We guarantee 50% of the advances under this facility. Otherwise, obligations under this repurchase agreement are not recourse to us.

Debt Covenants

Each of the guarantees related to our master repurchase agreements and asset-specific repurchase agreements contain the following uniform financial covenants: (i) our ratio of earnings before interest, taxes, depreciation, and amortization, or EBITDA, to fixed charges shall be not less than 1.40 to 1.0; (ii) our tangible net worth, as defined in the agreements, shall not be less than $908.1 million plus 75% of the net cash proceeds of future equity issuances; (iii) cash liquidity shall not be less than the greater of (x) $10.0 million or (y) 5% of our recourse indebtedness; and (iv) our indebtedness shall not exceed 83.33% of our total assets. As of June 30, 2014, we were in compliance with these covenants.

Convertible Notes, Net

In November 2013, we issued $172.5 million of 5.25% convertible senior notes due on December 1, 2018, or Convertible Notes. The Convertible Notes' issuance costs are amortized through interest expense over the life of the Convertible Notes using the effective interest method. Including this amortization, our all-in cost of the Convertible Notes is 5.87% per annum. As of June 30, 2014, the Convertible Notes were carried on our consolidated balance sheet at $160.7 million, net of an unamortized discount of $8.2 million.

The Convertible Notes are convertible at the holders' option into shares of our class A common stock, only under specific circumstances, prior to the close of business on August 31, 2018, at the applicable conversion rate in effect on the conversion date. Thereafter, the Convertible Notes are convertible at the option of the holder at any time until the second scheduled trading day immediately preceding the maturity date. The conversion rate is initially set to equal 34.8943 shares of class A common stock per $1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of $28.66 per share of class A common stock, subject to adjustment upon the occurrence of certain events. We may not redeem the Convertible Notes prior to maturity. As of June 30, 2014, we had the intent and ability to settle the Convertible Notes in cash. As a result, the Convertible Notes did not have any impact on our diluted earnings per share.

We recorded a $9.1 million discount upon issuance of the Convertible Notes based on the implied value of the conversion option and an effective interest rate of 6.50%. Including the amortization of this discount and the issuance costs, our total cost of the Convertible Notes is 7.16% per annum. Refer to Note 2 for additional discussion of our accounting policies for the Convertible Notes.

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7. PARTICIPATIONS SOLD

Participations sold represent senior interests in certain loans that we sold. We present these participations sold as both assets and non-recourse liabilities because these arrangements do not qualify as sales under GAAP. The income earned on these loan participations is recorded as interest income and an identical amount is recorded as interest expense on our consolidated statements of operations.

The following table details overall statistics for our participations sold ($ in thousands):

	June 30, 2014		December 31, 2013	
	Underlying Loans	Participations Sold	Underlying Loans	Participations Sold
Number of loans	3	3	1	1
Principal balance	$632,503	$ 461,078	$173,837	$ 90,000
Weighted-average cash coupon [1]	L+4.55%	L+2.99%	L+5.66%	L+5.12%
Weighted-average all-in yield / cost [1]	L+5.77%	L+3.21%	L+9.25%	L+5.26%

(1) As of June 30, 2014, 39% of our participations sold are indexed to one-month LIBOR and 61% are indexed to three-month LIBOR. In addition to cash coupon, all-in yield / cost includes the amortization of deferred origination fees / financing costs.

8. EQUITY

Total equity increased $525.3 million during the six months ended June 30, 2014 to $1.3 billion. This increase was primarily driven by the issuance of additional shares of our class A common stock in January and April 2014. See below for further discussion of the share issuance.

Share and Share Equivalents

Authorized Capital

We have the authority to issue up to 200,000,000 shares of stock, consisting of 100,000,000 shares of class A common stock and 100,000,000 shares of preferred stock. Subject to applicable NYSE listing requirements, our board of directors is authorized to cause us to issue additional shares of authorized stock without stockholder approval. In addition, to the extent not issued, currently authorized stock may be reclassified between class A common stock and preferred stock.

Class A Common Stock and Deferred Stock Units

Holders of shares of our class A common stock are entitled to vote on all matters submitted to a vote of stockholders and are entitled to receive such dividends as may be authorized by our board of directors and declared by us, in all cases subject to the rights of the holders of shares of outstanding preferred stock, if any. On January 14, 2014, we issued 9,775,000 shares of class A common stock in a public offering at a price to the underwriters of $26.25 per share. We generated net proceeds from the issuance of $256.1 million after underwriting discounts and other offering expenses. On April 7, 2014, we issued 9,200,000 shares of class A common stock in a public offering at a price to the underwriters of $27.72 per share. We generated net proceeds from the issuance of $254.8 million after underwriting discounts and other offering expenses.

In addition to our class A common stock, we also issue deferred stock units to certain members of our board of directors in lieu of cash compensation for services rendered. These deferred stock units are non-voting, but carry the right to receive dividends in the form of additional deferred stock units in an amount equivalent to the cash dividends paid to holders of shares of class A common stock. During the three months ended June 30, 2014, we issued 2,851 shares of class A common stock to Joshua A. Polan in exchange for his deferred stock units upon his decision not to stand for reelection to our board of directors.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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The following table details the movement in our outstanding shares of class A common stock, restricted class A common stock, and deferred stock units:

Common Stock Outstanding [1]	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Beginning balance	29,602,884	3,016,405
Issuance of class A common stock	19,130,868	25,875,000
Issuance of deferred stock units	10,009	3,070
Vesting of restricted class A common stock	(155,867)	—
Ending balance	48,587,894	28,894,475

(1) Deferred stock units held by members of our board of directors totalled 108,391 and 92,824 as of June 30, 2014 and 2013, respectively.

At the Market Stock Offering Program

On May 9, 2014, we entered into equity distribution agreements, or ATM Agreements, pursuant to which we may sell, from time to time, up to an aggregate sales price of $200.0 million of our class A common stock. Sales of class A common stock made pursuant to the ATM Agreements, if any, may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended. Actual sales will depend on a variety of factors including market conditions, the trading price of our class A common stock, capital needs, and our determination of the appropriate sources of funding to meet such needs. As of June 30, 2014, we had not sold any shares of class A common stock under the ATM Agreements.

Preferred Stock

We do not have any shares of preferred stock issued and outstanding as of June 30, 2014.

Dividends

We generally intend to distribute each year substantially all of our taxable income, which does not necessarily equal net income as calculated in accordance with GAAP, to our stockholders to comply with the REIT provisions of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code.

Our dividend policy remains subject to revision at the discretion of our board of directors. All distributions will be made at the discretion of our board of directors and will depend upon our taxable income, our financial condition, our maintenance of REIT status, applicable law, and other factors as our board of directors deems relevant.

On June 13, 2014, we declared a dividend of $0.48 per share, or $23.3 million, which was paid on July 15, 2014 to stockholders of record as of June 30, 2014. On March 14, 2014, we declared a dividend of $0.48 per share, or $18.9 million, which was paid on April 15, 2014 to stockholders of record as of March 31, 2014. No dividends were declared during the six months ended June 30, 2013.

Dividend Reinvestment and Direct Stock Purchase Plan

On March 25, 2014, we adopted a dividend reinvestment and direct stock purchase plan, under which we registered and reserved for issuance, in the aggregate, 10,000,000 shares of class A common stock. Under the dividend reinvestment component of this plan, our class A common stockholders can designate all or a portion of their cash dividends to be reinvested in additional shares of class A common stock. The direct stock purchase component allows stockholders and new investors, subject to our approval, to purchase shares of class A common stock directly from us. During the six months ended June 30, 2014, we issued one share of class A common stock under the dividend reinvestment component and zero shares under the direct stock purchase plan component. As of June 30, 2014, 9,999,999 shares of class A common stock, in the aggregate remain available for issuance under the dividend reinvestment and direct stock purchase plan.

Earnings Per Share

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

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

The following table sets forth the calculation of basic and diluted earnings per share based on the weighted-average of our shares of class A common stock, restricted class A common stock, and deferred stock units outstanding ($ in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income (loss) [1]	$ 33,466	$ 2,748	$ 46,531	$ (367)
Weighted-average shares outstanding, basic and diluted	47,977,813	12,401,274	43,000,242	7,734,774
Per share amount, basic and diluted	$ 0.70	$ 0.22	$ 1.08	$ (0.05)

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

Refer to Note 14 for the allocation of our results of operations to each of our operating segments.

Other Balance Sheet Items

Accumulated Other Comprehensive Income

As of June 30, 2014, total accumulated other comprehensive income was $2.7 million, representing the currency translation adjustment on assets and liabilities denominated in a foreign currency. Of the total accumulated other comprehensive income, $1.9 million represents the currency translation adjustment for the six months ended June 30, 2014. We did not have any accumulated other comprehensive income or loss as of, or for the six months ended June 30, 2013.

Non-controlling Interests

The non-controlling interests included on our consolidated balance sheets represent the equity interests in CT Legacy Partners that are not owned by us. A portion of CT Legacy Partners' consolidated equity and results of operations are allocated to these non-controlling interests based on their pro rata ownership of CT Legacy Partners. The following table details the components of non-controlling interests in CT Legacy Partners ($ in thousands):

	June 30, 2014
Restricted cash	$ 11,392
Accrued interest receivable, prepaid expenses, and other assets	62,015
Accounts payable, accrued expenses, and other liabilities	(271)
CT Legacy Partners equity	$ 73,136
Equity interests owned by Blackstone Mortgage Trust, Inc.	(30,419)
Non-controlling interests in CT Legacy Partners	$ 42,717

9. OTHER EXPENSES

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

Management Fees

Pursuant to our management agreement, our Manager earns a base management fee in an amount generally equal to 1.50% per annum multiplied by our outstanding Equity balance, as defined in the management agreement. In addition, our Manager is entitled to an incentive fee in an amount equal to the product of (i) 20% and (ii) the excess of (a) our Core Earnings (as defined in the management agreement) for the previous 12-month period over (b) an amount equal to 7.00% per annum multiplied by our outstanding Equity, provided that our Core Earnings over the prior three-year period (or the period since the date of the first offering of our class A common stock following December 19, 2012, whichever is shorter) is greater than zero. Core Earnings is generally equal to our net income (loss) prepared in accordance with GAAP, excluding (i) certain non-cash items (ii) the net income (loss) related to our legacy portfolio.

During the six months ended June 30, 2014 and 2013, we incurred $7.8 million and $1.0 million of management fees payable to our Manager, respectively. During the three months ended June 30, 2014 and 2013, we incurred $4.4 million and $920,000 of management fees payable to our Manager, respectively. We did not incur any incentive fees payable to our Manager during the three or six months ended June 30, 2014 and 2013.

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

General and Administrative Expenses

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Professional services	$ 758	$ 846	$ 1,283	$1,267
Operating and other costs	474	577	1,043	975
Management incentive awards plan - CTOPI [1]	11,190	—	11,190	—
	12,422	1,423	13,516	2,242
Non-cash compensation expenses				
Management incentive awards plan - CT Legacy Partners [2]	416	548	552	1,511
Director stock-based compensation	94	37	188	75
Restricted class A common stock earned	2,289	—	4,029	—
	2,799	585	4,769	1,586
Expenses of consolidated securitization vehicles	135	499	269	654
	$15,356	$2,507	$18,554	$4,482

(1) Represents the portion of CTOPI promote revenue paid under compensation awards. See Note 5 for further discussion.
(2) Represents the accrual of amounts payable under the CT Legacy Partners management incentive awards during the period. See below for discussion of the CT Legacy Partners management incentive awards plan.

CT Legacy Partners Management Incentive Awards Plan

In conjunction with our March 2011 Restructuring, we created an employee pool for up to 6.75% of the distributions paid to the common equity holders of CT Legacy Partners (subject to certain caps and priority distributions). As of June 30, 2014, incentive awards for 94% of the pool have been granted, and the remainder was unallocated. If any awards remain unallocated at the time distributions are paid, any amounts otherwise payable to the unallocated awards will be distributed pro rata to the plan participants then employed by an affiliate of our Manager.

Approximately 53% of these grants have the following vesting schedule: (i) 25% on the date of grant; (ii) 25% in March 2013; (iii) 25% in March 2014; and (iv) the remainder is contingent on continued employment with an affiliate of our Manager and our receipt of distributions from CT Legacy Partners. Of the remaining 47% of these grants, 29% are fully vested as a result of an acceleration event, and 18% vest only upon our receipt of distributions from CT Legacy Partners.

We accrue a liability for the amounts due under these grants based on the value of CT Legacy Partners and the periodic vesting of the awards granted. Accrued payables for these awards were $3.4 million and $2.8 million as of June 30, 2014 and December 31, 2013, respectively.

10. INCOME TAXES

We elected to be taxed as a REIT, effective January 1, 2003, under the Internal Revenue Code for U.S. federal income tax purposes. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings that we distribute. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state, and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of June 30, 2014 and December 31, 2013, we were in compliance with all REIT requirements.

During the six months ended June 30, 2014, we recorded a current income tax provision of $530,000 comprised of (i) $342,000 related to activities of our taxable REIT subsidiaries, (ii) a $124,000 provision reflecting our estimated risk of loss related to an uncertain tax position taken during the period, and (iii) $64,000 related to other items. During the six months ended June 30, 2013, we recorded a current income tax provision of $593,000 comprised of (i) $554,000 related to activities of our taxable REIT subsidiaries and (ii) $39,000 related to other items. We did not have any deferred tax assets or liabilities as of June 30, 2014 or December 31, 2013.

As a result of our issuance of 25,875,000 shares of class A common stock in May 2013, the availability of our net operating losses, or NOLs, and net capital losses, or NCLs, is generally limited to $2.0 million per annum by change of control provisions promulgated by the Internal Revenue Service with respect to the ownership of Blackstone Mortgage Trust. As of December 31, 2013, we had NOLs of $161.5 million and NCLs of $39.2 million available to be carried forward and utilized in current or future periods. If we are unable to utilize our NOLs, they will expire in 2029. If we are unable to utilize our NCLs, $7.0 million will expire in 2014, $31.4 million will expire in 2015, and $782,000 will expire in 2016 or later.

As of June 30, 2014, tax years 2010 through 2013 remain subject to examination by taxing authorities.

11. STOCK-BASED INCENTIVE PLANS

We do not have any employees as we are externally managed by our Manager. However, as of June 30, 2014, our Manager, certain individuals employed by an affiliate of our Manager, and certain members of our board of directors are compensated, in part, through the issuance of stock-based instruments. In addition, certain of our former employees continue to participate in the CTOPI incentive management fee grants and the CT Legacy Partners management incentive awards plan.

We had stock-based incentive awards outstanding under five benefit plans as of June 30, 2014: (i) our amended and restated 1997 non-employee director stock plan, or 1997 Plan; (ii) our 2007 long-term incentive plan, or 2007 Plan; (iii) our 2011 long-term incentive plan, or 2011 Plan; (iv) our 2013 stock incentive plan, or 2013 Plan; and (v) our 2013 manager incentive plan, or 2013 Manager Plan. We refer to our 1997 Plan, our 2007 Plan, and our 2011 Plan collectively as our Expired Plans and we refer to our 2013 Plan and 2013 Manager Plan collectively as our Current Plans.

Our Expired Plans have expired and no new awards may be issued under them. Under our Current Plans, a maximum of 2,160,106 shares of our class A common stock may be issued to our Manager, our directors and officers, and certain employees of affiliates of our Manager. As of June 30, 2014, there were 1,440,228 shares available under the Current Plans.

During 2013, we issued 700,000 shares of restricted class A common stock under our Current Plans. These shares generally vest in quarterly installments over a three-year period, pursuant to the terms of the respective award agreements and the terms of the Current Plans. The 544,133 shares of restricted class A common stock outstanding as of June 30, 2014 will vest as follows: 116,642 shares will vest in 2014; 233,284 shares will vest in 2015; and 194,207 shares will vest in 2016.

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

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

	Restricted Class A Common Stock	Weighted-Average Grant Date Fair Value Per Share
Balance as of December 31, 2013	700,000	$ 25.69
Vested	(155,867)	25.51
Balance as of June 30, 2014	544,133	$ 25.74

12. FAIR VALUES

Assets Recorded at Fair Value

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

	Level 1	Level 2	Level 3	Fair Value [1]
June 30, 2014				
Other assets, at fair value [2]	$ —	$1,737	$59,964	$ 61,701
December 31, 2013				
Other assets, at fair value [2]	$ —	$1,944	$54,461	$ 56,405

(1) CT CDO I had one impaired loan with a principal balance of $10.5 million measured on a non-recurring basis that had a 100% loan loss reserve as of December 31, 2013.
(2) Other assets include loans, securities, equity investments, and other receivables carried at fair value.

The following table reconciles the beginning and ending balances of assets measured at fair value on a recurring basis using Level 3 inputs ($ in thousands):

	Six Months Ended June 30,			
	2014	2013		
	Other Assets	Loans Held-for-Sale, net	Other Assets	Investment in CT Legacy Assets
Balance, beginning	$54,461	$ —	$ —	$ 132,000
Consolidation of CT Legacy Partners	—	—	166,094	(132,000)
Transfer from loans receivable, at fair value	—	2,000	—	—
Proceeds from investments	(326)	—	(37,279)	—
Deferred interest	—	—	195	—
Adjustments to fair value included in earnings				
Gain on investments at fair value	5,829	—	4,000	—
Valuation allowance on loans held-for-sale	—	1,800	—	—
Balance, ending	$59,964	$ 3,800	$133,010	$ —

Our other assets include loans, securities, equity investments, and other receivables that are carried at fair value.

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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The following describes the key assumptions used in arriving at the fair value of each of these assets as of June 30, 2014 and December 31, 2013.

Loans: The following table lists the range of key assumptions for each type of loans receivable as of June 30, 2014 ($ in millions):

	Assumption Ranges for Significant Unobservable Inputs (Level 3) [1]			
Collateral Type	Discount Rate	Recovery Percentage [2]	Book Value	Book Value Sensitivity to a 100 bp Discount Rate Increase
Hotel	7%	100%	$15.0	(0.4%)
Office	8% - 15%	100%	23.4	(0.3%)
			$38.4	

(1) Excludes loans for which there is no expectation of future cash flows.
(2) Represents the proportion of the principal expected to be collected relative to the loan balances as of June 30, 2014.

The following table lists the range of key assumptions for each type of loans receivable as of December 31, 2013 ($ in millions):

	Assumption Ranges for Significant Unobservable Inputs (Level 3) [1]			
Collateral Type	Discount Rate	Recovery Percentage [2]	Book Value	Book Value Sensitivity to a 100 bp Discount Rate Increase
Hotel	7%	100%	$15.0	(1.4%)
Office	6% - 15%	100%	25.7	(0.3%)
			$40.7	

(1) Excludes loans for which there is no expectation of future cash flows.
(2) Represents the proportion of the principal expected to be collected relative to the loan balances as of December 31, 2013.

Securities: As of June 30, 2014, all securities were valued by obtaining assessments from third-party dealers.

Equity investments and other receivables: Equity investments and other receivables are generally valued by discounting expected cash flows and assumptions regarding the collection of principal on the underlying loans and investments.

There were no liabilities recorded at fair value as of June 30, 2014 or December 31, 2013. Refer to Note 2 for further discussion regarding fair value measurement.

Fair Value of Financial Instruments

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

Blackstone Mortgage Trust, Inc.
Notes to Consolidated Financial Statements (continued)
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The following table details the carrying amount, face amount, and fair value of the financial instruments described in Note 2 ($ in thousands):

	June 30, 2014			December 31, 2013		
	Carrying Amount	Face Amount	Fair Value	Carrying Amount	Face Amount	Fair Value
Financial assets						
Cash and cash equivalents	$ 120,456	$ 120,456	$ 120,456	$ 52,342	$ 52,342	$ 52,342
Restricted cash	11,392	11,392	11,392	10,096	10,096	10,096
Loans receivable, net	3,488,179	3,514,032	3,514,032	2,047,223	2,076,411	2,058,699
Financial liabilities						
Repurchase obligations	1,779,650	1,779,650	1,779,650	1,109,353	1,109,353	1,109,353
Convertible notes, net	160,671	172,500	186,300	159,524	172,500	181,772
Participations sold	461,078	461,078	462,603	90,000	90,000	90,304

Estimates of fair value for cash, cash equivalents and convertible notes are measured using observable, quoted market prices, or Level 1 inputs. All other fair value significant estimates are measured using unobservable inputs, or Level 3 inputs. See Note 2 for further discussion regarding fair value measurement of certain of our assets and liabilities.

13. TRANSACTIONS WITH RELATED PARTIES

As of June 30, 2014, our consolidated balance sheet included $4.4 million of accrued management fees and $25,000 of expense reimbursements payable to our Manager. During the six months ended June 30, 2014, we paid $5.9 million of management fees to our Manager and reimbursed our Manager for $90,000 of expenses incurred on our behalf. In addition, as of June 30, 2014, our consolidated balance sheet included $191,000 of preferred distributions payable by CT Legacy Partners to an affiliate of our Manager. During the six months ended June 30, 2014, CT Legacy Partners made aggregate preferred distributions of $1.2 million to such affiliate.

On October 3, 2013, we issued 339,431 shares of restricted class A common stock with a grant date fair value of $8.5 million to our Manager under the 2013 Manager Plan. The shares of restricted class A common stock vest ratably in quarterly installments over three years from the date of issuance. We recorded a non-cash expense related to these shares of $1.7 million during the six months ended June 30, 2014. Refer to Note 11 for further discussion of our restricted class A common stock.

During the six months ended June 30, 2014, CT CDO I, which is consolidated by us, paid $139,000 of special servicing fees to an affiliate of our Manager.

There may be conflicts between us and our Manager with respect to certain of the investments in the CT Legacy Partners and CTOPI portfolios where an affiliate of our Manager holds a related investment that is senior, junior, or *pari passu* to the investments held by these portfolios. In addition, the Management Agreement with our Manager excludes from the management fee calculation our interests in CT Legacy Partners, CTOPI, and CT CDO I, which may result in further conflicts between our economic interests and those of our Manager. Refer to Note 9 for further discussion of the Management Agreement with our Manager.

On June 20, 2014, CT CDO I, CT Legacy Partners, CTOPI, and other affiliates of our Manager entered into a deed-in-lieu of foreclosure transaction which resulted in a restructuring of the interests held by each entity with respect to certain loans in our CT Legacy Portfolio segment with an aggregate principal balance of $35.0 million and an aggregate book value of $27.0 million.

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

14. SEGMENT REPORTING

We operate our real estate finance business through a Loan Origination segment and a CT Legacy Portfolio segment. The Loan Origination segment includes our activities associated with the origination and acquisition of mortgage loans, the capitalization of our loan portfolio, and the costs associated with operating our business generally. The CT Legacy Portfolio segment includes our activities specifically related to CT Legacy Partners, CT CDO I, and our equity investment in CTOPI. Our Manager makes operating decisions and assesses the performance of each of our business segments based on financial and operating data and metrics generated from our internal information systems.

There were no transactions between our operating segments during the six months ended June 30, 2014 and 2013. For the three and six months ended June 30, 2014, 6% and 9% of our revenues were generated from international sources, respectively. Substantially all of our revenues for the three and six months ended June 30, 2013 were generated from domestic sources.

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

The following table presents our consolidated statement of operations for each segment for the three months ended June 30, 2014 and 2013 ($ in thousands):

	Three Months Ended June 30, 2014		
	Loan Origination	CT Legacy Portfolio	Total
Income from loans and other investments			
Interest and related income	$ 41,372	$ 1,094	$42,466
Less: Interest and related expenses	15,503	217	15,720
Income from loans and other investments, net	25,869	877	26,746
Other expenses			
Management fees	4,410	—	4,410
General and administrative expenses	3,501	11,855	15,356
Total other expenses	7,911	11,855	19,766
Gain on investments at fair value	—	7,163	7,163
Income from equity investments in unconsolidated subsidiaries	—	24,294	24,294
Income before income taxes	17,958	20,479	38,437
Income tax benefit	—	(2)	(2)
Net income	17,958	20,481	38,439
Net income attributable to non-controlling interests	—	(4,973)	(4,973)
Net income attributable to Blackstone Mortgage Trust, Inc.	$ 17,958	$ 15,508	$33,466

	Three Months Ended June 30, 2013		
	Loan Origination	CT Legacy Portfolio	Total
Income from loans and other investments			
Interest and related income	$ 1,908	$ 4,109	$ 6,017
Less: Interest and related expenses	168	1,138	1,306
Income from loans and other investments, net	1,740	2,971	4,711
Other expenses			
Management fees	920	—	920
General and administrative expenses	1,233	1,274	2,507
Total other expenses	2,153	1,274	3,427
Valuation allowance on loans held-for-sale	—	2,000	2,000
Gain on investments at fair value	—	4,000	4,000
Gain on extinguishment of debt	—	38	38
(Loss) income before income taxes	(413)	7,735	7,322
Income tax provision	2	552	554
Net (loss) income	(415)	7,183	6,768
Net income attributable to non-controlling interests	—	(4,020)	(4,020)
Net (loss) income attributable to Blackstone Mortgage Trust, Inc.	$ (415)	$ 3,163	$ 2,748

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

The following table presents our consolidated statement of operations for each segment for the six months ended June 30, 2014 and 2013 ($ in thousands):

	Six Months Ended June 30, 2014		
	Loan Origination	CT Legacy Portfolio	Total
Income from loans and other investments			
Interest and related income	$ 73,408	$ 2,714	$76,122
Less: Interest and related expenses	27,130	664	27,794
Income from loans and other investments, net	46,278	2,050	48,328
Other expenses			
Management fees	7,807	—	7,807
General and administrative expenses	6,346	12,208	18,554
Total other expenses	14,153	12,208	26,361
Gain on investments at fair value	—	5,824	5,824
Income from equity investments in unconsolidated subsidiaries	—	24,294	24,294
Income before income taxes	32,125	19,960	52,085
Income tax provision	131	399	530
Net income	31,994	19,561	51,555
Net income attributable to non-controlling interests	—	(5,024)	(5,024)
Net income attributable to Blackstone Mortgage Trust, Inc.	$ 31,994	$ 14,537	$46,531

	Six Months Ended June 30, 2013		
	Loan Origination	CT Legacy Portfolio	Total
Income from loans and other investments			
Interest and related income	$ 1,908	$ 5,565	$ 7,473
Less: Interest and related expenses	168	1,915	2,083
Income from loans and other investments, net	1,740	3,650	5,390
Other expenses			
Management fees	983	—	983
General and administrative expenses	1,900	2,582	4,482
Total other expenses	2,883	2,582	5,465
Valuation allowance on loans held-for-sale	—	1,800	1,800
Gain on investments at fair value	—	4,000	4,000
Gain on extinguishment of debt	—	38	38
(Loss) income before income taxes	(1,143)	6,906	5,763
Income tax provision	40	553	593
Net (loss) income	(1,183)	6,353	5,170
Net income attributable to non-controlling interests	—	(5,537)	(5,537)
Net (loss) income attributable to Blackstone Mortgage Trust, Inc.	$ (1,183)	$ 816	$ (367)

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

The following table presents our consolidated balance sheet for each segment as of June 30, 2014 and December 31, 2013 ($ in thousands):

	June 30, 2014		
	Loan Origination	CT Legacy Portfolio	Total
Assets			
Cash and cash equivalents	$ 120,456	$ —	$ 120,456
Restricted cash	—	11,392	11,392
Loans receivable, net	3,488,179	—	3,488,179
Equity investments in unconsolidated subsidiaries	—	14,038	14,038
Accrued interest receivable, prepaid expenses, and other assets	29,803	90,901	120,704
Total assets	$3,638,438	$116,331	$3,754,769
Liabilities and Equity			
Accounts payable, accrued expenses, and other liabilities	$ 34,036	$ 37,309	$ 71,345
Repurchase obligations	1,779,650	—	1,779,650
Convertible notes, net	160,671	—	160,671
Participations sold	461,078	—	461,078
Total liabilities	2,435,435	37,309	2,472,744
Equity			
Total Blackstone Mortgage Trust, Inc. stockholders' equity	1,203,003	36,305	1,239,308
Non-controlling interests	—	42,717	42,717
Total equity	1,203,003	79,022	1,282,025
Total liabilities and equity	$3,638,438	$116,331	$3,754,769

	December 31, 2013		
	Loan Origination	CT Legacy Portfolio	Total
Assets			
Cash and cash equivalents	$ 52,342	$ —	$ 52,342
Restricted cash	—	10,096	10,096
Loans receivable, net	2,000,223	47,000	2,047,223
Equity investments in unconsolidated subsidiaries	—	22,480	22,480
Accrued interest receivable, prepaid expenses, and other assets	21,020	59,619	80,639
Total assets	$2,073,585	$139,195	$2,212,780
Liabilities and Equity			
Accounts payable, accrued expenses, and other liabilities	$ 21,104	$ 76,049	$ 97,153
Repurchase obligations	1,109,353	—	1,109,353
Convertible notes, net	159,524	—	159,524
Participations sold	90,000	—	90,000
Total liabilities	1,379,981	76,049	1,456,030
Equity			
Total Blackstone Mortgage Trust, Inc. stockholders' equity	693,604	24,305	717,909
Non-controlling interests	—	38,841	38,841
Total equity	693,604	63,146	756,750
Total liabilities and equity	$2,073,585	$139,195	$2,212,780

15. SUBSEQUENT EVENTS

On July 24, 2014, CT Legacy Partners made a $20.0 million distribution to its Class A-1, Class A-2, and Class B common shareholders, including $8.3 million to us. We paid $1.4 million of this distribution under the CT Legacy Partner's management incentive awards plan.

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

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

The following discussion should be read in conjunction with the unaudited consolidated financial statements and notes thereto appearing elsewhere in this quarterly report on Form 10-Q. In addition to historical data, this discussion contains forward-looking statements about our business, operations and financial performance based on current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those in this discussion as a result of various factors, including but not limited to those discussed in Item 1A. Risk Factors in our annual report on Form 10-K for the year ended December 31, 2013 and elsewhere in this quarterly report on Form 10-Q.

Introduction

Blackstone Mortgage Trust is a real estate finance company that primarily originates and purchases senior loans collateralized by properties in the United States and Europe. We are externally managed by BXMT Advisors L.L.C., or our Manager, a subsidiary of The Blackstone Group L.P., or Blackstone, and are a real estate investment trust, or REIT, traded on the NYSE under the symbol "BXMT."

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

We operate our real estate finance business through a Loan Origination segment and a CT Legacy Portfolio segment. The Loan Origination segment includes our activities associated with the origination and acquisition of mortgage loans, the capitalization of our loan portfolio, and the costs associated with operating our business generally. The CT Legacy Portfolio segment includes the activities specifically related to our legacy investments which preceded the re-launch of our originations business in May 2013.

I. Key Financial Measures and Indicators

As a real estate finance company, we believe the key financial measures and indicators for our business are earnings per share, dividends declared, Core Earnings, and book value per share. For the three months ended June 30, 2014 we recorded earnings per share of $0.70, declared a dividend of $0.48 per share, and reported $0.43 per share of Core Earnings. In addition, our book value per share as of June 30, 2014 was $25.51. As further described below, Core Earnings is a measure that is not prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. We use Core Earnings to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that are not necessarily indicative of our current loan origination portfolio and operations.

Earnings Per Share

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

	Three Months Ended	
	June 30, 2014	March 31, 2014
Net income [(1)]	$ 33,466	$ 13,065
Weighted-average shares outstanding, basic and diluted	47,977,813	37,967,365
Net income per share, basic and diluted	$ 0.70	$ 0.34

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

The $0.36 per share increase in net income during the three months ended June 30, 2014 was due to (i) continued growth in our Loan Origination segment, (ii) promote revenue from our carried interest in CTOPI, and (iii) net gains on investments carried at fair value in the CT Legacy Portfolio. This was in part offset by an increase in the total number of shares outstanding as a result of our class A common stock offering in April 2014. The following table allocates our net income per share between our two reportable segments ($ in thousands, except per share data):

	Three Months Ended June 30, 2014		
	Loan Origination	CT Legacy Portfolio	Total
Net income [1]	$ 17,958	$ 15,508	$ 33,466
Weighted-average shares outstanding, basic and diluted	47,977,813	47,977,813	47,977,813
Net income per share, basic and diluted	$ 0.38	$ 0.32	$ 0.70

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

The following table compares our operating results for the three months ended June 30, 2014 and March 31, 2014 ($ in thousands, except per share data):

	Q2 2014	Q1 2014	$ Change	% Change
Income from loans and other investments				
Interest and related income	$42,466	$33,656	$ 8,810	26.2%
Less: Interest and related expenses	15,720	12,074	3,646	30.2%
Income from loans and other investments, net	26,746	21,582	5,164	23.9%
Other operating expenses	19,766	6,596	13,170	199.7%
Other income (loss)	31,457	(1,339)	32,796	N/M
Income before income taxes	38,437	13,647	24,790	181.7%
Income tax (benefit) provision	(2)	531	(533)	N/M
Net income	38,439	13,116	25,323	193.1%
Net income attributable to non-controlling interests	(4,973)	(51)	(4,922)	N/M
Net income attributable to Blackstone Mortgage Trust, Inc.	$33,466	$13,065	$20,401	156.2%
Dividends per share	$ 0.48	$ 0.48	$ 0.00	0.0%

Income from loans and other investments, net

Income from loans and other investments increased $5.2 million, or 23.9%, on a net basis during the three months ended June 30, 2014 compared to the three months ended March 31, 2014. The increase was primarily due to (i) earning a full quarter of interest on the loans originated during the three months ended March 31, 2014, and (ii) additional interest earned on the $1.0 billion of loans funded during the three months ended June 30, 2014. This was partially offset by additional interest expense incurred on our repurchase agreements and senior loan participations sold.

Other operating expenses

Other operating expenses are comprised of management fees paid to our Manager and general and administrative expenses. Other operating expenses increased by $13.2 million during the three months ended June 30, 2014 compared to the three months ended March 31, 2014 due to (i) $11.5 million of expenses related to the CT Legacy Portfolio segment incentive plans, primarily as a result of payments triggered by CTOPI promote distributions received, (ii) $1.0 million of additional management fees payable to our Manager, and (iii) a $548,000 increase in non-cash restricted stock amortization related to the accelerated vesting of certain awards under the plan.

Other income (loss)

During the three months ended June 30, 2014, we recognized (i) $24.3 million of promote revenue from our carried interest in CTOPI, and (ii) $7.2 million of net gains on investments carried at fair value in the CT Legacy Portfolio.

During the three months ended March 31, 2014, we recognized $1.3 million of net losses on investments carried at fair value in the CT Legacy Portfolio.

Dividends Per Share

On June 13, 2014, we declared a dividend of $0.48 per share, or $23.3 million, which was paid on July 15, 2014 to common stockholders of record as of June 30, 2014. On March 14, 2014, we declared a dividend of $0.48 per share, or $18.9 million, which was paid on April 15, 2014 to class A common stockholders of record as of March 31, 2014.

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

Core Earnings

Core Earnings is a non-GAAP measure, which we define as GAAP net income (loss), including realized losses not otherwise included in GAAP net income (loss), and excluding (i) net income (loss) attributable to our CT Legacy Portfolio segment, (ii) non-cash equity compensation expense, (iii) incentive management fees, (iv) depreciation and amortization, (v) unrealized gains (losses), and (vi) certain non-cash items. Core Earnings may also be adjusted from time to time to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by our Manager, subject to approval by a majority of our independent directors.

We believe that Core Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with GAAP. This adjusted measure 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 origination portfolio and operations. We also use Core Earnings to calculate the incentive and base management fees due to our Manager under our management agreement and, as such, we believe that the disclosure of Core Earnings is useful to our investors.

Core Earnings does not represent net income or cash generated from operating activities and should not be considered as an alternative to GAAP net income, or an indication of our cash flow from GAAP operating activities, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Core Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and accordingly, our reported Core Earnings may not be comparable to the Core Earnings reported by other companies.

The following table provides a reconciliation of Core Earnings to GAAP net income ($ in thousands, except per share data):

	Three Months Ended	
	June 30, 2014	March 31, 2014
Net income [1]	$ 33,466	$ 13,065
CT Legacy Portfolio segment net (income) loss	(15,508)	970
Amortization of discount on convertible notes	397	391
Unrealized (gain) loss on foreign currency remeasurement	(235)	32
Non-cash compensation expense	2,382	1,834
Core earnings	$ 20,502	$ 16,292
Weighted-average shares outstanding, basic and diluted	47,977,813	37,967,365
Core earnings per share, basic and diluted	$ 0.43	$ 0.43

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

Book Value Per Share

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

	June 30, 2014	March 31, 2014
Stockholders' equity	$ 1,239,308	$ 970,083
Shares		
Class A common stock	47,935,370	38,655,080
Restricted class A common stock	544,133	621,571
Stock units	108,391	106,188
	48,587,894	39,382,839
Book value per share	$ 25.51	$ 24.63

On a consolidated basis, our book value per share as of June 30, 2014 increased by $0.88 from March 31, 2014. The increase was due to the issuance of 9,200,000 shares of class A common stock in a public offering at a price to the underwriters of $27.72 per share, partially offset by the excess of dividends declared over GAAP net income during the quarter. The following table allocates book value per share between our two reportable segments ($ in thousands, except per share data):

	June 30, 2014		
	Loan Origination	CT Legacy Portfolio	Total
Stockholders' equity	$ 1,203,003	$ 36,305	$ 1,239,308
Shares			
Class A common stock	47,935,370	47,935,370	47,935,370
Restricted class A common stock	544,133	544,133	544,133
Stock units	108,391	108,391	108,391
	48,587,894	48,587,894	48,587,894
Book value per share	$ 24.76	$ 0.75	$ 25.51

II. Loan Origination Portfolio

The Loan Origination segment includes our activities associated with the origination and acquisition of mortgage loans, the capitalization of our loan portfolio, and the costs associated with operating our business generally. During the quarter ended June 30, 2014, our Loan Origination segment originated $1.1 billion of new loan commitments, funded $1.0 billion under new and existing loans, and generated interest income of $41.4 million. These loan originations were primarily financed by $541.9 million of proceeds from loans sales and principal collections, $254.8 million of net proceeds from the sale of our class A common stock, and $246.3 million of additional net borrowings under our repurchase facilities. We incurred interest expense of $15.5 million during the quarter, which resulted in $25.9 million of net interest income during the quarter.

Portfolio Overview

The following table details our loan originations activity during the quarter ended June 30, 2014 ($ in thousands):

	Loans Originated	Loan Commitments [2]	Loan Fundings [3]
Senior loans [1]	11	$ 1,097,542	$1,000,694
Subordinate loans	—	—	48
Total	11	$ 1,097,542	$1,000,742

(1) Includes senior mortgages and similar credit quality loans, including related contiguous subordinate loans, note financings of senior mortgage loans, and pari passu participations in senior mortgage loans.
(2) Includes new originations and additional commitments made under existing loan agreements.
(3) Includes additional fundings of $36.9 million under existing loan commitments.

As of June 30, 2014, the majority of loans in the Loan Origination segment were senior mortgage loans or investments that are not structured as mortgages, but have risk exposure substantially similar to senior mortgage loans.

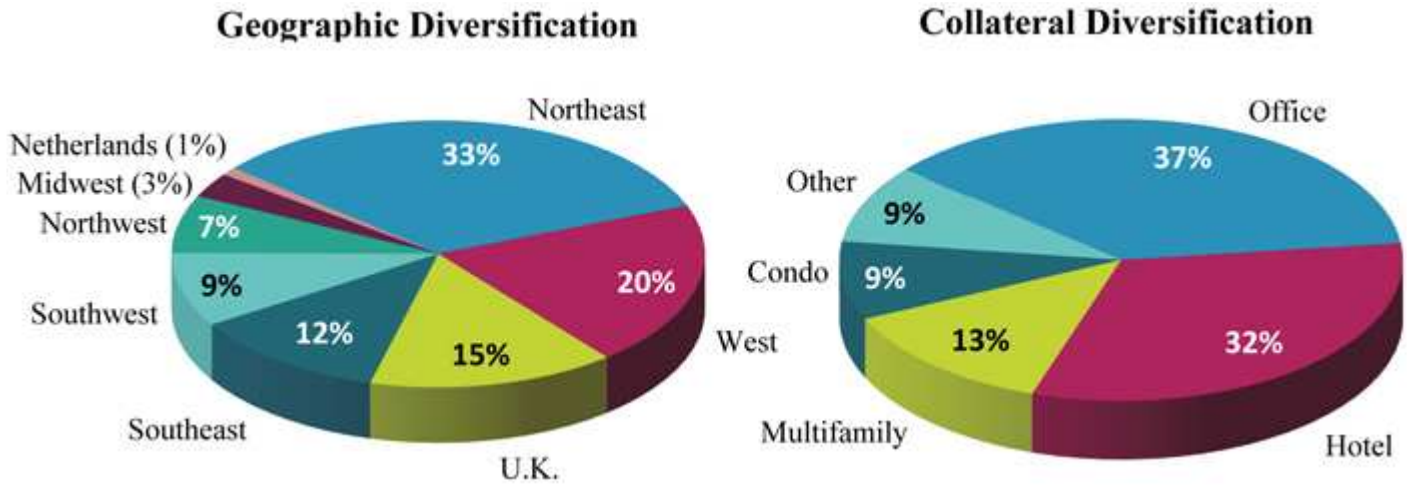
The following table details overall statistics for our loans receivable portfolio within the Loan Origination segment ($ in thousands):

	June 30, 2014
Number of loans	48
Principal balance	$3,514,032
Net book value	$3,488,179
Weighted-average cash coupon (1)	L+4.46%
Weighted-average all-in yield (1)	L+5.02%
Weighted-average maximum maturity (years) (2)	4.1

(1) As of June 30, 2014, 83% of our loans are indexed to one-month LIBOR and 17% are indexed to three-month LIBOR. In addition, 18% of our loans currently earn interest based on LIBOR floors, with an average floor of 0.31%, as of June 30, 2014. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of exit fees.

(2) Maximum maturity assumes all extension options are exercised, however our loans may be repaid prior to such date. As of June 30, 2014, 89% of our loans are subject to yield maintenance, lock-out provisions, or other prepayment restrictions and 11% are open to repayment by the borrower.

The charts below detail the geographic distribution and types of properties securing these loans, as of June 30, 2014 (net book value, % of total):



Refer to section V of this Management's Discussion and Analysis of Financial Condition and Results of Operations for details of our loan portfolio, on a loan-by-loan basis.

Asset Management and Performance

We actively manage the investments in our Loan Origination portfolio and exercise the rights afforded to us as a lender, including collateral level budget approvals, lease approvals, loan covenant enforcement, escrow/reserve management/collection, collateral release approvals and other rights that we may negotiate.

As discussed in Note 2 to our consolidated financial statements, our Manager performs a quarterly review of our loan portfolio, assesses the performance of each loan, and assigns it a risk rating between "1" (less risk) to "8" (greater risk). Loans that pose a higher risk of non-performance and/or loss are placed on our watch list. Watch list loans are those with an internal risk rating of "4" or higher.

As of June 30, 2014, all of the investments in the Loan Origination segment are performing as expected and the weighted-average risk rating of our loan portfolio was 2.8. As of December 31, 2013, the weighted-average risk rating of our loan portfolio was 2.8.

Repurchase Facilities and Loan Participations

During the three months ended June 30, 2014, we entered into one revolving repurchase facility and one asset-specific repurchase agreement, providing an aggregate of $694.4 million of credit capacity.

The following table details our repurchase borrowings outstanding ($ in thousands):

	June 30, 2014					Dec. 31, 2013
	Maximum	Collateral	Repurchase Borrowings [3]			Borrowings
Lender	Facility Size [1]	Assets [2]	Potential	Outstanding	Available	Outstanding
Revolving Repurchase Facilities						
Bank of America	$ 500,000	$ 517,280	$ 406,653	$ 387,653	$ 19,000	$ 271,320
Citibank	500,000	611,459	461,556	351,245	110,311	334,692
JP Morgan [4]	510,697	467,722	354,776	293,600	61,176	257,610
Wells Fargo	500,000	301,083	231,600	190,125	41,475	—
Morgan Stanley [5]	425,875	169,804	135,765	135,765	—	—
MetLife	500,000	214,524	165,369	165,369	—	—
Subtotal	2,936,572	2,281,872	1,755,719	1,523,757	231,962	863,622
Asset-Specific Repurchase Agreements						
Wells Fargo [6]	148,110	155,184	120,485	120,485	—	245,731
Goldman Sachs	194,400	169,260	135,408	135,408	—	—
Total	**$ 3,279,082**	**$2,606,316**	**$2,011,612**	**$1,779,650**	**$231,962**	**$1,109,353**

(1) Maximum facility size represents the total amount of borrowings provided for in each repurchase agreement, however these borrowings are only available to us once sufficient collateral assets have been pledged under each facility.
(2) Represents the principal balance of the collateral assets.
(3) Potential borrowings represent the total amount we could draw under each facility based on collateral already approved and pledged. When undrawn, these amounts are immediately available to us at our sole discretion under the terms of each revolving credit facility.
(4) The JP Morgan maximum facility size is composed of a $250.0 million facility and a £153.0 million ($260.7 million) facility.
(5) The Morgan Stanley maximum facility size represents a £250.0 million ($425.9 million) facility.
(6) Represents an aggregate of two asset-specific repurchase agreements with Wells Fargo.

As of June 30, 2014, we had aggregate borrowings of $1.5 billion outstanding under our revolving repurchase facilities, with a weighted-average cash coupon of LIBOR plus 1.95% per annum and a weighted-average all-in cost of credit, including associated fees and expenses, of LIBOR plus 2.19% per annum. As of June 30, 2014, outstanding borrowings under these facilities had a weighted-average maturity, excluding extension options and term-out provisions, of 2.3 years. As of June 30, 2014, we also had three asset-specific repurchase agreements outstanding with an aggregate book balance of $255.9 million, a cash coupon of 2.60%, and an all-in cost of 2.96%, as well as three loan participations sold outstanding with an aggregate book balance of $461.1 million, a cash coupon of LIBOR plus 2.99%, and an all-in cost of LIBOR plus 3.21%. Refer to Notes 6 and 7 to our consolidated financial statements for additional terms and details of our repurchase facilities and participations sold, including certain financial covenants.

Floating Rate Portfolio

Our Loan Origination portfolio as of June 30, 2014 was comprised of floating rate loans financed by floating rate secured debt, which results in a return on equity that is correlated to LIBOR. Generally, our business model is such that rising interest rates will increase our net income, while declining interest rates will decrease net income. For instance, all other things being equal, as of June 30, 2014, a 100 basis point increase in LIBOR would have increased our net income by $11.8 million per annum, or $0.25 per share.

The following table details our Loan Origination segment's sensitivity to interest rates ($ in thousands):

	June 30, 2014
Floating rate loans [1]	$ 3,514,032
Floating rate debt [1][2]	(2,240,728)
Net floating rate exposure	$ 1,273,304
Net income impact from 100 bps increase in LIBOR [3]	$ 11,806
Per share amount, basic and diluted	$ 0.25

(1) Our floating rate loans and debt are indexed to LIBOR as of June 30, 2014.
(2) Includes borrowings under repurchase facilities and loan participations sold.
(3) Annualized net income includes the impact of LIBOR floors for our loan receivable investments where such floors are paying relative to LIBOR of 0.16% as of June 30, 2014.

Convertible Notes

In November 2013, we issued $172.5 million aggregate principal amount of 5.25% convertible senior notes due on December 1, 2018, or the Convertible Notes. The Convertible Notes issuance costs, including underwriter discounts, are amortized through interest expense over the life of the Convertible Notes using the effective interest method. Including this amortization, our all-in cash cost of the Convertible Notes is 5.87%.

Refer to Notes 2 and 6 to our consolidated financial statements for additional discussion of our Convertible Notes.

III. CT Legacy Portfolio

Our CT Legacy Portfolio consists of: (i) our interests in CT Legacy Partners; (ii) our carried interest in CTOPI, a private investment fund that was previously under our management and is now managed by an affiliate of our Manager; and (iii) our subordinate interests in CT CDO I, a consolidated securitization vehicle.

During the three months ended June 30, 2014, our CT Legacy Portfolio segment recorded net income of $15.5 million driven primarily by promote revenue from our carried interest in CTOPI and net unrealized gains on investments carried at fair value in CT Legacy Partners.

CT Legacy Partners

Portfolio Overview

Our investment in CT Legacy Partners represents our 52% equity interest in a vehicle we formed to own and finance certain assets that we retained in connection with a comprehensive debt restructuring in 2011. As of June 30, 2014, the CT Legacy Partners portfolio consisted of cash, loans, securities, and other assets.

The following table details the components of our gross investment in CT Legacy Partners included in our consolidated balance sheet, as well as our net investment in CT Legacy Partners after future payments under the management incentive awards plan as of June 30, 2014 ($ in thousands):

	June 30, 2014
Restricted cash	$ 11,392
Accrued interest receivable, prepaid expenses, and other assets	62,015
Accounts payable, accrued expenses and other liabilities	(271)
Non-controlling interests	(42,717)
	$ 30,419
Management incentive awards plan, fully vested [1]	(4,295)
Net investment in CT Legacy Partners	$ 26,124

(1) Assumes full payment of the management incentive awards plan, as described below, based on the hypothetical GAAP liquidation value of CT Legacy Partners as of June 30, 2014. We periodically accrue a payable for the management incentive awards plan based on the vesting schedule for the awards and continued employment with an affiliate of our Manager of the award recipients. As of June 30, 2014, our balance sheet includes $3.4 million in accounts payable and accrued expenses for the management incentive awards plan. Refer to Note 9 to our consolidated financial statements for further details.

CT Legacy Partners Background

CT Legacy Partners is a subsidiary that holds certain of our legacy assets and is beneficially owned 52% by us and 48% by other third-party investors. In addition to its common equity, CT Legacy Partners has also issued class B common shares, a subordinate class of equity which entitles its holders to receive approximately 25% of the dividends that would otherwise be payable to us on our equity interest in CT Legacy Partners. Further, CT Legacy Partners has issued class A preferred shares which entitle their holder, an affiliate of our Manager, to cumulative preferred distributions in an amount generally equal to the greater of (i) 2.5% of certain of CT Legacy Partners' assets, and (ii) $1.0 million per annum.

Carried Interest in CTOPI

CTOPI is a private equity real estate fund that we sponsored and formed in 2007. The fund invested $491.6 million in 39 transactions between 2007 and the end of its investment period in 2012. To date, $452.3 million of these investments have been realized and $39.3 million remain outstanding (carried at their estimated fair value of $64.2 million or 1.6x cost) as of June 30, 2014. In 2012, we transferred our management of CTOPI and sold our 4.6% co-investment to Blackstone. However, we retained our carried interest in CTOPI following the sale.

Our carried interest in CTOPI entitles us to earn promote revenue in an amount equal to 17.7% of the fund's profits, after a 9% preferred return and 100% return of capital to the CTOPI partners. We own a net 55% of the carried interest of CTOPI's general partner; the remaining 45% is payable under previously issued incentive awards.

During the three months ended June 30, 2014, CTOPI returned all capital to its limited partners and made a $14.1 million promote distribution to us. In addition, the return of investor capital by CTOPI eliminated the remaining contingencies related to our recognition of $10.2 million of prior tax advance distributions, resulting in total promote revenue recognized of $24.3 million.

As of June 30, 2014, we had been allocated $7.7 million of promote revenue from CTOPI based on a hypothetical liquidation of the fund at its net asset value, and after payment of the related incentive awards. We have elected to defer the recognition of income on our carried interest in CTOPI until cash is collected or appropriate contingencies have been eliminated. As a result, our net investment in the CTOPI carried interest had a book value of zero as of June 30, 2014.

Refer to Note 5 of our consolidated financial statements for additional discussion of the CTOPI incentive management fee awards to our former employees.

CT CDO I

As of June 30, 2014, our consolidated balance sheet included an aggregate $28.9 million of assets and $19.6 million of liabilities related to CT CDO I, a highly-levered securitization vehicle that we formed in 2004.

Specifically, we own the subordinate debt and equity positions of CT CDO I. As a result of consolidation, our subordinate debt and equity ownership interests in CT CDO I are not included on our balance sheet, which instead reflects both the assets held and debt issued by CT CDO I to third parties. Similarly, our operating results and cash flows include the gross amounts related to the assets and liabilities of CT CDO I, as opposed to our net economic interests in this entity.

Our economic interest in the loans receivable assets held by CT CDO I, which is consolidated on our balance sheet, is restricted by the structural provisions of CT CDO I, and our recovery of these assets will be limited by its distribution provisions. The liabilities of CT CDO I, which are also consolidated on our balance sheet, are non-recourse to us, and can only be satisfied by proceeds from its collateral asset pool. We are not obligated to provide, nor have we provided, any financial support to CT CDO I.

IV. Our Results of Operations and Liquidity

Results of Operations

The following table sets forth information regarding our consolidated results of operations and certain key operating metrics for the three months ended June 30, 2014 and 2013 ($ in thousands, except per share data):

	2014	2013	$	%
Income from loans and other investments				
Interest and related income	$42,466	$ 6,017	$36,449	605.8%
Less: Interest and related expenses	15,720	1,306	14,414	N/M
Income from loans and other investments, net	26,746	4,711	22,035	467.7%
Other expenses				
Management fees	4,410	920	3,490	379.3%
General and administrative expenses	15,356	2,507	12,849	512.5%
Total other expenses	19,766	3,427	16,339	476.8%
Income from equity investments in unconsolidated subsidiaries	24,294	—	24,294	100.0%
Impairments, provisions, and valuation adjustments	7,163	6,038	1,125	18.6%
Income before provision for taxes	38,437	7,322	31,115	425.0%
Income tax (benefit) provision	(2)	554	(556)	N/M
Net income	$38,439	$ 6,768	$31,671	468.0%
Net income attributable to non-controlling interests	(4,973)	(4,020)	(953)	23.7%
Net income attributable to Blackstone Mortgage Trust, Inc.	$33,466	$ 2,748	$30,718	N/M
Net income per share - basic and diluted	$ 0.70	$ 0.22	$ 0.48	218.2%
Dividends per share	$ 0.48	$ —	$ 0.48	100.0%

Income from loans and other investments, net

Income from loans and other investments, net was $26.7 million for the three months ended June 30, 2014, representing an increase of $22.0 million compared to the three months ended June 30, 2013. This increase is a result of the re-launch of our originations business in May 2013.

Other expenses

Other expenses include management fees paid to our Manager and general and administrative expenses. Other expenses increased by $16.3 million during the three months ended June 30, 2014 compared to the three months ended June 30, 2013 primarily due to (i) an increase of $11.1 million of compensation expenses associated with our CT Legacy Portfolio segment incentive plans, primarily as a result of payments triggered by CTOPI promote distributions received, (ii) an increase of $3.5 million of management fees payable to our Manager, primarily driven by an increase to our outstanding Equity balance, as defined in the management agreement, as a result of additional net proceeds received from the sale of shares of our class A common stock, and (iii) $2.3 million of non-cash restricted stock amortization related to shares awarded under our long-term incentive plans, which awards were issued during the three months ended December 31, 2013. This was offset by a $499,000 reduction of professional fees, operating costs, and other expenses which were incurred as a result of the re-launch of our business in May 2013.

Income from equity investments in unconsolidated subsidiaries

During the three months ended June 30, 2014, we recognized $24.3 million of promote revenue from CTOPI. No such income was recognized during the three months ended June 30, 2013.

Impairments, provisions, and valuation adjustments

During the three months ended June 30, 2014, we recognized $7.2 million of net unrealized gains on investments carried at fair value by CT Legacy Partners. During the three months ended June 30, 2013, we recognized (i) $4.0 million of net unrealized gains on investments held by CT Legacy Partners and (ii) a $2.0 million positive valuation adjustment on CT CDO I's loan classified as held-for-sale.

Dividends per share

During the three months ended June 30, 2014, we declared a dividend of $0.48 per share, or $23.3 million, which was paid on July 15, 2014 to common stockholders of record as of June 30, 2014. We did not declare any dividends during the three months ended June 30, 2013.

The following table sets forth information regarding our consolidated results of operations and certain key operating metrics for the six months ended June 30, 2014 and 2013 ($ in thousands, except per share data):

	2014	2013	$	%
Income from loans and other investments				
Interest and related income	$76,122	$ 7,473	$68,649	918.6%
Less: Interest and related expenses	27,794	2,083	25,711	N/M
Income from loans and other investments, net	48,328	5,390	42,938	796.6%
Other expenses				
Management fees	7,807	983	6,824	694.2%
General and administrative expenses	18,554	4,482	14,072	314.0%
Total other expenses	26,361	5,465	20,896	382.4%
Income from equity investments in unconsolidated subsidiaries	24,294	—	24,294	100.0%
Impairments, provisions, and valuation adjustments	5,824	5,838	(14)	(0.2)%
Income before provision for taxes	52,085	5,763	46,322	803.8%
Income tax provision	530	593	(63)	(10.6)%
Net income	$51,555	$ 5,170	$46,385	897.2%
Net income attributable to non-controlling interests	(5,024)	(5,537)	513	(9.3)%
Net income (loss) attributable to Blackstone Mortgage Trust, Inc.	$46,531	$ (367)	$46,898	N/M
Net income (loss) per share - basic and diluted	$ 1.08	$ (0.05)	$ 1.13	N/M
Dividends per share	$ 0.96	$ —	$ 0.96	100.0%

Income from loans and other investments, net

Income from loans and other investments, net was $48.3 million for the six months ended June 30, 2014, representing an increase of $42.9 million compared to the six months ended June 30, 2013. This increase is a result of the re-launch of our originations business in May 2013.

Other expenses

Other expenses includes management fees paid to our Manager and general and administrative expenses. Other expenses increased by $20.9 million during the six months ended June 30, 2014 compared to the six months ended June 30, 2013 primarily due to (i) a $10.2 million increase in compensation expenses associated with our CT Legacy Portfolio segment incentive plans, primarily as a result of payments triggered by CTOPI promote distributions received, (ii) an increase of $6.8 million of management fees payable to our Manager, primarily driven by an increase to our outstanding Equity balance, as defined in the management agreement, as a result of additional net proceeds received from the sale of shares of our class A common stock, and (iii) $4.0 million of non-cash restricted stock amortization related to shares awarded under our long-term incentive plans, which awards were issued during the three months ended December 31, 2013. This was offset by a $190,000 reduction of professional fees, operating costs, and other expenses which were incurred in the prior year as a result of the re-launch of our business in May 2013.

Income from equity investments in unconsolidated subsidiaries

During the six months ended June 30, 2014, we recognized $24.3 million of promote revenue from CTOPI. No such income was recognized during the six months ended June 30, 2013.

Impairments, provisions, and valuation adjustments

During the six months ended June 30, 2014, we recognized $5.8 million of net unrealized gains on investments owned by CT Legacy Partners. During the six months ended June 30, 2013, we recognized (i) $4.0 million of net unrealized gains on investments held by CT Legacy Partners and (ii) a $1.8 million positive valuation adjustment on CT CDO I's loan classified as held-for-sale.

Dividends per share

During the six months ended June 30, 2014, we declared dividends of $0.96 per share, or $42.1 million. We did not declare any dividends during the six months ended June 30, 2013.

Liquidity and Capital Resources

Capitalization

On January 14, 2014, we issued 9,775,000 shares of class A common stock in a public offering at a price to the underwriters of $26.25 per share. We generated net proceeds from the issuance of $256.1 million after underwriting discounts and other offering expenses. On April 7, 2014, we issued 9,200,000 shares of class A common stock in a public offering at a price to the underwriters of $27.72 per share. We generated net proceeds from the issuance of $254.8 million after underwriting discounts and other offering expenses.

During the six months ended 2014, we entered into three revolving repurchase facilities and one asset-specific repurchase agreement, providing an additional $1.6 billion of credit capacity. As of June 30, 2014, we had aggregate borrowings of $1.5 billion outstanding under our revolving repurchase facilities with a weighted-average cash coupon of LIBOR plus 1.95% per annum, a weighted-average all-in cost of credit, including associated fees and expenses, of LIBOR plus 2.19% per annum, and a weighted-average initial maturity, excluding extension options and term-out provisions, of 2.3 years. We also had three asset-specific repurchase agreements outstanding with an aggregate book balance of $255.9 million, a cash coupon of 2.60%, and an all-in cost of 2.96%, as well as three loan participations sold outstanding with an aggregate book balance of $461.1 million, a cash coupon of LIBOR plus 2.99%, and an all-in cost of LIBOR plus 3.21%.

As of June 30, 2014, we also had $172.5 million aggregate principal amount of convertible notes outstanding with a net book value of $160.7 million, which carry a cash coupon of LIBOR plus 5.25% and an all-in cost of 5.87%. These notes mature in December 2018.

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents and available borrowings under our repurchase facilities, which are set forth in the following table ($ in thousands):

	June 30, 2014	December 31, 2013
Cash and cash equivalents	$ 120,456	$ 52,342
Available borrowings under repurchase facilities	231,962	218,555
	$ 352,418	$ 270,897

See Note 6 to our consolidated financial statements for additional terms and details of our repurchase facilities.

In addition to our current sources of liquidity, we have access to liquidity through public offerings of debt and equity securities. To facilitate such offerings, in July 2013, we filed a shelf registration statement with the SEC that is effective for a term of three years and will expire in July 2016. The amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit on the amount of securities we may issue. In addition, we adopted a dividend reinvestment and direct stock purchase plan, under which we registered and reserved for issuance, in the aggregate, 10,000,000 shares of class A common stock, and entered into equity distribution agreements pursuant to which we may sell, from time to time, up to an aggregate sales price of $200.0 million of our class A common stock.

Liquidity Needs

In addition to our ongoing loan origination activity, our primary liquidity needs include interest and principal payments under our $2.4 billion of outstanding repurchase obligations, convertible notes, and participation agreements, our $407.3 million of unfunded loan commitments, dividend distributions to our stockholders, and operating expenses.

We have no obligations to provide financial support to CT Legacy Partners, CTOPI, or CT CDO I, and all debt obligations of these entities, some of which are consolidated onto our financial statements, are non-recourse to us.

We are also required to pay our Manager a base management fee, an incentive fee, and reimbursements for certain expenses pursuant to our management agreement. Refer to Note 9 to our consolidated financial statements for additional terms and details of the fees payable under our management agreement.

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

Cash Flows

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

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities	$ 34,009	$ 4,383
Cash flows from investing activities	(1,448,638)	(663,250)
Cash flows from financing activities	1,482,743	703,191
Net increase in cash and cash equivalents	$ 68,114	$ 44,324

We experienced a net increase in cash of $68.1 million for the six months ended June 30, 2014, compared to a net increase of $44.3 million for the six months ended June 30, 2013. The increase was primarily due to the receipt of cash interest on loans in our Loan Origination segment and other operating activities.

During the six months ended June 30, 2014, we (i) had net borrowings of $667.6 million under our repurchase facilities, (ii) generated $510.8 million of net proceeds from the sale of our class A common stock, and (iii) received $271.9 million of loan principal repayments. We used the proceeds from our debt and equity financing activities to originate a net $1.7 billion of new loans during the six months June 30, 2014.

Our consolidated statements of cash flows also include the cash inflows and outflows of consolidated securitization vehicles. While this does not impact our net cash flow, it does increase certain gross cash flow disclosures. As discussed above, other than to the extent we receive cash distributions from the entities in our CT Legacy Portfolio, we generally do not have access to their liquidity.

Income Taxes

We elected to be taxed as a REIT, effective January 1, 2003, under the Internal Revenue Code for U.S. federal income tax purposes. We generally must distribute annually at least 90% of our net taxable income, subject to certain adjustments and excluding any net capital gain, in order for U.S. federal income tax not to apply to our earnings that we distribute. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our net taxable income, we will be subject to U.S. federal income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership, and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state and local income tax on our taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of June 30, 2014 and December 31, 2013, we were in compliance with all REIT requirements.

During the six months ended June 30, 2014, we recorded a current income tax provision of $530,000 comprised of (i) $342,000 related to activities of our taxable REIT subsidiaries, (ii) a $124,000 provision reflecting our estimated risk of loss related to an uncertain tax position taken during the period, and (iii) $64,000 related to other items. During the six months ended June 30, 2013, we recorded a current income tax provision of $593,000 comprised of (i) $554,000 related to activities of our taxable REIT subsidiaries and (ii) $39,000 related to other items. We did not have any deferred tax assets or liabilities as of June 30, 2014 or December 31, 2013.

As a result of our issuance of 25,875,000 shares of class A common stock in May 2013, the availability of our net operating losses, or NOLs, and net capital losses, or NCLs, is generally limited to $2.0 million per annum by change of control provisions promulgated by the Internal Revenue Service with respect to the ownership of Blackstone Mortgage Trust. As of December 31, 2013, we had NOLs of $161.5 million and NCLs of $39.2 million available to be carried forward and utilized in current or future periods. If we are unable to utilize our NOLs, they will expire in 2029. If we are unable to utilize our NCLs, $7.0 million will expire in 2014, $31.4 million will expire in 2015, and $782,000 will expire in 2016 or later.

As of June 30, 2014, our tax years 2010 through 2013 remain subject to examination by taxing authorities.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires our Manager to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Actual results could differ from these estimates. There have been no material changes to our Critical Accounting Policies described in our annual report on Form 10-K filed with the Securities and Exchange Commission on February 18, 2014.

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V. Loan Portfolio Details

The following table provides details of the Loan Origination segment's portfolio, on a loan-by-loan basis, as of June 30, 2014 ($ in millions):

	Loan Type [1]	Principal Balance	Book Balance	Cash Coupon [2]	All-in Yield [2]	Maximum Maturity [3]	Geographic Location	Property Type	Origination LTV	Risk Rating as of June 30, 2014	Risk Rating as of December 31, 2013
1	Senior loan	$ 338.0	$335.7	L + 4.00%	L + 4.34%	5/22/2019	UK	Hotel	57%	3	N/A
2	Senior loan	181.0	179.5	L + 4.50%	L + 4.86%	11/9/2018	NY	Condo	68%	3	3
3	Sub. mortgage part.	173.8	169.0	L + 5.66%	L + 9.25%	4/9/2015	WA	Office	67%	3	3
4	Senior loan	140.0	139.0	L + 4.75%	L + 5.27%	1/9/2019	NY	Office	70%	3	3
5	Senior loan	125.0	124.4	L + 4.30%	L + 4.63%	12/1/2017	NY	Hotel	38%	3	N/A
6	Senior loan	114.6	113.2	L + 5.75%	L + 6.39%	6/20/2016	CA	Hotel	43%	3	N/A
7	Senior loan	105.9	105.6	L + 3.80%	L + 3.97%	6/15/2018	CA	Office	43%	1	2
8	Senior loan	101.0	99.6	L + 4.40%	L + 4.81%	3/9/2019	Diversified	Hotel	49%	3	N/A
9	Senior loan	95.7	95.2	L + 4.40%	L + 4.58%	3/9/2019	NY	Office	69%	3	N/A
10	Senior loan	95.2	94.7	L + 4.38%	L + 4.61%	11/9/2018	CA	Hotel	72%	2	2
11	Senior loan	91.0	89.6	L + 4.75%	L + 5.43%	1/7/2019	Diversified	Other	65%	3	N/A
12	Senior loan	89.5	89.4	L + 3.70%	L + 3.83%	9/30/2020	NY	Multifamily	62%	3	3
13	Senior loan	87.0	86.1	L + 4.30%	L + 4.83%	7/15/2019	NY	Multifamily	79%	3	N/A
14	Senior loan	85.5	85.1	L + 4.25%	L + 4.64%	8/10/2018	Diversified	Diversified	59%	3	3
15	Senior loan	83.3	83.8	L + 4.00%	L + 4.63%	3/4/2018	UK	Office	50%	3	N/A
16	Senior loan	80.0	79.2	L + 4.00%	L + 4.54%	6/9/2019	DC	Office	79%	3	N/A
17	Senior loan	79.7	79.5	L + 4.75%	L + 4.93%	12/28/2016	NY	Condo	68%	3	N/A
18	Senior loan	78.2	77.6	L + 5.00%	L + 5.38%	9/14/2018	Diversified	Other	64%	3	3
19	Senior loan	77.6	77.0	L + 3.85%	L + 4.15%	6/9/2019	FL	Office	74%	3	N/A
20	Senior loan	77.4	77.1	L + 3.85%	L + 4.03%	7/9/2018	GA	Multifamily	74%	3	3
21	Senior loan	73.5	73.4	L + 3.95%	L + 3.89%	6/9/2018	CA	Office	73%	1	2
22	Senior loan	68.0	67.9	L + 4.00%	L + 4.23%	6/10/2016	NY	Office	68%	3	3
23	Senior loan	60.5	60.0	L + 4.35%	L + 4.71%	1/9/2019	NY	Office	70%	3	N/A
24	Senior loan	59.0	58.6	L + 3.85%	L + 4.24%	10/10/2018	Diversified	Multifamily	76%	3	3
25	Senior loan	55.3	54.7	L + 4.50%	L + 4.92%	4/9/2019	NY	Multifamily	65%	3	N/A
26	Senior loan	52.3	51.5	L + 4.50%	L + 5.05%	6/15/2019	CA	Office	67%	3	N/A
27	Senior loan	50.0	49.6	L + 4.20%	L + 4.73%	4/9/2019	HI	Hotel	69%	3	N/A
28	Senior loan	49.2	48.8	L + 5.00%	L + 5.90%	8/9/2018	VA	Office	74%	3	3
29	Senior loan	48.5	48.9	L + 4.50%	L + 4.86%	6/5/2019	UK	Retail	80%	3	N/A
30	Senior loan	48.4	48.7	L + 5.00%	L + 5.68%	12/9/2016	IL	Hotel	53%	3	3

continued…

	Loan Type [1]	Principal Balance	Book Balance	Cash Coupon [2]	All-in Yield [2]	Maximum Maturity [3]	Geographic Location	Property Type	Origination LTV	Risk Rating as of June 30, 2014	Risk Rating as of December 31, 2013
31	Senior loan	46.3	46.0	L + 4.25%	L + 4.64%	7/10/2018	CO	Hotel	69%	3	3
32	Senior loan	46.0	45.7	L + 4.25%	L + 4.78%	10/9/2018	CA	Hotel	51%	3	3
33	Senior loan	45.5	45.1	L + 3.85%	L + 4.26%	9/10/2018	Diversified	Multifamily	76%	3	3
34	Senior loan	44.3	43.8	L + 4.50%	L + 4.94%	1/9/2019	AZ	Office	68^%	3	3
35	Senior loan	43.5	43.2	L + 4.50%	L + 5.11%	7/16/2017	NY	Retail	69%	3	3
36	Senior loan	40.0	38.4	L + 4.00%	L + 6.14%	6/30/2018	CA	Office	71%	3	N/A
37	Senior loan	39.1	38.7	L + 4.30%	L + 4.70%	4/9/2019	CA	Office	69%	3	N/A
38	Senior loan	39.1	40.4	L + 4.63%	L + 5.43%	11/27/2018	UK	Office	71%	3	3
39	Senior loan	37.9	37.6	L + 4.00%	L + 4.46%	7/20/2019	NL	Office	69%	3	N/A
40	Senior loan	37.5	37.2	L + 3.85%	L + 4.04%	8/9/2018	IL	Office	68%	2	2
41	Mezzanine loan [4]	33.6	33.8	L + 12.56%	L + 12.35%	12/13/2017	NY	Condo	78%	3	3
42	Senior loan	32.9	33.0	L + 3.95%	L + 4.20%	8/9/2017	CO	Hotel	64%	2	2
43	Senior loan	31.0	30.6	L + 4.10%	L + 4.64%	1/9/2019	CA	Office	43%	3	3
44	Senior loan	28.0	27.8	L + 4.35%	L + 4.71%	12/9/2018	CA	Hotel	55%	2	3
45	Senior loan	25.2	25.0	L + 5.00%	L + 5.29%	11/6/2016	NY	Condo	45%	3	3
46	Senior loan	27.1	27.1	L + 3.87%	L + 3.87%	7/9/2017	NY	Hotel	32%	2	1
47	Senior loan	26.9	26.6	L + 4.25%	L + 4.66%	4/9/2019	CA	Office	65%	3	N/A
48	Senior loan	26.0	25.8	L + 4.00%	L + 4.27%	3/9/2019	AZ	Other	69%	2	N/A
		$3,514.0	$3,488.2	L + 4.46%	L + 5.02%	4.1 years			63%	2.8	2.8

(1) Includes senior mortgages and similar credit quality loans, including related contiguous subordinate loans, note financings of senior mortgage loans, and pari passu participations in senior mortgage loans.

(2) As of June 30, 2014, 83% of our loans are indexed to one-month LIBOR and 17% are indexed to three-month LIBOR. In addition, 18% of our loans currently earn interest based on LIBOR floors, with an average floor of 0.31%, as of June 30, 2014. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of exit fees.

(3) Maximum maturity assumes all extension options are exercised, however our loans may be repaid prior to such date.

(4) We originated the loan directly senior to this subordinate loan, but sold the senior loan to finance our overall investment.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our business is exposed to the risks related to interest rate fluctuations. We generally originate floating rate assets and finance those assets with index-matched floating rate liabilities. As a result, we significantly reduce our exposure to changes in portfolio value and cash flow variability related to changes in interest rates.

Loan Origination Portfolio segment

Our Loan Origination investments are exposed to the risks related to interest rate fluctuations discussed above. The table below details our interest rate exposure to this portfolio ($ in thousands):

	June 30, 2014
Floating rate loans [1]	$ 3,514,032
Floating rate debt [1][2]	(2,240,728)
Net floating rate exposure	$ 1,273,304
Net income impact from 100 bps increase in LIBOR [3]	$ 11,806
Per share amount, basic and diluted	$ 0.25

(1) Amounts represent aggregate principal balances.
(2) Includes borrowings under repurchase facilities and loan participations sold.
(3) Annualized net income includes the impact of LIBOR floors for our loan receivable investments where such floors are paying relative to LIBOR of 0.16% as of June 30, 2014.

CT Legacy Portfolio segment

Our investments in CT Legacy Partners and CT CDO I are also exposed to the risks related to interest rate fluctuations discussed above, however as liquidating portfolios these investments are more sensitive to credit risk than interest rate risk.

Although our carried interest investment in CTOPI generally relates to a portfolio of interest earning assets, our economic interest in this portfolio relates primarily to the realization of investments purchased at a discount by CTOPI. Accordingly, our investment in this portfolio is not exposed to a significant degree of interest rate risk. Refer to Note 5 to our consolidated financial statements for additional discussion of CTOPI.

Risk of Non-Performance

In addition to the risks related to fluctuations in asset values and cash flows associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the additional debt service payments due from our borrowers may strain the operating cash flows of the collateral real estate assets and, potentially, contribute to non-performance or, in severe cases, default.

Credit Risks

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

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

Capital Market Risks

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

Counterparty Risk

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

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

Currency Risk

Our loans and investments that are denominated in a foreign currency are also subject to risks related to fluctuations in currency rates. We mitigate this exposure by matching the currency of our foreign currency assets to the currency of the borrowings that finance those assets. As a result, we substantially reduce our exposure to changes in portfolio value related to changes in foreign currency rates.

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

	June 30, 2014	
Foreign currency assets	£ 302,518	€ 28,098
Foreign currency liabilities	(238,621)	(22,419)
Net exposure to exchange rate fluctuations	£ 63,897	€ 5,679

We estimate that a 10% decline in the rate of exchange between the British pound sterling and the U.S. dollar and the Euro and the U.S. dollar would result in a decline of $10.9 million and $775,000, respectively, in our net assets denominated in foreign currencies, as of June 30, 2014.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), as of the end of the period covered by this quarterly report on Form 10-Q was made under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (a) are effective to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by Securities and Exchange Commission rules and forms and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

There have been no significant changes in our “internal control over financial reporting” (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during the period covered by this quarterly report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. As of June 30, 2014, we were not involved in any material legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, or ITRA, which added Section 13(r) of the Exchange Act, we hereby incorporate by reference herein Exhibit 99.1 of this report, which includes disclosures publicly filed and/or provided to Blackstone by Travelport Limited, which may be considered an affiliate of Blackstone and therefore our affiliate.

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ITEM 6. EXHIBITS

	10.1	Master Repurchase Agreement, dated as of April 25, 2014, between 643 Single Family Finco 2014, LLC and Goldman Sachs Bank USA
	10.2	Guaranty, dated as of April 25, 2014, made by Blackstone Mortgage Trust, Inc, in favor of Goldman Sachs Bank USA
	10.3	Master Repurchase Agreement, dated as of June 27, 2014, between Parlex 7 Finco, LLC and Metropolitan Life Insurance Company
	10.4	Guaranty, dated as of June 27, 2014, made by Blackstone Mortgage Trust, Inc, in favor of Metropolitan Life Insurance Company
	31.1	Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
	31.2	Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
+	32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
+	32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
	99.1	Section 13(r) Disclosure
	101.INS	XBRL Instance Document
	101.SCH	XBRL Taxonomy Extension Schema Document
	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

+ This exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

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

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SIGNATURES

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

BLACKSTONE MORTGAGE TRUST, INC.

July 29, 2014	/s/ Stephen D. Plavin
Date	Stephen D. Plavin Chief Executive Officer (Principal Executive Officer)
July 29, 2014	/s/ Paul D. Quinlan
Date	Paul D. Quinlan Chief Financial Officer (Principal Financial Officer)
July 29, 2014	/s/ Anthony F. Marone, Jr.
Date	Anthony F. Marone, Jr. Principal Accounting Officer

Exhibit 10.1

MASTER REPURCHASE AGREEMENT

between

GOLDMAN SACHS BANK USA,

as Buyer

and

643 SINGLE FAMILY FINCO 2014, LLC

as Seller

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EXHIBIT IV-1	Form of Power of Attorney to Buyer
EXHIBIT IV-2	Form of Power of Attorney to Seller
EXHIBIT V	Representations and Warranties Regarding the Purchased Loans
EXHIBIT VI	Form of Bailee Agreement

MASTER REPURCHASE AGREEMENT

This Master Repurchase Agreement (this " Agreement ") is dated as of April 25, 2014 and is made by and between Goldman Sachs Bank USA, as buyer (" Buyer ") and 643 Single Family Finco 2014, LLC, as seller (" Seller ").

1. APPLICABILITY

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

2. DEFINITIONS

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

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

" Accepted Servicing Practices " shall mean, with respect to any Purchased Loan, servicing practices in conformity with those accepted and prudent servicing practices in the industry for loans of the same type and in a manner at least equal in quality to the servicing the applicable servicer provides for assets that are similar to such Purchased Loan.

" Act of Insolvency " shall mean, with respect to any Person, (a) the filing of a decree or order for relief by a court having jurisdiction over such Person or any substantial part of its assets or property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property, or ordering the winding–up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) days, (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, (c) the consent by such Person to the entry of an order for relief in an involuntary case under any Insolvency Law, (d) the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its assets or property, (e) the making by such Person of any general assignment for the benefit of creditors, (f) the admission in a legal proceeding or otherwise in writing of the inability of such Person to pay its debts generally as they become due, (g) the failure of 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.

" Affiliate " shall mean, when used with respect to any specified Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, such Person.

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

" Agreement " shall have the meaning specified in the introductory paragraph of this Agreement.

" Alternative Rate " shall have the meaning specified in Section 3(k) of this Agreement.

" Alternative Rate Transaction " shall mean any Transaction with respect to which the Pricing Rate is determined with reference to the Alternative Rate.

" Applicable Standard of Discretion " shall mean (a) if the ratio of (x) the Asset Base of such Purchased Loan to (y) the value of the related Property, determined in Buyer's commercially reasonable discretion, is less than or equal to the LTV of such Purchased Loan as of the Purchase Date, Buyer's commercially reasonable discretion, and (b) if the ratio of (x) the Asset Base of such Purchased Loan to (y) the value of the related Property, determined in Buyer's commercially reasonable discretion, is greater than the LTV of such Purchased Loan as of the Purchase Date, Buyer's sole discretion.

" Applicable Spread " has the meaning specified in the Fee Letter.

" Appraisal " shall mean either: (x) a broker price opinion obtained by Seller from a broker approved by Buyer in its reasonable discretion or (y) an appraisal obtained by Seller prepared in accordance with Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, in compliance with the requirements of Title 11 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 by an independent, third-party appraiser holding an MAI designation, who is licensed or certified under the laws of the state in which the applicable Property is located, if required by the laws of such state, and approved by Buyer in its reasonable discretion.

" Asset Base " shall mean, as of any date of determination, the aggregate Asset Base Components of all Purchased Loans transferred by Seller to Buyer hereunder as of such date.

" Asset Base Component " shall mean, as of any date of determination, with respect to each Purchased Loan, the lesser of (i) the product of its Asset Value as of such date multiplied by the Purchase Percentage and (ii) the product of its Market Value as of such date multiplied by the Purchase Percentage.

" Asset Value " shall mean, with respect to each Eligible Loan, an amount determined by Buyer in its sole discretion equal to the outstanding principal balance of such Eligible Loan as of such date.

" Backup Management Agreement " shall have the meaning set forth in Section 12(u) of this Agreement.

" Backup Manager " shall have the meaning set forth in Section 12(u) of this Agreement.

" Bailee " shall mean such third party as Buyer and Seller shall mutually approve in their sole discretion.

" Bailee Agreement " shall mean the Bailee Agreement among Seller, Buyer and Bailee in the form of Exhibit VI hereto.

" Bailee Delivery Failure " shall have the meaning specified in the Bailee Agreement.

" Bankruptcy Code " shall mean Title 11 of the United State Code, as amended from time to time.

" Blocked Account " shall have the meaning specified in Section 5(a) of this Agreement.

" Blocked Account Agreement " shall mean the Blocked Account Agreement, dated as of the date hereof, executed by Buyer, Seller and the Depository Bank, as the same may be amended, supplemented, otherwise modified or replaced from time to time.

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

" Buyer " shall mean Goldman Sachs Bank USA, and any successor or permitted assign.

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

" Cause " means, with respect to the Independent Director, (i) acts or omissions by the Independent Director that constitute willful disregard of, or bad faith or gross negligence with respect to, the Independent Director's duties under this Agreement, (ii) that the Independent Director has engaged in or charged with or indicted, or has been convicted of, fraud or other acts constituting a crime under any law applicable to the Independent Director, (iii) that the Independent Director is unable to perform his or her duties as the Independent Director due to death, disability or incapacity, or (iv) that the Independent Director no longer meets the definition of Independent Director.

" Change of Control " shall mean the occurrence of any of the following:

(a) a Transfer, whether directly or indirectly through its direct or indirect Subsidiaries, of all or substantially all of Seller's or Guarantor's assets (excluding any Transfer in connection with any securitization transaction or sale of mortgage loans or sale of real estate owned and real estate investments in the ordinary course of Seller's or Guarantor's business); or

(b) Guarantor shall cease to own, directly or indirectly, 100% of the equity interest in and to, directly or indirectly, Control Seller.

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

" Collection Period " shall mean, with respect to the Remittance Date in any month, the period beginning on the Remittance Date in the preceding month to and including the calendar day immediately preceding such Remittance Date.

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

" Control " shall mean, 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.

" Custodial Agreement " shall mean the Custodial Agreement, dated on or about the date hereof, entered into by and among Custodian, Seller and Buyer, as the same may be amended, supplemented or otherwise modified from time to time.

" Custodial Delivery Certificate " shall mean the custodial delivery certificate, a form of which is attached to the Custodial Agreement.

" Custodian " shall mean U.S. Bank, National Association or any successor Custodian appointed by Buyer and reasonably acceptable to Seller.

" DBRS " shall mean DBRS, Inc.

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

" Default " shall mean any event that, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

" Defaulted Loan " shall mean any Purchased Loan as to which (i) there is a breach beyond any applicable notice and cure period of a representation or warranty by Seller under Exhibit V attached hereto (without regard to any knowledge qualifier therein), other than the MTM Representations or to the extent previously disclosed in the Exception Report delivered to Buyer prior to the Purchase Date, (ii) a default has occurred and is continuing beyond any applicable notice and cure period under the related Purchased Loan Documents in the payment when due of any scheduled payment of interest or principal or any other amounts due under the Purchased Loan Documents, (iii) the occurrence and continuance of any other "Event of Default" as defined under the related Purchased Loan Documents, (iv) to the extent that the related Transaction is deemed to be a loan under federal, state or local law, Buyer ceases to have a first priority perfected security interest in the related Repurchase Assets or (v) the related Purchased Loan File or any portion thereof has been released from the possession of the Custodian under the Custodial Agreement to anyone other than Buyer or any Affiliate of Buyer except in accordance with the terms of the Custodial Agreement.

" Delinquent Loan " shall mean any Loan as to which the payment of principal and/or interest owed thereunder by the underlying obligor is thirty (30) days or more past due.

" Depository Bank " shall mean PNC Bank, National Association or any successor Depository Bank appointed by Buyer and reasonably acceptable to Seller.

" Diligence Fees " shall mean fees, costs and expenses payable by Seller to Buyer in respect of Buyer's out-of-pocket fees, costs and expenses (other than legal expenses) incurred in connection with its review of the Diligence Materials hereunder and Buyer's continuing due diligence reviews of Purchased Loans pursuant to Section 21 or otherwise hereunder.

" Diligence Materials " shall mean, with respect to any New Loan, the related Preliminary Due Diligence Package together with the related Supplemental Due Diligence Package.

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

" Early Repurchase Date " shall have the meaning specified in Section 3(g) of this Agreement.

" Early Repurchase Fee " has the meaning specified in the Fee Letter.

" Eligible Loans " shall mean whole loans originated by Guarantor or its Affiliates and secured by a first-priority pledge of equity interests in certain entities that own fee interest in Eligible Properties which are: (A) acceptable to Buyer in the exercise of its sole discretion prior to the applicable Purchase Date, (B) which have a loan term equal to or less than five (5) years (assuming exercise of all extension options), (C) as to which the applicable representations and warranties set forth in Exhibit V are true and correct in all material respects as of the applicable Purchase Date unless otherwise disclosed in the Exception Report delivered to Buyer on or prior to such Purchase Date and (D) which is not a Defaulted Loan as of the applicable Purchase Date.

" Eligible Property " shall mean single-family for-rent properties being acquired, renovated and leased by 643 Capital Management and its Affiliates and managed by a property manager reasonably acceptable to Buyer or such other property type acceptable to Buyer in the exercise of its sole discretion.

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

" ERISA Affiliate " shall mean any corporation or trade or business (whether or not incorporated) that is a member of any group of organizations described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b) of ERISA of which Seller is a member at any relevant time.

" Event of Default " shall have the meaning given such term in Section 14(a) .

" Exception Report " shall have the meaning given such term in Section 3(c)(viii) .

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

" Excluded Taxes " shall mean any of the following Taxes imposed on or with respect to a Buyer or required to be withheld or deducted from a payment to Buyer, (a) Taxes imposed on or measured by net income or net worth or similar Taxes imposed in lieu of net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Buyer being organized under the laws of, or having its principal office or the office from which it books the Transaction located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) 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, or received or perfected a security under any Transaction Document), (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Buyer or an assignee pursuant to a law in effect as of the date on which such Person (i) becomes a party to this Agreement or (ii) changes the office from which it books the Transaction, except to the extent that, pursuant to Section 3(o) such Taxes were payable to such party's assignor immediately before such Person became a party to this Agreement or to such Person immediately before it changed the office from which it books the Transaction, (c) Taxes attributable to Buyer's failure to comply with Sections 3(p) , 17(c) , and 23 of this Agreement and (d) any U.S. federal withholding Taxes imposed under FATCA.

" FATCA " shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together in each case with any current or future regulations, guidance or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any law or agreement implementing an intergovernmental approach thereto.

" Facility Amount " shall mean $194,400,000.

" Facility Termination Date " shall mean April 25, 2017.

" Federal Trade Embargo " means any United States federal law imposing trade restrictions, including (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), (ii) the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq. , as amended), (iii) any enabling legislation or executive order relating to the foregoing, (iv) Executive Order 13224, and (v) the PATRIOT Act.

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

" Fee Letter " shall mean that certain fee letter agreement, dated the date hereof, between Buyer and Seller, as the same may be amended, supplemented or otherwise modified from time to time.

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

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

" Financial Covenant Compliance Certificate " shall mean an Officer's Certificate to be delivered, subject to Section 3(e)(2) of this Agreement, by Guarantor within forty-five (45) days after the end of each of the first three fiscal quarters of such fiscal year and within ninety (90) days after the end of each fiscal year confirming that as of the fiscal quarter or year (as applicable)most recently ended, Guarantor satisfies the Guarantor Financial Covenants.

" Fitch " shall mean Fitch Inc.

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

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

" Guarantee " shall mean, as to any Person, any obligation of such Person directly or indirectly guaranteeing any Indebtedness of any other Person or in any manner providing for the payment of any Indebtedness of any other Person or otherwise protecting the holder of such Indebtedness against loss (whether by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, or to take-or-pay or otherwise); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of a Person shall be deemed to be an amount equal to the maximum stated amount of the primary obligations relating to such Guarantee (or, if less, the maximum stated liability set forth in the instrument embodying such Guarantee), or if no such amount or liability is stated, the maximum reasonably anticipated liability in respect thereof as determined by such Person in accordance with GAAP. The terms "Guarantee" and "Guaranteed" used as verbs shall have correlative meanings.

" Guarantor " shall mean Blackstone Mortgage Trust, Inc., a Maryland corporation.

" Guarantor Financial Covenants " shall have the meaning set forth in the Guaranty.

" Guaranty " shall mean that certain Guaranty, dated as of the date hereof, made by Guarantor in favor of Buyer, as the same may be amended, supplemented or otherwise modified from time to time.

" Hedging Transactions " shall mean, with respect to any or all of the Purchased Loans, any short sale of U.S. Treasury Securities or mortgage related securities, futures contract (including Eurodollar futures) or options contract or any interest rate swap, cap or collar agreement or similar arrangements providing for protection against fluctuations in interest rates or the exchange of nominal interest obligations, either generally or under specific contingencies, entered into by Seller or by the underlying obligor with respect to any Purchased Loan and pledged to Seller as collateral for such Purchased Loan, with one or more counterparties whose unsecured debt is rated at least A- (or its equivalent) by any Rating Agency or, with respect to any Hedging Transaction pledged to Seller as additional collateral for a Purchased Loan, such other rating requirement applicable to such Hedging Transaction set forth in the related Purchased Loan Documents or which is otherwise reasonably acceptable to Buyer; provided that Seller shall not grant or permit any liens, security interests, charges, or encumbrances with respect to any such hedging arrangements for the benefit of any Person other than Buyer.

" Income " shall mean, with respect to any Purchased Loan at any time, all Principal Payments and any payment or other cash distribution of interest, dividends, fees, reimbursements or proceeds thereof (including sales proceeds) or other cash distributions thereon; provided that, for avoidance of doubt, in no event shall Income include any escrow or reserve payment made by the related Underlying Obligor.

" Indebtedness " shall mean, for any Person: (i) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person); (ii) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within ninety (90) days of the date the respective goods are delivered or the respective services are rendered; (iii) Indebtedness of others secured by a lien on the property of such Person, whether or not the respective Indebtedness so secured has been assumed by such Person; (iv) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person; (v) contingent or future funding obligations under any Purchased Loan or any obligations senior to, or *pari passu* with, any Purchased Loan; (vi) Capital Lease Obligations of such Person; (vii) obligations of such Person under repurchase agreements or like arrangements; (viii) Indebtedness of others Guaranteed by such Person to the extent of such guarantee; and (ix) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person. Notwithstanding the foregoing, nonrecourse Indebtedness owing pursuant to a securitization transaction such as a REMIC securitization, a collateralized loan obligation transaction or other similar securitization shall not be considered Indebtedness for any person.

" Indemnified Amounts " and " Indemnified Parties " shall have the respective meanings specified in Section 20(a) of this Agreement.

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

" Independent Director " of any corporation or limited liability company means an individual 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 Buyer, in each case that is not an Affiliate of Seller 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 of such corporation or as an independent manager, member of the board of managers, or special member of such limited liability company and is not, and has never been, and will not while serving as Independent Director be, any of the following:

(i) a member (other than an independent, non-economic "springing" member), partner, equityholder, manager, director, officer or employee of such corporation or limited liability company or any of its equityholders or affiliates (other than as an independent, non-economic "springing" member of an affiliate of such corporation or limited liability company that is not in the direct chain of ownership of such corporation or limited liability company and that is required by a creditor to be a single purpose bankruptcy remote entity, provided that such independent director or manager is employed by a company that routinely provides professional independent directors or managers);

(ii) a creditor, supplier or service provider (including provider of professional services) to such corporation or limited liability company or any of its equityholders or affiliates (other than in its capacity as Independent Director or as a nationally recognized company that routinely provides professional independent managers or directors and that also provides lien search and other similar services to such corporation or limited liability company or any of its equityholders or affiliates in the ordinary course of business);

(iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(iv) a Person that controls (whether directly, indirectly or otherwise) any of (i) or (ii) above.

A natural person who otherwise satisfies the foregoing definition other than subparagraph (i) by reason of being the Independent Director of a Single-Purpose Entity affiliated with the corporation or limited liability company in question shall not be disqualified from serving as an Independent Director of such corporation or limited liability company, provided that the fees that such natural person earns from serving as Independent Director of affiliates of such the corporation or limited liability company in any given year constitute in the aggregate less than five percent of such natural person's annual income for that year. The same natural persons may not serve as Independent Directors of a corporation or limited liability company and, at the same time, serve as Independent Directors of an equityholder or member of such corporation or limited liability company.

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

" IRS " shall mean the U.S. Internal Revenue Service.

" Knowledge " shall mean, as of any date of determination, the then current actual (as distinguished from imputed or constructive) knowledge of (i) Stephen Plavin, Thomas C. Ruffing or Douglas Armer, or (ii) any asset manager or employee with a title equivalent or more senior to that of "principal" within The Blackstone Group, L.P. (including, without limitation, Guarantor) that is responsible for the origination, acquisition and/or management of each respective Purchased Loan.

" LIBOR " shall mean the offered rate for thirty (30) day U.S. dollar deposits, as the applicable rate appears on Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time) on each Pricing Rate Determination Date (rounded up to the nearest whole multiple of 1/100%); provided that if the applicable rate does not appear on Reuters Screen LIBOR01 Page, the rate for such Pricing Rate Determination Date will be based upon the offered rates of the Reference Banks for U.S. dollar deposits as of 11:00 a.m. (London time) on such Pricing Rate Determination Date. In such event, Buyer will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If on such Pricing Rate Determination Date, two or more Reference Banks provide such offered quotations, LIBOR shall be the arithmetic mean of all such offered quotations (rounded to the nearest whole multiple of 1/100%). If on such Pricing Rate Determination Date, fewer than two Reference Banks provide such offered quotations, LIBOR shall be the higher of (i) LIBOR as determined on the immediately preceding day that LIBOR is available and (ii) the Reserve Interest Rate.

" LIBOR Rate " shall mean, as of any date of determination, a rate per annum determined in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{LIBOR}}{1 - \text{Reserve Requirement}}$$

" LIBOR Transaction " shall mean any Transaction with respect to which the Pricing Rate is determined with reference to the LIBOR Rate.

" Loan " shall mean a whole loan, in each case secured by a Security Instrument and evidenced by a Note and all other Loan documents, all right, title and interest of Seller in and to any Property covered by the related Security Instrument and all related Servicing Rights.

" LTV " shall mean, with respect to any Eligible Loan or Loans, the ratio of the aggregate outstanding debt secured, directly or indirectly, by the related Eligible Properties, to the aggregate value of such Eligible Properties as determined by Buyer in its sole good faith discretion. For purposes of Buyer's determination, (i) the value may be determined by reference to an Appraisal, discounted cash flow analysis or other commercially reasonable method and (ii) for the avoidance of doubt, Buyer may reduce value for any actual or potential risks (including risk of delay) posed by any liens on the related Eligible Properties.

" Manager Termination Event " shall have the meaning set forth in Section 12(t) of this Agreement.

" Margin Deficit " shall have the meaning specified in Section 4 of this Agreement.

" Market Value " shall mean, with respect to any Purchased Loan, the market value for such Purchased Loan, as determined by Buyer at the Applicable Standard of Discretion on each Business Day in accordance with this definition. For purposes of Section 4, as applicable, changes in the Market Value of a Purchased Loan shall be determined solely in relation to material positive or negative changes

(relative to Buyer's initial underwriting or the most recent determination of Market Value in terms of the performance or condition of (i) the Properties indirectly securing the Purchased Loan or other collateral securing or related to the Purchased Loan, (ii) the Purchased Loan's borrower (including obligors, guarantors, participants and sponsors) and the borrower on any underlying property or other collateral securing such Purchased Loan, (iii) the commercial real estate market relevant to the Properties and (iv) any actual risks posed by any liens or claims on the related Properties, (i) through (iv) taken in the aggregate. In addition, the Market Value for any Purchased Loan may be deemed by Buyer to be zero or such greater amount (in the Applicable Standard of Discretion) in the event any of the following occurs with respect to such Purchased Loan: (a) a negative change in Market Value to the extent resulting from a continuing material breach of a representation or warranty set forth on Exhibit V , other than (x) with respect to any MTM Representation and (y) as disclosed in the Exception Report delivered to Buyer on or prior to such Purchase Date (but without giving effect to any qualifications for Seller's Knowledge); or (b) the Repurchase Date with respect to such Purchased Loan occurs without repurchase of such Purchased Loan.

Seller shall cooperate with Buyer in its determination of the Market Value of each Purchased Loan (including, without limitation, providing all information and documentation in the possession of Seller regarding such item of underlying collateral or otherwise required by Buyer).

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

" Monthly Statement " shall mean, for each calendar month during which this Agreement shall be in effect, Seller's or Servicer's, as applicable, reconciliation in arrears of beginning balances, interest and principal paid to date and ending balances for each Purchased Loan, together with a certified written report describing (i) any developments or events with respect to such Purchased Loan that have occurred since the last Monthly Statement that are reasonably likely to have a Material Adverse Effect, (ii) any and all written modifications to any Purchased Loan Documents that have occurred since the last Monthly Statement, (iii) loan status, collection performance and any delinquency and loss experience with respect to any Purchased Loan, (iv) an update as to the expected disposition or sale of the Purchased Loans and (v) such other information as mutually agreed by Seller and Buyer, which report shall be delivered to Buyer for each calendar month during the term of this Agreement within ten (10) days following the end of each such calendar month.

" Moody's " shall mean Moody's Investors Service, Inc.

" MTM Representation " shall mean the representations and warranties set forth as items 13, 23, 25 and 32 through 43 on Exhibit V of this Agreement.

" New Loan " shall mean an Eligible Loan that Seller proposes to sell to Buyer pursuant to a Transaction.

" Note " shall mean a note or other evidence of indebtedness of an Underlying Obligor secured by a Security Instrument.

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

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

" Originated Loan " shall mean any loan that is an Eligible Loan originated by Seller or an Affiliate of Seller.

" Other Taxes ": shall mean any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that may arise from any payment made under any Repurchase Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Transaction Document, except (i) any such Taxes imposed with respect to an assignment, transfer or sale of participation or other interest in or with respect to the Repurchase Document and (ii) for the avoidance of doubt, any Excluded Taxes.

" Outside Date " shall have the meaning specified in Section 3(a) of this Agreement.

" Permitted Encumbrances " shall mean (a) liens for real property Taxes, ground rents, water charges, sewer rates and assessments not yet due and payable, or which are being contested in good faith in accordance with the Purchased Loan Documents, (b) liens arising by operation of law such as materialmen, mechanics, carriers, workmen, repairmen and similar liens, arising in the ordinary course of business which are discharged by payment, bonding or otherwise or which are being contested in good faith by the Property Owner in accordance with the related Purchased Loan Documents, (c) covenants, conditions and restrictions, rights of way, easements and other matters of public record, none of which, individually or in the aggregate, in the reasonable judgment of Seller, materially interferes with the current use of the related Property or the security intended to be provided by such Security Instrument or with the underlying obligor's ability to pay its obligations when they become due or the value of the related Property, (d) liens and encumbrances set forth in the Title Policy with respect to such Purchased Loan and (e) rights of existing or future tenants as tenants only, pursuant to leases.

" Person " shall mean an individual, corporation, limited liability company, business trust, partnership, joint tenant or tenant-in-common, trust, unincorporated organization, or other entity, or a federal, state or local government or any agency or political subdivision thereof.

" Plan " shall mean an employee benefit or other plan that is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code.

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

" Pre-Existing Loans " shall mean any loan that is an Eligible Loan and is not an Originated Loan.

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

" Preliminary Due Diligence Package " shall mean, with respect to any New Loan, the following due diligence information, to the extent applicable, relating to such New Loan to be provided by Seller to Buyer pursuant to this Agreement:

(i) Seller's summary memorandum, among other things, outlining the proposed transaction, including potential transaction benefits and all material underwriting risks, anticipated exit strategies, underwriting models and all other characteristics of the proposed transaction that in the reasonable judgment of Seller a prudent buyer would consider material;

(ii) current rent roll, if applicable;

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

(iv) interest coverage ratios and Debt Yield Ratio;

(v) loan-to-value ratio;

(vi) Seller's or any Affiliate's relationship with the underlying borrower or any affiliate;

(vii) material third party reports, to the extent available and applicable, including:

(a) engineering and structural reports, each in form and prepared by consultants acceptable to Buyer;

(b) current Appraisal;

(c) Phase I environmental report (including asbestos and lead paint report) and, if applicable, Phase II or other follow-up environmental report if recommended in Phase I, each in form and prepared by consultants acceptable to Buyer;

(d) seismic reports, each in form and prepared by consultants acceptable to Buyer; and

(e) operations and maintenance plan with respect to asbestos containing materials, each in form and prepared by consultants reasonably to Buyer;

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

(xi) to the extent applicable and available, insurance certificates or other evidence of insurance coverage evidencing the insurance required to be maintained with respect to any Eligible Properties pursuant to Section 3(c)(iv) hereof; and

(xii) analyses and reports with respect to such other matters concerning the New Loan as Buyer may reasonably require.

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

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

" Pricing Rate Determination Date " shall mean, (a) in the case of the first Pricing Period for a Purchased Loan, the related Purchase Date for such Purchased Loan, and (b) in the case of each subsequent Pricing Period for a Purchased Loan, the date that is two (2) Business Days prior to the Remittance Date on which such Pricing Period begins.

" Pricing Rate " shall mean, for any Pricing Period, with respect to any Transaction, an annual rate equal to the LIBOR Rate on such date plus the Applicable Spread for the related Purchased Loan (subject to adjustment and/or conversion as provided in Sections 3(k) , 3(l) , 3(n) and 3(o) of this Agreement).

" Principal Payment " shall mean, with respect to any Purchased Loan, any payment or prepayment of principal received in respect thereof (including insurance casualty or condemnation proceeds to the extent that such proceeds are not to be reserved, escrowed, readvanced or applied for the benefit of the Underlying Obligor or the related Property and to the extent that such proceeds are permitted by the terms of the Purchased Loan Documents to be applied to principal and which are, in fact, so applied). For purposes of clarification, prepayment premiums, fees or penalties shall not be deemed to be principal.

" Prohibited Person " means any Person subject to trade restrictions under any Federal Trade Embargo.

" Prohibited Transferee " means (i) with respect to any assignment, participation or sale of a portion (but not all) of Buyer's rights and obligations under the Transaction Documents, any Person listed on Schedule 3-A hereto and any Affiliate of such Person and (ii) with respect to any assignment, participation or sale of all of Buyer's rights and obligations under the Transaction Documents, any Person listed on Schedule 3-B hereto and any Affiliate of such Person.

" Property " shall mean the real property or properties securing, directly or indirectly, repayment of the debt evidenced by a Note or Notes.

" Property Owner " shall mean the owner of fee simple legal and equitable title to each Property.

" Purchase Date " shall mean, with respect to any Purchased Loan, the date on which such Purchased Loan is purchased by Buyer from Seller in connection with a Transaction.

" Purchase Percentage " shall mean eighty percent (80%).

" Purchase Price " shall mean, with respect to any Purchased Loan, the price at which such Purchased Loan is transferred by Seller to Buyer on the applicable Purchase Date; provided, however, that the Purchase Price as of any Purchase Date for any Purchased Loan shall be an amount (expressed in dollars) that does not exceed the lesser of (i) the Purchase Percentage times the lesser of (x) the outstanding principal amount of such Purchased Loan and (y) the Market Value of such Purchased Loan and (ii) the amount by which the Asset Base (after giving effect to the requested Transaction) exceeds the aggregate outstanding Purchase Price for all Purchased Loans (prior to giving effect to the requested Transaction).

" Purchase Term " shall mean, with respect to any Purchased Loan and any date of determination, the applicable period from the Purchase Date for such Purchased Loan to such date of determination.

" Purchased Loan " shall mean (i) with respect to any Transaction, the Eligible Loans sold by Seller to Buyer in such Transaction and (ii) with respect to the Transactions in general, all Eligible Loans sold by Seller to Buyer.

" Purchased Loan Documents " shall mean, with respect to a Purchased Loan, the documents comprising the Purchased Loan File for such Purchased Loan.

" Purchased Loan File " shall mean the documents specified as the "Purchased Loan File" in Section 7(b) of this Agreement, together with any additional documents and information required to be delivered to Buyer or its designee (including the Custodian) pursuant to this Agreement.

" Purchased Loan Information " shall mean, with respect to each Purchased Loan, the information set forth in Schedule 2 attached hereto.

" Purchased Loan Schedule " shall mean a schedule of Purchased Loans, together with the Purchased Loan Information for each such loan attached to each Trust Receipt and Custodial Delivery Certificate delivered in accordance with the Custodial Agreement.

" Qualified Transferee " means a bank, saving and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan, real estate company, investment fund or an institution substantially similar to any of the foregoing, provided in each case such Person has total assets (in name or under management) in excess of $650,000,000 and capital/statutory surplus or shareholder's equity in excess of $250,000,000, or any entity that is an Affiliate of an entity that satisfies the foregoing criteria.

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

" Rating Agency " shall mean any of Fitch, Moody's, Standard & Poor's and DBRS.

" Reference Banks " shall mean any leading banks selected by Buyer which are engaged in transactions in Eurodollar deposits in the international Eurocurrency market with an established place of business in London.

" Register " shall have the meaning specified in Section 17(c) hereof.

" Regulations T, U and X " shall mean Regulations T, U and X of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

" Remittance Date " shall mean the seventeenth (17th) calendar day of each month, or the next succeeding Business Day, if such calendar day shall not be a Business Day.

" Repurchase Assets " shall have the meaning specified in Section 6(a) hereof.

" Repurchase Date " shall mean, with respect to any Purchased Loan, the date that is the earliest to occur of the following: (a) the Facility Termination Date, (b) the maturity date of such Purchased Loan, (c) the date otherwise specified in the related Confirmation, or (d) if applicable, the related Early Repurchase Date or Accelerated Repurchase Date.

" Repurchased Loan " shall mean any Purchased Loan that has been repurchased by Seller pursuant to the terms hereof.

" Repurchase Price " shall mean, with respect to any Purchased Loan as of any date, the price at which such Purchased Loan is to be transferred from Buyer to Seller upon termination of the related Transaction; in each case, such price shall equal the sum of the Purchase Price of such Purchased Loan, the accrued and unpaid Price Differential with respect to such Purchased Loan and all other amounts then due and payable under the Transaction Documents as of the date of such determination, minus all Income and other cash actually received by Buyer in respect of such Purchased Loan and applied towards the Repurchase Price and/or Price Differential pursuant to this Agreement.

" Required Manager Termination Event " shall mean the occurrence of any event that gives rise to any right of the lender pursuant to any Purchased Loan Documents to terminate any property manager, asset manager or other similar manager responsible for the operation and management of the Properties as a result of (i) for "cause", meaning fraud, gross negligence, willful misconduct, misappropriation of funds or moral turpitude by such manager, (ii) if any bankruptcy or other insolvency action shall have been commenced against such manager, (iii) if there occurs a material breach under the applicable management agreement or assignment of management agreement in favor of such lender, (iv) if such manager shall have violated any civil or criminal law or regulation; or (v) if such manager shall be suspended or otherwise prohibited by any federal, state or local housing authority or other governmental authority from participation or eligibility to participate in any program that is necessary in connection with such manager's performance of its obligations under the applicable management agreement.

" Requirement of Law " shall mean any law, treaty, rule, regulation, code, directive, policy, order or requirement or determination of an arbitrator or a court or other governmental authority whether now or hereafter enacted or in effect.

" Reserve Interest Rate " shall mean with respect to any LIBOR determination date, the rate per annum that Buyer determines to be either (i) the arithmetic mean (rounded to the nearest whole multiple of 1/100%) of the one-month or overnight U.S. dollar lending rates (as applicable) which New York City banks selected by Buyer are quoting on the relevant LIBOR determination date to the principal London offices of leading banks in the London interbank market or (ii) in the event that Buyer can determine no such arithmetic mean, the lowest one-month or overnight U.S. dollar lending rate (as applicable) which New York City banks selected by Buyer are quoting on such LIBOR determination date to leading European banks.

" Reserve Requirement " shall mean, with respect to any date of determination, the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such date (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve System 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 such Board of Governors) maintained by Buyer.

" Security Instrument " shall mean each security agreement or other instrument creating a valid and enforceable first lien on a first priority ownership interest in any Underlying Collateral.

" Seller " shall have the meaning specified in the introductory paragraph of this Agreement.

" Servicer " shall mean Midland Loan Services, a division of PNC Bank, National Association or any successor Servicer appointed by Buyer and reasonably acceptable to Seller.

" Servicing Acknowledgement " means that certain Servicing Acknowledgement and Irrevocable Instruction Letter, dated as of April 25, 2014, from Buyer and acknowledged and agreed to by Servicer and Seller, as the same may be amended, supplemented or otherwise modified from time to time.

" Servicing Agreement " means that certain Servicing Agreement, dated as of April 25, 2014, between Seller and Servicer, as the same may be amended, supplemented or otherwise modified from time to time.

" Servicing Records " shall have the meaning specified in Section 22(b) of this Agreement.

" Servicing Rights " means contractual, possessory or other rights of Seller and/or Servicer to administer or service any Purchased Loans (or to possess any Servicing Records relating thereto), including: (i) the rights to service the Purchased Loans; (ii) the right to receive compensation (whether direct or indirect) for such servicing, including the right to receive and retain the related servicing fee and all other fees with respect to such Purchased Loans; and (iii) all rights, powers and privileges incidental to the foregoing, together with all Servicing Records relating thereto.

" Side Letter Agreement " shall mean that certain side letter agreement, dated the date hereof, between Buyer and Seller, as the same may be amended, supplemented or otherwise modified from time to time.

" Significant Modification " shall mean (i) any material extension, amendment, waiver, termination, rescission, cancellation, release, subordination or other modification to the terms of, or any collateral, guaranty or indemnity for, any Purchased Loan or Purchased Loan Document, or (ii) the foreclosure or exercise of any material right or remedy by the holder of any Purchased Loan or Purchased Loan Document.

" Single Purpose Entity " shall have the meaning specified in Exhibit VI.

" Solvent " shall mean 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 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 (d) 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.

" Standard & Poor's " shall mean Standard & Poor's Ratings Services, Inc., a division of the McGraw Hill Companies Inc.

" Subsidiary " shall mean, with respect to any Person, any other Person 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 or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening 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.

" Supplemental Due Diligence Package " shall mean, with respect to any New Loan, information or deliveries concerning such New Loan that Buyer shall reasonably request in addition to the Preliminary Due Diligence Package, including, without limitation, a credit approval memorandum representing the final terms of the underlying transaction, a loan-to-value ratio computation and a final Debt Yield Ratio computation for such New Loan.

" Survey " shall mean a certified ALTA/ACSM (or applicable state standards for the state in which a Property is located) survey of a Property prepared by a registered independent surveyor and in form and content reasonably satisfactory to Buyer and the company issuing the Title Policy for such Property.

" Table Funded Purchased Loan " shall mean a Purchased Loan which is sold to Buyer simultaneously with the origination or acquisition thereof, which origination or acquisition is financed with the Purchase Price, pursuant to Seller's request, paid directly to a title company or other settlement agent, in each case, approved by Buyer, for disbursement in connection with such origination or acquisition. A Purchased Loan shall cease to be a Table Funded Purchased Loan after the Custodian has delivered a Trust Receipt to Buyer certifying its receipt of the Purchased Loan File therefor.

" Tangible Net Worth " has the meaning set forth in the Guaranty.

" Taxes " shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to Tax or penalties applicable thereto.

" Title Policy " shall have the meaning specified in paragraph 33 of Exhibit V .

" Transaction " shall have the meaning specified in Section 1 of this Agreement.

" Transaction Conditions Precedent " shall have the meaning specified in Section 3(e) of this Agreement.

" Transaction Costs " shall have the meaning specified in Section 20(b) of this Agreement.

" Transaction Documents " shall mean, collectively, this Agreement, the Blocked Account Agreement, the Custodial Agreement, the Fee Letter, the Guaranty, all Transfer Documents, all Confirmations executed pursuant to this Agreement in connection with specific Transactions and all other documents executed in connection herewith and therewith.

" Transfer " shall mean, with respect to any Person, any sale or other whole or partial conveyance of all or any portion of such Person's assets, or any direct or indirect interest therein to a third party (other than in connection with the transfer of a Purchased Loan to Buyer in accordance herewith), including the granting of any purchase options, rights of first refusal, rights of first offer or similar rights in respect of any portion of such assets or the subjecting of any portion of such assets to restrictions on transfer.

" Transfer Documents " shall mean, with respect to any Purchased Loan, all applicable documents described in Section 7(b) of this Agreement pursuant to which all of Seller's right, title and interest in such Purchased Loan is transferred to Buyer in accordance with the terms of this Agreement.

" Trust Receipt " shall mean a trust receipt issued by the Custodian or the Bailee, as applicable, to Buyer confirming the Bailee's or the Custodian's, as applicable, possession of certain Purchased Loan Files that are the property of and held by the Bailee or the Custodian, as applicable, on behalf of Buyer (or any other holder of such trust receipt) in the form required under the Custodial Agreement or the Bailee Agreement.

" UCC " shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of any security interest is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, with respect to perfection or the effect of perfection or non-perfection, "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such perfection or effect of perfection or non-perfection.

" Underlying Collateral " shall mean the equity interests held by an Underlying Obligor in each Property Owner and all other collateral (including, without limitation, any master lease agreement) securing repayment of the debt evidenced by a Note or Notes.

" Underlying Obligor " shall mean the obligor on a Note, the grantor of the related equity pledge and the owner of the related Property.

" United States Person " means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

" U.S. Tax Compliance Certificate " shall have the meaning specified in Section 3(o) hereof.

(b) The following rules of this Section 2(b) apply unless the context requires otherwise. The singular includes the plural and conversely. A gender includes all genders. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning. A reference to an Article, Section, Subsection, Paragraph, Subparagraph, Clause, Annex, Schedule, Appendix, Attachment, Rider or Exhibit is, unless otherwise specified, a reference to an Article, Section, Subsection, Paragraph, Subparagraph or Clause of, or Annex, Schedule, Appendix, Attachment, Rider or Exhibit to, this Agreement, all of which are hereby incorporated herein by this reference and made a part hereof. A reference to a party to this Agreement or another agreement or document includes the party's successors, substitutes or assigns permitted by the Transaction Documents. A reference to an agreement or document is to the agreement or document as amended, modified, novated, supplemented or replaced, except to the extent prohibited by any Transaction 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. 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. A reference to a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in computer disk form. Whenever a Person is required to provide any document to Buyer hereunder, the relevant document shall be provided in writing or printed form unless Buyer requests otherwise. Except where otherwise expressly stated, Buyer may give or withhold, or give conditionally, approvals and consents, and may form opinions and make determinations, in its sole and absolute discretion. Reference herein or in any other Transaction Document to Buyer’s discretion, shall mean, unless otherwise expressly stated herein or therein, Buyer’s sole and absolute discretion, and the exercise of such discretion shall be final and conclusive. In addition, whenever Buyer has a decision or right of determination, opinion or request, exercises any right given to it to agree, disagree, accept, consent, grant waivers, take action or no action or to approve or disapprove (or any similar language or terms), or any arrangement or term is to be satisfactory or acceptable to or approved by Buyer (or any similar language or terms), the decision of Buyer with respect thereto shall be in the sole and absolute discretion of Buyer and such decision shall be final and conclusive, except as may be otherwise specifically provided herein.

(c) 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, except that such determinations and financial computations with respect to any Person shall only include joint ventures and other Persons, whether or not such joint ventures and other Persons would be consolidated in accordance with GAAP, to the extent of such Person’s proportionate share of the equity and results of operations of such joint venture or other Person.

3. INITIATION; CONFIRMATION; TERMINATION; FEES

(a) Seller may, from time to time, prior to October 25, 2014 (the “ Outside Date ”), request that Buyer enter into a Transaction with respect to one or more New Loans. Seller shall initiate each request by submitting a Preliminary Due Diligence Package for Buyer’s review and approval in Buyer’s sole discretion. Notwithstanding anything to the contrary herein, Buyer shall have no obligation to consider for purchase any New Loan if, immediately after the purchase of such New Loan, the Aggregate Repurchase Price (including the proposed Purchase Price of such New Loan) would exceed the Facility Amount. Buyer and its representatives shall have the right to review all New Loans proposed to be sold to Buyer in any Transaction and to conduct its own due diligence investigation of such New Loans as Buyer determines is necessary in Buyer’s sole discretion. Notwithstanding any provision to the contrary herein or any other Transaction Document, Buyer shall be entitled to make a determination, in its sole discretion, whether a New Loan qualifies as an Eligible Loan or whether to reject any New Loan proposed to be sold to Buyer by Seller.

(b) Upon Buyer’s receipt of a Preliminary Due Diligence Package with respect to a New Loan, Buyer shall have the right to request a Supplemental Due Diligence Package to evaluate such New Loan. Upon Buyer’s receipt of such Supplemental Due Diligence Package or Buyer’s waiver thereof,

Buyer shall, within five (5) Business Days, either (i) notify Seller of Buyer's intent to proceed with the Transaction and of its determination with respect to the Purchase Price and the Market Value for the related New Loan (such notice, a " Preliminary Approval ") or (ii) deny, in Buyer's sole discretion, Seller's request for the applicable Transaction. Buyer's failure to respond to Seller within five (5) Business Days, as applicable, shall be deemed to be a denial of Seller's request to enter into the proposed Transaction, unless Buyer and Seller have agreed otherwise in writing.

(c) Upon Seller's receipt of Buyer's Preliminary Approval with respect to a Transaction, Seller shall, if Seller desires to enter into such Transaction with respect to the related New Loan upon the terms set forth by Buyer in its Preliminary Approval, deliver the documents set forth below in this Section 3(c) with respect to each New Loan and related Eligible Property or Properties (to the extent not already delivered in the Preliminary Due Diligence Package or in the Supplemental Due Diligence Package) as a condition precedent to Buyer's Final Approval and issuance of a Confirmation, all in a manner and/or form satisfactory to Buyer in its sole discretion and pursuant to documentation satisfactory to Buyer in its sole discretion:

(i) Delivery of Purchased Loan Documents . Seller shall deliver to Buyer: (A) with respect to any New Loan that is a Pre-Existing Loan, copies of the Purchased Loan Documents, except for such Purchased Loan Documents that were not in Seller's possession; and (B) with respect to any New Loan that is an Originated Loan, drafts of the Purchased Loan Documents.

(ii) Environmental and Engineering . To the extent in Seller's possession, Buyer shall have received a "Phase I" (and if recommended by the Phase I, a Phase "II") environmental report, an asbestos survey, if applicable, and an engineering report, each in form reasonably satisfactory to Buyer, by an engineer and environmental consultant, approved by Buyer in its reasonable discretion.

(iii) Appraisal . If obtained by Seller, Buyer shall have received either an Appraisal or a Draft Appraisal of the related Eligible Properties. If Buyer receives only a Draft Appraisal prior to entering into a Transaction, Seller shall use its best efforts to deliver an Appraisal on or before thirty (30) days after the Purchase Date.

(iv) Insurance . Buyer shall have received certificates or other evidence of insurance detailing insurance coverage in respect of the related Eligible Properties of types (including but not limited to casualty, general liability and terrorism insurance coverage), in amounts, with insurers and otherwise in compliance with the terms, provisions and conditions set forth in the Purchased Loan Documents and otherwise reasonably satisfactory to Buyer. Such certificates or other evidence shall indicate that Seller (or as to a New Loan that is a Participation Interest, the lead lender on the related whole loan in which Seller is a participant) will be named as an additional insured as its interest may appear and shall contain a loss payee endorsement in favor of such additional insured with respect to the policies required to be maintained under the Purchased Loan Documents.

(v) Opinions of Counsel . Buyer shall have received copies of all legal opinions delivered with respect to the New Loan (which shall include a non-consolidation opinion, if applicable) that shall be in form and substance reasonably satisfactory to Buyer; provided that Seller may deliver drafts of such opinions if such New Loan is being originated concurrently with the transfer to Buyer and shall deliver final, executed copies of such legal opinions on the Purchase Date of such New Loan.

(vi) Title Policy . To the extent in Seller's possession, Seller shall have delivered to Buyer the Title Policy for each Property in connection with such Eligible Loan.

(vii) Additional Real Estate Matters . To the extent obtained by Seller, Seller shall have delivered to Buyer such other real estate related certificates and documentation as may have been reasonably requested by Buyer, such as certificates of occupancy issued by the appropriate Governmental Authority and either letters certifying that the related Eligible Properties are in compliance with all applicable zoning laws issued by the appropriate Governmental Authority, a zoning report in form and prepared by a zoning consultant satisfactory to Buyer or evidence that the related Title Policy includes a zoning endorsement.

(viii) Exception Report . Seller shall have delivered to Buyer a written report of any exceptions to the representations and warranties in Exhibit V attached hereto (an " Exception Report ").

(ix) Other Documents . Buyer shall have received such other documents in Seller's possession as Buyer shall reasonably deem to be necessary.

Within five (5) Business Days of Seller's delivery of the documents and materials contemplated in clauses (i) through (ix) above, Buyer shall in its sole discretion either (A) notify Seller that Buyer has not approved the New Loan or (B) notify Seller that Buyer agrees to purchase the New Loan, subject to satisfaction (or waiver by Buyer) of the Transaction Conditions Precedent (a " Final Approval ") set forth in Section 3 (e) below. Buyer's failure to respond to Seller within five (5) Business Days shall be deemed to be a denial of Seller's request that Buyer purchase the New Loan, unless Buyer and Seller have agreed otherwise in writing.

(d) Subject to satisfaction of the Transaction Conditions Precedent, Buyer shall deliver to Seller a written confirmation of its Final Approval in the form of Exhibit I attached hereto with respect to a proposed Transaction (a " Confirmation "); provided that, unless otherwise agreed by Seller, Buyer shall deliver a separate Confirmation with respect to each New Loan that will be the subject of a Transaction. Each Confirmation shall be deemed to be incorporated herein by reference with the same effect as if set forth herein at length.

(e) Provided that each of the Transaction Conditions Precedent set forth in this Section 3(e) have been satisfied (or waived by Buyer in its sole discretion), and subject to Seller's rights under Section 3(f) hereof, Buyer shall transfer the Purchase Price to Seller with respect to each New Loan for which it has issued a Confirmation on the Purchase Date specified in such Confirmation, and the related New Loan shall be concurrently transferred by Seller to Buyer or its nominee. For purposes of this Section 3(e) , the conditions precedent to any proposed Transaction (" Transaction Conditions Precedent ") shall be satisfied with respect to such proposed Transaction if:

(1) no Default, Event of Default or Margin Deficit shall have occurred and be continuing as of the Purchase Date for such proposed Transaction;

(2) Guarantor shall have delivered to Buyer a true and accurate Financial Covenant Compliance Certificate within sixty (60) days of Guarantor's most recently ended fiscal quarter;

(3) Seller shall have delivered to Buyer an Officer's Certificate of Seller certifying that the representations and warranties made by Seller in this Agreement are true and correct in all material respects as of the Purchase Date for such Transaction (except such representations which by their terms speak as of a specified date and subject to any exceptions disclosed to Buyer in an Exception Report prior to issuance of the Confirmation by Buyer);

(4) Buyer shall have (A) determined, in accordance with the applicable provisions of Section 3(a) of this Agreement that the New Loan proposed to be sold to Buyer by Seller in such Transaction is an Eligible Loan (including, without limitation, by satisfactory review of such New Loan by Buyer's outside counsel) and (B) obtained internal credit approval for the inclusion of such New Loan as a Purchased Loan in a Transaction;

(5) the applicable Purchased Loan File described in Section 7(b) of this Agreement shall have been delivered to Custodian or Bailee, and Buyer shall have received a Trust Receipt from Custodian or Bailee with respect to such Purchased Loan File;

(6) Seller shall have delivered to each Underlying Obligor or obligor or related servicer or lead lender under any Purchased Loan a direction letter in accordance with Section 5(a) of this Agreement unless such Underlying Obligor or obligor or related servicer or lead lender is already remitting payments to the Servicer whereupon Seller shall direct the Servicer to remit all such amounts into the Blocked Account in accordance with Section 5(a) of this Agreement and to service such payments in accordance with the provisions of this Agreement;

(7) Seller shall have paid to Buyer (i) any fees then due and payable under the Fee Letter and (ii) any unpaid Transaction Costs in respect of such Purchased Loan due and owing by Seller (which amounts and fees described in the foregoing subclauses (i) and (ii), at Seller's option, may be held back from funds remitted to Seller by Buyer on the Purchase Date);

(8) such New Loan shall not be a Delinquent Loan or a Defaulted Loan as of the Purchase Date;

(9) Buyer shall have received true and complete copies of fully executed originals of all Transfer Documents;

(10) [reserved];

(11) no Material Adverse Effect shall have occurred and be continuing; and

(12) there shall not have occurred

(i) (a) a material change in financial markets, an outbreak or escalation of hostilities or a material change in national or international political, financial or economic conditions, or (b) a general suspension of trading on major stock exchanges, or (c) a disruption in or moratorium on commercial banking activities or securities settlement services; or

(ii) (a) an event or events in the determination of Buyer resulting in the effective absence of a "repo market" or comparable "lending market" for financing debt obligations secured by commercial mortgage loans, or (b) an event or events shall have occurred resulting in the Buyer not being able to finance Eligible Loans through the "repo market" or "lending market" with traditional counterparties at rates which would have been commercially reasonable prior to the occurrence of such event or events.

(f) Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Transaction covered thereby unless objected to in writing by Seller no more than two (2) Business Days after the date such Confirmation is received by Seller. An objection sent by Seller with respect to any Confirmation must state specifically that the writing is an objection, must specify the provision(s) of such Confirmation being objected to by Seller, must set forth such provision(s) in the manner that Seller believes such provisions should be stated, and must be received by Buyer no more than two (2) Business Days after such Confirmation is received by Seller. Buyer, in its sole discretion, may issue another Confirmation addressing Seller's objections or may elect not to proceed with the proposed Transaction.

(g) Seller shall be entitled to terminate a Transaction on demand, and repurchase the related Purchased Loan on any Business Day prior to the applicable Repurchase Date (an " Early Repurchase Date "); provided , however , that:

(i) no Default, Event of Default or Margin Deficit shall be continuing or would occur or result from such early repurchase, unless, in the case of a Default or Margin Deficit, otherwise cured in connection with such repurchase;

(ii) Seller notifies Buyer in writing, no later than three (3) Business Days prior to the Early Repurchase Date, of its intent to terminate such Transaction and repurchase the related Purchased Loan; and

(iii) Seller shall pay to Buyer on the Early Repurchase Date an amount equal to the sum of the Repurchase Price for such Transaction, the Early Repurchase Fee (to the extent such Early Repurchase Fee is payable pursuant to the Fee Letter), all Transaction Costs and any other amounts payable by Seller and outstanding under this Agreement (including, without limitation, Sections 3(m) , 3(n) and 3(o) of this Agreement, if any) with respect to such Transaction against transfer to Seller or its agent of the related Purchased Loan.

(h) On the Repurchase Date (or the Early Repurchase Date, as applicable), termination of the applicable Transactions will be effected by transfer to Seller or, if requested by Seller, its designee of the related Purchased Loans, and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Section 4 or Section 5 hereof) against the simultaneous transfer of the Repurchase Price, all Transaction Costs and any other amounts payable by Seller and outstanding under this Agreement (including without limitation, Sections 3(m) , 3(n) and 3(o) of this Agreement, if any) to an account of Buyer.

(i) So long as no Event of Default or monetary or material non-monetary Default has occurred and is then continuing, the Repurchase Price with respect to one or more Purchased Loans may be paid in part at any time upon two (2) Business Days prior written notice from Seller to Buyer; provided , however , that any such payment shall be accompanied by an amount representing accrued Price Differential with respect to such Purchased Loan(s) on the amount of such payment and all other amounts then due under the Transaction Documents. Each partial payment of the Repurchase Price that is voluntary (as opposed to mandatory under the terms of this Agreement) shall be in an amount of not less than One Hundred Thousand Dollars ($100,000.00).

(j) [RESERVED]

(k) If (i) Buyer shall have reasonably determined (which determination shall be conclusive and binding upon Seller absent manifest error) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate, or (ii) the LIBOR

Rate determined or to be determined will not adequately and fairly reflect the cost to Buyer (as reasonably determined by Buyer) of making or maintaining Transactions, Buyer shall give notice thereof to Seller as soon as practicable thereafter. If such notice is given, the Pricing Rate with respect to the Transaction until such notice has been withdrawn by Buyer, shall be a per annum rate equal to the sum of (i) the Federal Funds Rate, plus (ii) 0.25% plus (iii) the Applicable Spread (the " Alternative Rate ").

(l) Notwithstanding any other provision herein, if, after the date of this Agreement, the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for Buyer to effect LIBOR Transactions as contemplated by the Transaction Documents, (i) the commitment of Buyer hereunder to enter into new LIBOR Transactions and to continue LIBOR Transactions as such shall forthwith be canceled, and (ii) the LIBOR Transactions then outstanding shall be converted automatically to Alternative Rate Transactions.

(m) Upon written demand by Buyer, Seller shall indemnify Buyer and hold Buyer harmless from any net actual out-of-pocket loss or expense (not to include any indirect or consequential damages including, without limitation, any lost profit or opportunity) (including, without limitation, reasonable out-of-pocket attorneys' fees and disbursements) that Buyer actually sustains or incurs as a direct result of (i) a default by Seller in terminating any Transaction after Seller has given a notice in accordance with Section 3(g) of a termination of a Transaction, (ii) any payment of all or any portion of the Repurchase Price, as the case may be, on any day other than a Remittance Date (including, without limitation, any such loss or expense arising from the reemployment of funds obtained by Buyer to maintain Transactions hereunder or from fees payable to terminate the deposits from which such funds were obtained, provided that Seller shall not be obligated to reimburse Buyer for the incremental cost of reemploying funds or terminating deposits that arise solely as a result of Buyer's depositing funds or employing funds at a rate calculated other than by reference to LIBOR) or (iii) Seller's failure to sell Eligible Loans to Buyer after Seller has notified Buyer of a proposed Transaction and prior to such failure Buyer has given a Final Approval to purchase such Eligible Loans in accordance with the provisions of this Agreement.

(n) If Buyer shall have reasonably determined that the adoption of or any change in any Requirement of Law regarding reserve, special deposit or similar requirements relating to extensions of credit or other assets of Buyer or in the interpretation or application thereof or compliance by Buyer or any corporation controlling Buyer with any request or directive regarding such requirements (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof has the effect of reducing the rate of return on Buyer's or such corporation's capital as a consequence of its obligations hereunder to a level below that which Buyer or such corporation could have achieved but for such adoption, change or compliance (taking into consideration Buyer's or such corporation's policies with respect to such requirements) by an amount deemed by Buyer to be material, then from time to time, within seven (7) Business Days after submission by Buyer to Seller of a written request therefor, Seller shall pay to Buyer such additional amount or amounts as will compensate Buyer for such reduction. A certificate setting forth in reasonable detail the calculation of any additional amounts payable pursuant to this Section 3(n) shall be submitted by Buyer to Seller and shall be conclusive and binding upon Seller in the absence of manifest error. With respect to any increased cost payable or reduced amount receivable by Buyer, this covenant shall survive for a period of nine (9) months from the date of the incurrence of such increased costs or reduced amount receivable and Seller shall have no further obligation hereunder with respect to such increased costs or reduced amount.

(o) Any and all payments by or on account of any obligation of Seller under this Agreement shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then Seller shall make (or cause to be made) such deduction or withholding and shall timely pay (or cause to be timely paid) the full amount deducted or withheld to the relevant Governmental Authority in accordance

with applicable law and, if such Tax is an Indemnified Tax, then the sum payable shall be increased by Seller as necessary so that after such deduction or withholding has been made, Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made. Seller shall timely pay, without duplication, any Other Taxes (i) imposed on Seller to the relevant Governmental Authority in accordance with Requirements of Law, and (ii) imposed on Buyer, as the case may be, upon written notice from such Person setting forth in reasonable detail the calculation of such Other Taxes. As soon as practicable after any payment of Taxes by Seller to a Governmental Authority pursuant to this Section 3(o) , 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.

(p) (i) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under the Transaction Documents, Buyer shall deliver to Seller, prior to becoming a party to this Agreement, and at the time or times reasonably requested by Seller, such properly completed and executed documentation reasonably requested by Seller as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, Buyer, 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 3(p)(ii)(A), Section 3(p)(ii)(B) and Section 3(p)(ii)(D) below) shall not be required if in Buyer's reasonable judgment such completion, execution or submission would be illegal, would subject Buyer to any material unreimbursed cost or expense or would otherwise materially prejudice the legal or commercial position of Buyer; provided, that, Buyer shall deliver a written statement explaining in reasonable detail any such determination not to provide necessary documentation to Seller.

(ii) Without limiting the generality of the foregoing,

(A) if Buyer is a United States person, it shall deliver to Seller on or prior to the date on which Buyer becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed originals of IRS Form W-9 (or any successor form) certifying that Buyer is exempt from U.S. federal backup withholding tax;

(B) if the Buyer is not a United States person, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a party under this Agreement (and from time to time thereafter when previously delivered certification expires or becomes obsolete, or otherwise upon the reasonable request of Seller), whichever of the following is applicable:

(1) in the case of a Buyer that is claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments characterized as interest for U.S. tax purposes under any Transaction Document, executed originals of IRS Form W-8BEN (or any successor form) 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 Transaction Document, IRS Form W-8BEN (or any successor form) 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;

(2) executed originals of IRS Form W-8ECI (or any successor form);

(3) in the case of a 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 Buyer is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Seller within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or

(4) to the extent a Buyer is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Buyer is a partnership and one or more direct or indirect partners of such Buyer are claiming the portfolio interest exemption, such Buyer may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(C) if Buyer is not a United States person, it shall, to the extent it is legally entitled to do so, deliver to Seller (in such number of copies as shall be requested by Seller) on or prior to the date on which Buyer becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Seller to determine the withholding or deduction required to be made; and

(D) if a payment made to Buyer under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if Buyer were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), Buyer shall deliver to Seller at the time or times prescribed by law and at such time or times reasonably requested by Seller such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Seller as may be necessary for Seller to comply with its obligations under FATCA and to determine that Buyer has complied with Buyer's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Buyer agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Seller in writing of its legal inability to do so.

(q) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3 (including by the payment of additional amounts pursuant to this Section 3), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3 with respect to the Taxes giving rise to such refund), net of all out of pocket costs and expenses (including Taxes) of such indemnified party. Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3(q) 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 3(q) , in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3(q) 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 paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(r) If any of the events described in Section 3(k) , Section 3(l) , Section 3(n) or Section 3(o) result in Buyer's election to use the Alternative Rate or Buyer's request for additional amounts or the condition set forth in Section 3(e)(12) is not met at any time,, then Seller shall have the option to notify Buyer in writing of its intent to terminate this Agreement and all of the Transactions and repurchase all of the Purchased Loans no later than two (2) Business Days after such notice is given to Buyer, and such repurchase by Seller shall be conducted pursuant to and in accordance with Section 3(g) . The election by Seller to terminate the Transactions in accordance with this Section 3(q) shall not relieve Seller for liability with respect to any additional amounts or increased costs actually incurred by Buyer prior to the actual repurchase of the Purchased Loans.

(s) From and after the Facility Termination Date, Buyer shall have no further obligation to purchase any New Loans. On the Facility Termination Date, Seller shall be obligated to repurchase all of the Purchased Loans and transfer payment of the Repurchase Price for each such Purchased Loan, together with the accrued and unpaid Price Differential and all Transaction Costs and other amounts due and payable to Buyer hereunder. Following the Facility Termination Date, Buyer shall not be obligated to transfer any Purchased Loans to Seller until payment in full to Buyer of all amounts due hereunder.

4. MANDATORY PAYMENT OR DELIVERY OF ADDITIONAL ASSETS

Buyer may determine and re-determine the Asset Base on any Business Day and on as many Business Days as it may elect. If at any such time the Aggregate Repurchase Price of the Purchased Loans is greater than the Asset Base as determined by Buyer in accordance with this Agreement and notified to Seller on any Business Day (a " Margin Deficit "), then Seller shall, no later than one (1) Business Day after receipt of such notice delivered by Buyer before 5:00 p.m. EST on a Business Day, or if delivered after 5:00 p.m. EST, no later than two (2) Business Days after receipt of such notice, deliver to Buyer cash in an amount sufficient to reduce the Aggregate Repurchase Price to an amount equal to the Asset Base as re-determined by Buyer after giving effect to the delivery of cash or additional collateral by Seller to Buyer pursuant to this Section 4 . Any cash delivered to Buyer pursuant to this Section 4 shall be applied by Buyer to reduce the Repurchase Price of each Purchased Loan in such manner as shall be determined by Buyer in its sole discretion.

5. INCOME PAYMENTS AND PRINCIPAL PAYMENTS

(a) On or before the date hereof, Seller and Buyer shall establish and maintain with the Depository Bank a deposit account in the name of Seller and under the sole control of Buyer with respect to which the Blocked Account Agreement shall have been executed (such account, together with any replacement or successor thereof, the " Blocked Account "). Seller shall cause all Income with respect to the Purchased Loans or cash delivered under Section 4 to be deposited in the Blocked Account. In furtherance of the foregoing, Seller shall cause Servicer to remit to the Blocked Account all Income received in respect of the Purchased Loans within one (1) Business Day of receipt. All Income in respect of the Purchased Loans, which may include payments in respect of associated Hedging Transactions, shall be deposited directly into, or, if applicable, remitted directly from the applicable underlying collection account to, the Blocked Account.

(b) Unless an Event of Default shall have occurred and be continuing, (i) on each Remittance Date, all Income (other than Principal Payments) on deposit in the Blocked Account in respect of the Purchased Loans and the associated Hedging Transactions and (ii) on the next succeeding Business Day following the receipt of any Principal Payments in the Blocked Account in respect of the Purchased Loans, shall be applied as follows:

(i) *first,* to Buyer, an amount equal to the Price Differential which has accrued and is outstanding in respect of the Transactions as of such Remittance Date;

(ii) *second,* to Buyer, all Transaction Costs and all other amounts payable by Seller and outstanding hereunder and under the other Transaction Documents (other than the Repurchase Price);

(iii) *third,* if a Principal Payment in respect of any Purchased Loan has been made during such Collection Period, to Buyer, an amount equal to the greater of (i) the product of the amount of such Principal Payment multiplied by the Purchase Percentage and (ii) such greater amount, such that after giving effect to such payment of the applicable Repurchase Price, the Aggregate Repurchase Price of the Purchased Loans is equal to the Asset Base, as determined by Buyer after giving effect to such payment; and

(iv) *fourth,* to Seller the remainder, if any.

If, on any Remittance Date, the amounts deposited in the Blocked Account shall be insufficient to make the payments required under clauses (i) through (iii) of this Section 5(b) , and Seller does not otherwise make such payments on such Remittance Date, the same shall constitute an Event of Default hereunder.

(c) If an Event of Default shall have occurred and be continuing, all Income on deposit in the Blocked Account in respect of the Purchased Loans and the associated Hedging Transactions shall be applied on the Business Day next following the Business Day on which such funds are deposited in the Blocked Account as follows:

(i) *first,* to Buyer, an amount equal to the Price Differential which has accrued and is outstanding in respect of the Transactions as of such Business Day;

(ii) *second,* to Buyer, all Transaction Costs and all other amounts payable by Seller and outstanding hereunder and under the other Transaction Documents (other than the Repurchase Price);

(iii) *third,* to Buyer, an amount equal to the Aggregate Repurchase Price of the Purchased Loans, until the Aggregate Repurchase Price for all of the Purchased Loans has been reduced to zero; and

(iv) *fourth,* to Seller the remainder, if any.

(d) If at any time during the term of any Transaction any Income is distributed to Seller with respect to the related Purchased Loan or Seller has otherwise received such Income and has made a payment in respect of such Income to Buyer pursuant to this Section 5 , and for any reason such amount is required to be returned by Buyer to an obligor under such Purchased Loan (either before or after the Repurchase Date), Buyer may provide Seller with notice of such required return, and Seller shall pay the amount of such required return to Buyer by 11:00 a.m., New York time, on the Business Day following Seller's receipt of such notice.

(e) Subject to the other provisions hereof, Seller shall be responsible for all Transaction Costs in respect of any Purchased Loans to the extent it would be so obligated if the Purchased Loans had not been sold to Buyer.

(f) All distributions made to Buyer and/or Seller shall be made pursuant to the wiring instructions set forth on Annex I hereto or pursuant to such other instructions as Buyer and/or Seller may provide from time to time pursuant to written instructions; provided, however, that no such other written instruction of from Seller shall be effective unless signed by two (2) officer's of Seller (and neither Buyer nor Servicer shall have any liability for failure to comply with any written instructions of Seller which are not signed by two (2) officer's of Seller).

6. CAUTIONARY SECURITY INTEREST

(a) Buyer and Seller intend that all Transactions hereunder be sales to Buyer of the Purchased Loans for all purposes (other than for U.S. Federal, state and local income or franchise Tax purposes) and not loans from Buyer to Seller secured by the Purchased Loans. However, in the event that any Transaction is deemed to be a loan, Seller hereby pledges to Buyer as security for the performance by Seller of its obligations under the Transactions and the Transaction Documents and hereby grants to Buyer a first priority security interest in all of Seller's right, title and interest in and to (i) all of the Purchased Loans (including, for the avoidance of doubt, all security interests, mortgages and liens on personal or real property securing the Purchased Loans) and related Servicing Rights, (ii) the Blocked Account and all amounts and property from time to time on deposit therein, (iii) all Income from the Purchased Loans, (iv) all insurance policies and insurance proceeds relating to any Purchased Loan or the related Eligible Property, (v) all "general intangibles", "accounts" and "chattel paper" as defined in the UCC relating to or constituting any and all of the foregoing, (vi) all replacements, substitutions or distributions on or proceeds, payments and profits of, and records and files relating to, any and all of the foregoing, and (viii) any other property, rights, title or interests as are specified in the Confirmation and/or the Trust Receipt, the Purchased Loan Schedule or exception report with respect to the foregoing in all instances, whether now owned or hereafter acquired, now existing or hereafter created (collectively, the " Repurchase Assets ").

(b) With respect to the security interest in the Repurchase Assets granted in Section 6(a) hereof, and with respect to the security interests granted in Section 6(c) , Buyer shall have all of the rights and may exercise all of the remedies of a secured creditor under the UCC and any other applicable law and shall have the right to apply the Repurchase Assets or proceeds therefrom to the obligations of Seller under the Transaction Documents. In furtherance of the foregoing, (i) Buyer, at Seller's sole cost and expense, shall cause to be filed as a protective filing with respect to the Repurchase Assets and as a UCC filing with respect to the security interests granted in Section 6(c) one or more UCC financing statements in form satisfactory to Buyer (to be filed in the filing office indicated therein), in such locations as may be necessary to perfect and maintain perfection and priority of the outright transfer (including under Section 22 of this Agreement) and the security interest granted hereby and, in each case, continuation statements and any amendments thereto (collectively, the " Filings "), and shall forward copies of such Filings to Seller upon completion thereof, and (ii) Seller shall, from time to time, at its own expense, deliver and cause to be duly filed all such further filings, instruments and documents and take all such further actions as may be necessary or desirable or as may be reasonably requested by Buyer to maintain and continue the perfection and priority of the outright transfer of the Purchased Loans and the security interest granted hereunder in the Repurchase Assets and the rights and remedies of Buyer with respect to the Repurchase Assets (including under Section 22 of this Agreement) (including the payments of any fees and Taxes required in connection with the execution and delivery of this Agreement). 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.

(c) Seller hereby pledges to Buyer, as security for the performance by Seller of its obligations under all Transactions, Seller's rights under all Hedging Transactions relating to Purchased Loans entered into by Seller and all proceeds thereof. Seller shall take all action as is necessary or desirable to obtain consent to assignment of any such Hedging Transaction to Buyer and shall use commercially reasonable efforts to cause the counterparty under each such Hedging Transaction to enter into such document or instrument satisfactory to Buyer, Seller and such counterparty, pursuant to which such counterparty will covenant and agree to accept notice from Buyer to redirect payments under such Hedging Transaction as Buyer may direct.

(d) In connection with the repurchase by Seller of any Purchased Loan in accordance herewith, upon receipt of the Repurchase Price by Buyer, Buyer will deliver to Seller, at Seller's expense, such documents and instruments as may be reasonably necessary and requested by Seller to reconvey such Purchased Loan and any Income related thereto to Seller.

7. PAYMENT, TRANSFER AND CUSTODY

(a) Subject to the terms and conditions of this Agreement, on the Purchase Date for each Transaction, ownership of the Purchased Loans and all rights thereunder shall be transferred to Buyer or its designee (including the Custodian) against the simultaneous transfer of the Purchase Price to an account designated by Seller specified in the Confirmation relating to such Transaction. Buyer will provide Seller with a power of attorney, substantially in the form attached as Exhibit IV-2 hereto, allowing Seller to administer, operate and service such Purchased Loans at all times prior to the occurrence and continuance of an Event of Default. Provided that no Event of Default shall have occurred and be continuing, the power of attorney (including, subject to the terms of this Agreement, the exercise of any voting rights or similar rights by Seller) shall be binding upon Buyer and Buyer's successors and assigns.

(b) With respect to each Table Funded Purchased Loan, Seller shall cause the Bailee to deliver to the Buyer by no later than 1:00 p.m. (New York time), on the Purchase Date, by facsimile or electronic mail a true and complete copy of the related Note, the insured closing letter, if any, and escrow instructions, if any, and the executed Bailee Agreement. In connection with the sale of each Purchased Loan, not later than 1:00 p.m. (New York time), one (1) Business Days prior to the related Purchase Date (or with respect to a Table Funded Purchased Loan not later than 1:00 p.m. (New York time) on the third (3 rd) Business Day following the applicable Purchase Date), Seller shall deliver or cause Bailee to deliver (with a copy to Buyer) and release to the Custodian (together with the Custodial Delivery Certificate), and shall cause the Custodian to deliver a Trust Receipt on the Purchase Date (or in the case of a Table Funded Purchased Loan, not later than two (2) Business Days following the receipt by the Custodian) confirming the receipt of the following original (or where indicated, copied) documents, to the extent applicable (collectively, the " Purchased Loan File "), pertaining to each of the Purchased Loans identified in the Custodial Delivery Certificate delivered therewith:

(i) With respect to each Purchased Loan, the following documents, as applicable and subject to clauses (ii) and (iii) below:

(A) The original Note bearing all intervening endorsements, endorsed "Pay to the order of _____ without recourse" and signed in the name of the last endorsee (the " Last Endorsee ") by an authorized Person of the Last Endorsee (in the event that the Purchased Loan was acquired by the Last Endorsee in a merger, the signature must be in

the following form: “[Last Endorsee], successor by merger to [name of predecessor]”; in the event that the Purchased Loan was acquired or originated by the Last Endorsee while doing business under another name, the signature must be in the following form: “[Last Endorsee], [formerly known] or [doing business] as [previous name]”) or a lost note affidavit in a form reasonably approved by Buyer, with a copy of the applicable Note attached thereto.

(B) The original or copy of the loan agreement and guaranty, if any, executed in connection with the Purchased Loan.

(C) The original equity interests certificate(s) held as collateral for the Purchased Loan, together with an original endorsement to such certificate(s) in blank.

(D) The originals or copies of all assumption, modification, consolidation or extension agreements with evidence of recording thereon, or copies thereof together with an Officer’s Certificate of Seller certifying that such copies represent true and correct copies of the originals and that such originals have each been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Property is located.

(E) A copy or the original of any guarantor security agreement or equivalent document executed in connection with the Purchased Loan.

(F) A copy of the UCC financing statements and all necessary UCC continuation statements with evidence of filing thereon or, if unrecorded, copies thereof together with evidence that such UCC financing or continuation statements have been sent for filing, and UCC assignments in blank, which UCC assignments shall be in form and substance acceptable for filing in the applicable jurisdictions.

(G) A copy or the original of any environmental indemnity agreement or similar guaranty or indemnity, whether stand-alone or incorporated into the applicable loan documents (if any).

(H) The original omnibus assignment in blank or such other documents necessary and sufficient to transfer to Buyer all of Seller’s right, title and interest in and to the Purchased Loan (if any).

(I) A copy of the Survey of the Property (if any) as accepted by the title company for issuance of the Title Policy.

(J) A copy of all servicing agreements and Servicing Records related to such Purchased Loan, which Seller shall deliver to Servicer (with a copy to Buyer).

(K) A copy of the Underlying Obligor’s opinions of counsel.

(L) A copy or the original of any assignment of any management agreements, permits, contracts and other material agreements (if any).

(M) Reports of UCC, Tax lien, judgment and litigation searches obtained by Seller, conducted by search firms reasonably acceptable to Buyer with respect to the Purchased Loan, Seller and the related underlying obligor.

(N) The original or a copy of the intercreditor or co-lender agreement (if any) executed in connection with the Purchased Loan to the extent the subject borrower, or an affiliate thereof, has encumbered its assets with senior, junior or similar financing, whether mortgage financing or mezzanine loan financing.

(O) Copies of all documents relating to the formation and organization of the related obligor under such Purchased Loan, together with all consents and resolutions delivered in connection with such obligor's obtaining such Purchased Loan.

(P) With respect to each Property subject to a Purchased Loan: (i) a copy of the deed evidencing ownership of such Property by the Property Owner, to the extent in Seller's possession, (ii) evidence of property and business liability insurance for such Property, (iii) a copy of the Title Policy, (iv) an Appraisal of such Property and (v) a copy of any lease or other occupancy agreement with respect to such Property.

(Q) All other material documents and instruments evidencing, guaranteeing, insuring, securing or modifying such Purchased Loan, executed and delivered in connection with, or otherwise relating to, such Purchased Loan, including all documents establishing or implementing any lockbox pursuant to which Seller is entitled to receive any payments from cash flow of the underlying real property.

(ii) If Seller cannot deliver, or cause to be delivered, any of the original documents and/or instruments required to be delivered as originals under the provisions above, Seller shall deliver a photocopy thereof and, unless waived by Buyer, an Officer's Certificate of Seller certifying that such copy represents a true and correct copy of the original. Seller shall then, (1) use commercially reasonable efforts to obtain and deliver the original document within 180 days after the related Purchase Date (or such longer period after the related Purchase Date to which Buyer may consent in its sole good faith discretion, so long as Seller is, as certified in writing to Buyer not less frequently than monthly, using commercially reasonable to obtain the original), (2) after the expiration of such best efforts period, deliver to Buyer a certification that states, despite Seller's commercially reasonable efforts, Seller was unable to obtain such original document and (3) thereafter have no further obligation to deliver the related original document.

(c) From time to time, Seller shall forward to the Custodian additional original documents or additional documents evidencing any assumption, modification, consolidation or extension of a Purchased Loan approved in accordance with the terms of this Agreement, and upon receipt of any such other documents, the Custodian shall hold such other documents on behalf of Buyer and as Buyer shall request from time to time. With respect to any documents which have been delivered or are being delivered to recording offices for recording and have not been returned to Seller in time to permit their delivery hereunder at the time required, in lieu of delivering such original documents, Seller shall deliver to Buyer a true copy thereof with an Officer's Certificate certifying that such copy is a true, correct and complete copy of the original, which has been transmitted for recordation. Seller shall deliver such original documents to the Custodian promptly when they are received. With respect to all of the Purchased Loans delivered by Seller to Buyer or its designee (including the Custodian), Seller shall execute an omnibus power of attorney substantially in the form of Exhibit IV-1 attached hereto irrevocably appointing Buyer its attorney-in-fact with full power to (i) complete the endorsement of any Note and (ii) take such other steps as may be reasonably necessary or desirable to enforce Buyer's rights against any Purchased Loans and the related Purchased Loan Files and the Servicing Records, which power of attorney Buyer agrees will only be exercised during the continuance of an Event of Default. Buyer shall deposit the Purchased Loan Files representing the Purchased Loans, or cause the Purchased Loan Files to be deposited directly, with the Custodian to be held by the Custodian on behalf of Buyer. The Purchased Loan Files shall be

maintained in accordance with the Custodial Agreement. Any Purchased Loan File not delivered to Buyer or its designee (including the Custodian) is and shall be held in trust by Seller or its designee for the benefit of Buyer as the owner thereof. Seller or its designee shall maintain a copy of the Purchased Loan File and the originals of the Purchased Loan File not delivered to Buyer or its designee. The possession of the Purchased Loan File by Seller or its designee is at the will of Buyer for the sole purpose of servicing the related Purchased Loan, and such retention and possession by Seller or its designee is in a custodial capacity only. The books and records (including, without limitation, any computer records or tapes) of Seller or its designee shall be marked appropriately to reflect clearly the transfer, subject to the terms and conditions of this Agreement, of the related Purchased Loan to Buyer. Seller or its designee (including the Custodian) shall release its custody of the Purchased Loan File only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Loans, is in connection with a Loan that was delivered to Custodian by Seller but was not purchased by Buyer pursuant to this Agreement or is in connection with a repurchase of any Purchased Loan by Seller or is pursuant to the order of a court of competent jurisdiction.

(d) On the date of this Agreement, Buyer shall have received all of the following items and documents, each of which shall be satisfactory to Buyer in form and substance:

(i) Transaction Documents .

(A) this Agreement, duly executed and delivered by Seller and Buyer;

(B) the Custodial Agreement, duly executed and delivered by Seller, Buyer and Custodian;

(C) the Blocked Account Agreement, duly executed and delivered by Seller, Buyer and Depository Bank;

(D) the Fee Letter, duly executed and delivered by Seller and Buyer;

(E) the Guaranty, duly executed and delivered by Guarantor;

(F) the Side Letter Agreement, duly executed and delivered by Seller and Buyer;

(G) the Servicing Agreement, duly executed and delivered by Seller and Servicer; and

(H) the Servicing Acknowledgement, duly executed by Buyer, Seller and Servicer.

(ii) Organizational Documents . Certified copies of the organizational documents of Seller and Guarantor and resolutions or other documents evidencing the authority of Seller and Guarantor with respect to the execution, delivery and performance of the Transaction Documents to which it is a party and each other document to be delivered by Seller and/or Guarantor from time to time in connection with the Transaction Documents (and Buyer may conclusively rely on such certifications until it receives notice in writing from Seller or Guarantor, as the case may be, to the contrary);

(iii) Legal Opinion . Opinions of counsel to Seller and Guarantor in form and substance reasonably satisfactory to Buyer as to authority, enforceability of the Transaction Documents to which it is a party, perfection, bankruptcy safe harbors, the Investment Company Act, true sale (but only in connection with any transfer of a Purchased Loan to Seller from an Affiliate of Seller) and such other matters as may be requested by Buyer; and

(iv) Other Documents . Such other documents as Buyer may reasonably request on or prior to the date hereof.

8. CERTAIN RIGHTS OF BUYER WITH RESPECT TO THE PURCHASED LOANS

(a) Subject to the terms and conditions of this Agreement, title to all Purchased Loans shall pass to Buyer on the applicable Purchase Date, and Buyer shall have free and unrestricted use of its interest in the Purchased Loans in accordance with the terms and conditions of the Purchased Loan Documents. Nothing in this Agreement or any other Transaction Document shall preclude Buyer from engaging, at Buyer's expense, in repurchase transactions with the Purchased Loans with Persons in conformity with the terms and conditions of the Purchased Loan Documents or otherwise selling, transferring, pledging, repledging, hypothecating, or rehypothecating all or a portion of its interest in the Purchased Loans to Persons in conformity with the terms and conditions of the Purchased Loan Documents, but no such transaction shall relieve Buyer of its obligations to transfer the Purchased Loans to Seller pursuant to Section 3 of this Agreement or of Buyer's obligation to credit or pay Income to, or apply Income to the obligations of, Seller pursuant to Section 5 of this Agreement or otherwise affect the rights, obligations and remedies of any party to this Agreement, and prior to the occurrence and during the continuance of an Event of Default, no such transaction shall be with a Prohibited Transferee.

(b) Subject to the terms and conditions of this Agreement, any documents delivered to the Custodian pursuant to Section 7 of this Agreement shall be released only in accordance with the terms and conditions of the Custodial Agreement.

9. INTENTIONALLY OMITTED

10. REPRESENTATIONS

(a) Seller represents and warrants to Buyer that as of the Purchase Date and as of the date of this Agreement and at all times while this Agreement and any Transaction thereunder is in effect:

(i) Organization . Seller is duly organized, validly existing and in good standing under the laws and regulations of the State of Delaware and is duly licensed, qualified, and in good standing in every state where such licensing or qualification is necessary for the transaction of Seller's business. Seller has the power to own and hold its assets and to carry on its business as now being conducted and proposed to be conducted, and has the power to execute, deliver, and perform its obligations under this Agreement and the other Transaction Documents.

(ii) Due Execution; Enforceability . The Transaction Documents have been duly executed and delivered by Seller, for good and valuable consideration. The Transaction Documents constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles.

(iii) Non-Contravention; Consents . Neither the execution and delivery of the Transaction Documents, nor consummation by Seller of the transactions contemplated by the Transaction Documents (or any of them), nor compliance by Seller with the terms, conditions and provisions of the Transaction Documents (or any of them) will (x) conflict with or result in a

breach or violation of any of the terms, conditions or provisions of any judgment or order, writ, injunction, decree or demand of any court applicable to Seller, (y) result in the creation or imposition of any lien or any other encumbrance upon any of the assets of Seller, other than pursuant to the Transaction Documents or (z) violate or conflict with contractual provisions of, or cause an event of default under, any indenture, loan agreement, mortgage, contract or other material agreement to which Seller is a party or by which Seller may be bound. Seller has all necessary licenses, permits and other consents from applicable Governmental Authorities necessary to acquire, own and sell the Purchased Loans and for the performance of its obligations under the Transaction Documents.

(iv) Litigation; Requirements of Law . Except as otherwise disclosed in writing by Seller to Buyer, there is no action, suit, proceeding, investigation, or arbitration pending or, to the Knowledge of Seller, threatened against Seller or any of its assets which is reasonably likely to result in any Material Adverse Effect, or which may have an adverse effect on the validity of the Transaction Documents or any action taken or to be taken in connection with the obligations of Seller under any of the Transaction Documents. Seller is in compliance in all material respects with all Requirements of Law. Seller is not in default in any material respect with respect to any judgment, order, writ, injunction, decree, rule or regulation of any arbitrator or Governmental Authority.

(v) No Broker . Seller has not dealt with any broker, investment banker, agent or other Person (other than Buyer or an Affiliate of Buyer) who may be entitled to any commission or compensation in connection with the sale of the Purchased Loans pursuant to any Transaction Documents.

(vi) Good Title to Purchased Loans . Immediately prior to the purchase of any Purchased Loans by Buyer from Seller, such Purchased Loans are free and clear of any lien, security interest, claim, option, charge, encumbrance or impediment to transfer to Buyer (including any "adverse claim" as defined in Section 8-102(a)(1) of the UCC), and are not subject to any rights of set-off, any prior sale, transfer, assignment, or participation by Seller or any agreement (other than the Transaction Documents) by Seller to assign, convey, transfer or participate in such Purchased Loans, in whole or in part, and Seller is the sole legal record and beneficial owner of, and owns and has the right to sell and transfer, such Purchased Loans to Buyer, and, upon transfer of such Purchased Loans to Buyer, Buyer shall be the owner of such Purchased Loans (other than for U.S. Federal, state and local income and franchise Tax purposes) free of any adverse claim, subject to Seller's rights and Buyer's obligations pursuant to this Agreement and the other Transaction Documents. In the event that the related Transaction is recharacterized as a secured financing of the Purchased Loans and with respect to the security interests granted in Sections 6(a) and 6(c) , the provisions of this Agreement are effective to create in favor of Buyer a valid security interest in all right, title and interest of Seller in, to and under the Repurchase Assets specified in Sections 6(a) and the other collateral specified in Section 6(c) , and Buyer shall have a valid, perfected and enforceable first priority security interest in the Repurchase Assets and such other collateral, subject to no lien or rights of others other than as granted herein.

(vii) No Default . No Default or Event of Default has occurred and is continuing under or with respect to the Transaction Documents.

(viii) Representations and Warranties Regarding Purchased Loans; Delivery of Purchased Loan File . Each Purchased Loan sold to Buyer in a Transaction hereunder, as of the applicable Purchase Date for such Purchased Loan, conforms in all material respects to the

applicable representations and warranties set forth in Exhibit V attached hereto, except as has been disclosed to Buyer in an Exception Report delivered to Buyer prior to the Purchase Date with respect to the related Purchased Loan. It is understood and agreed that the representations and warranties set forth in Exhibit V hereto (as modified by any Exception Report disclosed to Buyer in writing prior to the Purchase Date with respect to the related Purchased Loan), shall survive delivery of the respective Purchased Loan File to Buyer or its designee (including the Custodian). With respect to each Purchased Loan, the Note, the Security Instrument (if any), the Assignment of Security Instrument (if any) and any other documents required to be delivered under this Agreement and the Custodial Agreement for such Purchased Loan have been delivered (or with respect to Table Funded Purchased Loans shall be delivered in accordance with Section 7 (b)) to Buyer or the Custodian on its behalf or such requirement will have been expressly waived in writing by Buyer. Seller or its designee is in possession of a complete, true and accurate Purchased Loan File with respect to each Purchased Loan, except for such documents the originals of which have been delivered to the Custodian.

(ix) Adequate Capitalization; No Fraudulent Transfer . Seller has, as of such Purchase Date, 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. Seller has not become, and is not presently, financially insolvent nor will Seller be made insolvent by virtue of Seller's execution of or performance under any of the Transaction Documents within the meaning of the Insolvency Laws. Seller has not entered into any Transaction Document or any Transaction pursuant thereto in contemplation of insolvency or with intent to hinder, delay or defraud any creditor. Seller has not received any written notice that any payment or other transfer made to or on account of Seller from or on account of any Underlying Obligor or any other person obligated under any Purchased Loan Documents is or may be void or voidable as an actual or constructive fraudulent transfer or as a preferential transfer.

(x) Organizational Documents . Seller has delivered to Buyer true and correct certified copies of its organizational documents, together with all amendments thereto.

(xi) No Encumbrances . There are (a) no outstanding rights, options, warrants or agreements on the part of Seller for a purchase, sale or issuance, in connection with the Purchased Loans and (b) no agreements on the part of Seller to issue, sell or distribute the Purchased Loans.

(xii) No Investment Company . Neither Seller nor Guarantor is an "investment company", or a company "controlled by an investment company", within the meaning of the Investment Company Act of 1940, as amended.

(xiii) Taxes . Seller has filed or caused to be filed all Tax returns that would be delinquent if they had not been filed on or before the date hereof and has paid all Taxes due and payable on or before the date hereof and all other Taxes, fees or other charges imposed on it and any of its assets by any Governmental Authority; no Tax liens have been filed against any of Seller's assets; and, to Seller's Knowledge, no claims are being asserted with respect to any such Taxes, fees or other charges.

(xiv) ERISA . Neither Seller nor any ERISA Affiliate (a) sponsors or maintains, or has in the six-year period preceding the date of this Agreement sponsored or maintained, any Plans or (b) makes or has made within the six-year period preceding the date of this Agreement, any contributions to or has or had within the six-year period preceding the date of this Agreement, any liabilities or obligations (direct or contingent) with respect to any Plans. Seller does not, and

would not be deemed to, hold Plan Assets, and the consummation of the transactions contemplated by this Agreement will not constitute or result in any non-exempt prohibited transaction, with respect to which Buyer is the party in interest, disqualified person or equivalent, under Section 406 of ERISA, Section 4975 of the Code or substantially similar provisions under any other federal, state or local laws, rules or regulations.

(xv) Judgments/Bankruptcy . Except as disclosed in writing to Buyer, there are no judgments against Seller that are unsatisfied of record or docketed in any court located in the United States of America and no Act of Insolvency has ever occurred with respect to Seller.

(xvi) Full and Accurate Disclosure . No information provided pursuant to the Transaction Documents, or any written statement furnished by or on behalf of Seller pursuant to the terms of the Transaction Documents (including any certification of Bailee), contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made when such statements and omissions are considered in the totality of the circumstances in question.

(xvii) Financial Information . All financial data concerning Seller and Guarantor and all data concerning the Purchased Loans that has been delivered to Buyer by Seller or any Affiliate of Seller is true and correct in all material respects and, with respect to Seller and Guarantor has been prepared in accordance with GAAP (to the extent applicable). Since the delivery of such data, except as otherwise disclosed in writing to Buyer, there has been no change in the financial position of Seller or Guarantor or the Purchased Loans, or in the results of operations of Seller or Guarantor, which change is reasonably likely to result in a Material Adverse Effect.

(xviii) Jurisdiction of Organization . Seller's jurisdiction of organization is the State of Delaware.

(xix) Location of Books and Records . The location where Seller keeps its books and records at its chief executive office at 345 Park Avenue, New York, NY 10154.

(xx) Regulation T, U and X . Neither the entering into nor consummation of any Transaction hereunder, nor the use of the proceeds thereof, will violate any provisions of Regulation T, U or X.

(xxi) Federal Reserve Form G-3 . If requested by Buyer, Seller, any applicable Affiliate of Seller and the recipient of any portion of the proceeds of, or any portion of, any Transaction shall furnish to Buyer a statement on Federal Reserve Form G-3 referred to in Regulation U.

(xxii) Federal Trade Embargoes . Each of Seller and Guarantor, and to Seller's Knowledge, each of their respective Affiliates, is in compliance with all Federal Trade Embargos in all material respects. Without regard to owners of publicly traded stock traded on a national exchange, no Prohibited Person owns any direct or indirect equity interest in any of Seller or Guarantor. Seller has implemented procedures, and will consistently apply those procedures throughout the term of this Agreement, to ensure that the foregoing representations and warranties remain true and correct during such term.

(xxiii) No Conflict of Interest . Seller is not and has not at any time been an Affiliate of any Underlying Obligor.

11. NEGATIVE COVENANTS OF SELLER

On and as of the date hereof and each Purchase Date and until this Agreement is no longer in force with respect to any Transaction, Seller shall not without the prior written consent of Buyer:

(a) subject to Seller's right to repurchase any Purchased Loan, take any action which would directly or indirectly materially impair or adversely affect Buyer's title to the Purchased Loans;

(b) transfer, assign, convey, grant, bargain, sell, set over, deliver or otherwise dispose of, or pledge or hypothecate, directly or indirectly, any interest in the Purchased Loans (or any of them) to any Person other than Buyer, or engage in repurchase transactions or similar transactions with respect to the Purchased Loans (or any of them) with any Person other than Buyer, except where the Purchased Loans in question are simultaneously repurchased from Buyer;

(c) create, incur or permit to exist any lien, encumbrance or security interest in or on any of the Repurchase Assets or other collateral subject to the security interests granted by Seller pursuant to Section 6 of this Agreement;

(d) create, incur or permit any lien, security interest, charges, or encumbrances with respect to any Repurchase Assets or Hedging Transaction relating to the Purchased Loans for the benefit of any Person other than Buyer;

(e) consent or assent to or effect a Significant Modification of any Purchased Loan without the prior written consent of Buyer; provided, however, that Buyer's consent to any Significant Modification shall be deemed to be given if (i) no Event of Default shall have occurred and be continuing (either at the date of any notices specified below or as of the effective date of any deemed approval), (ii) Seller shall have sent Buyer a written request for approval with respect to such matter in accordance with the applicable terms and conditions hereof, which written request shall have been (A) accompanied by the applicable documents relating to the proposed Significant Modification, together with such other information as is reasonably requested by Buyer and (B) marked in bold lettering with the following language: "BUYER'S RESPONSE IS REQUIRED WITHIN FIVE (5) BUSINESS DAYS OF RECEIPT OF THIS NOTICE PURSUANT TO THE TERMS OF THE MASTER REPURCHASE AGREEMENT BETWEEN THE UNDERSIGNED AND BUYER" and the envelope containing such written request (or subject line if such notice is sent by email) shall have been marked "PRIORITY-DEEMED APPROVAL MAY APPLY"; and (iii) Buyer shall have failed to respond to such written request within the aforesaid time-frame;

(f) take any action or permit such action to be taken which would result in a Change of Control;

(g) after the occurrence and during the continuation of any Event of Default or monetary Default, make any distribution, payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any equity or ownership interest of Seller, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Seller;

(h) sponsor or maintain any Plans or make any contributions to, or have any liability or obligation (direct or contingent) with respect to, any Plan or permit any ERISA Affiliate to sponsor or maintain any Plans or make any contributions to, or have any liability or obligation (direct or contingent) with respect to, any Plan;

(i) hold or be deemed to hold Plan Assets or engage in any transaction, in each case, that would cause any obligation or action taken or to be taken hereunder (or the exercise by Buyer of any of its rights under this Agreement, the Purchased Loans or any Transaction Document) to be a non-exempt prohibited transaction, with respect to which Buyer is the party in interest, disqualified person or equivalent, under Section 406 of ERISA, Section 4975 of the Code or substantially similar provisions under any other federal, state or local laws, rules or regulations;

(j) make any future advances under any Purchased Loan to any underlying obligor that are not permitted by the related Purchased Loan Documents;

(k) seek its dissolution, liquidation or winding up, in whole or in part; or

(l) incur any Indebtedness except as provided in Section 13(i) hereof or otherwise cease to be a single-purpose entity meeting the requirements set forth in Section 13 .

12. AFFIRMATIVE COVENANTS OF SELLER

On and as of the date hereof and each Purchase Date and until this Agreement is no longer in force with respect to any Transaction:

(a) Seller shall promptly notify Buyer of any event and/or condition of which Seller has Knowledge and that is reasonably likely, in the commercially reasonable judgment of Seller, to have a Material Adverse Effect.

(b) Seller shall give notice to Buyer of the following (accompanied by an Officer's Certificate setting forth details of the occurrence referred to therein and stating what actions Seller has taken or proposes to take with respect thereto):

(i) promptly upon receipt by Seller of notice or Knowledge of the occurrence of any Default or Event of Default;

(ii) with respect to any Purchased Loan sold to Buyer hereunder, promptly following receipt of any Principal Payment (in full or in part);

(iii) with respect to any Purchased Loan sold to Buyer hereunder, promptly following receipt by Seller of notice or Knowledge that the related Property has been damaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado or other casualty, or otherwise damaged so as to affect materially and adversely the value of such Property;

(iv) promptly upon receipt of notice by Seller or Knowledge of (1) any Purchased Loan that becomes a Defaulted Loan, (2) any lien or security interest (other than security interests created hereby) on, or claim asserted against, any Purchased Loan or, to Seller's Knowledge, the underlying collateral therefor or (3) any event or change in circumstances that has or could reasonably be expected to have a material adverse effect on the Market Value of a Purchased Loan;

(v) promptly, and in any event within ten (10) days after service of process on any of the following, give to Buyer notice of all litigation, actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are pending or threatened in writing) or other legal or arbitrable proceedings affecting Seller or affecting any of the assets of Seller before any Governmental Authority that (1) questions or challenges the validity or enforceability of any

of the Transaction Documents or any action to be taken in connection with the transactions contemplated hereby, (2) makes a claim or claims in an aggregate amount greater than $1,000,000, or (3) which, individually or in the aggregate, if adversely determined, would reasonably be likely to have a Material Adverse Effect;

(vi) promptly upon any transfer of any underlying Property or any direct or indirect equity interest in any Underlying Obligor of which the Seller has Knowledge, whether or not consent to such transfer is required under the applicable Purchased Loan Documents; and

(vii) promptly, and in any event within ten (10) days after Seller Knows that any "reportable event" (within the meaning of Section 4043(c) of ERISA, with respect to which the PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified of such event) has occurred or is reasonably expected to occur in respect of a Plan that, individually or in the aggregate, either has resulted, or could reasonably be expected to result, in a Material Adverse Effect.

(c) Seller shall provide Buyer with copies of such documents as Buyer may reasonably request evidencing the truthfulness of the representations set forth in Section 10 hereof.

(d) Seller shall defend the right, title and interest of Buyer in and to the Purchased Loans against, and take such other action as is necessary to remove, any liens, security interests, claims, encumbrances, charges and demands of all Persons thereon (other than security interests granted to Buyer hereunder).

(e) Seller will permit Buyer or its designated representative to inspect any of Seller's records with respect to all or any portion of the Purchased Loans and the conduct and operation of its business related thereto upon reasonable prior notice at such reasonable times and with reasonable frequency requested by Buyer or its designated representative and to make copies of extracts of any and all thereof.

(f) If any amount payable under or in connection with any of the Purchased Loans shall be or become evidenced by any promissory note, other instrument or chattel paper (as each of the foregoing is defined under the UCC), such note, instrument or chattel paper shall be immediately delivered to Buyer or its designee, duly endorsed in a manner satisfactory to Buyer or if any collateral or other security shall subsequently be delivered to Seller in connection with any Purchased Loan, Seller shall immediately deliver or forward such item of collateral or other security to Buyer or its designee, together with such instruments of assignment as Buyer may reasonably request.

(g) Seller shall provide (or cause to be provided) to Buyer the following financial and reporting information:

(i) the Monthly Statement;

(ii) the Quarterly Report, together with all operating statements and occupancy information that Seller or Servicer has received relating to the Purchased Loans for the related fiscal quarter;

(iii) the Financial Covenant Compliance Certificate;

(iv) as soon as available and in any event within forty-five (45) days after the end of each quarterly fiscal period of each fiscal year of Guarantor, the unaudited, consolidated balance sheet of Guarantor, as at the end of such period and the related unaudited, consolidated statements

of income, retained earnings and cash flows for such period and the portion of the fiscal year through the end of such period, accompanied by an Officer's Certificate of Guarantor, which certificate shall state that said consolidated financial statements fairly represent the consolidated financial condition and results of operations of Seller in accordance with GAAP, consistently applied, as at the end of, and for, such period (subject to normal year-end audit adjustments);

(v) as soon as available and in any event within ninety (90) days after the end of each fiscal year of Guarantor, the audited, consolidated balance sheet of Guarantor, as at the end of such period and the related audited, consolidated statements of income, retained earnings and cash flows for such period and the portion of the fiscal year through the end of such period, accompanied by an opinion thereon of an independent certified public accountant of recognized national standing, which opinion shall not be qualified as to scope of audit or going concern and shall state that said financial statements fairly present the financial condition and results of operations of Guarantor as at the end of and for such fiscal year in accordance with GAAP;

(vi) within sixty (60) days following the end of each of the first three quarters, and within ninety (90) days following the end of each fiscal year, as the case may be, an Officer's Certificate of Seller in form and substance reasonably satisfactory to Buyer certifying that no Event of Default has occurred and is continuing and, to Seller's Knowledge, no event or circumstance has occurred and is continuing that would have a Material Adverse Effect;

(vii) [reserved];

(viii) within ten (10) Business Days after Buyer's request, such further information with respect to the operation of any Property, Purchased Loan, the financial affairs of Seller or Guarantor as may be reasonably requested by Buyer, including all business plans prepared by or for Seller; and

(ix) within ten (10) Business Days after Buyer's request, such other reports as Buyer shall reasonably request, to the extent available to Seller.

(h) Seller shall at all times comply in all material respects with all laws, ordinances, rules and regulations of any federal, state, municipal or other public authority having jurisdiction over Seller or any of its assets, and Seller shall do or cause to be done all things reasonably necessary to preserve and maintain in full force and effect its legal existence and all licenses material to its business.

(i) Seller shall at all times keep proper books of records and accounts in which full, true and correct entries shall be made of its transactions in accordance with GAAP and set aside on its books from its earnings for each fiscal year all such proper reserves in accordance with GAAP.

(j) Seller shall promptly advise Buyer in writing of the opening of any new chief executive office of Seller or the closing of any such office and of any change in Seller's name or the places where the books and records pertaining to the Purchased Loans are held, but in no event later than thirty (30) days before any financing statement filing will lapse, lose perfection or become materially misleading.

(k) Seller shall pay and discharge all Taxes, levies, liens and other charges, if any, on its assets and on the Purchased Loans that, in each case, in any manner would create any lien or charge upon the Purchased Loans, except for any such Taxes and other charges as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP.

(l) Seller shall observe, perform and satisfy all the terms, provisions, covenants and conditions required to be observed, performed or satisfied by it, and shall pay when due all Transaction Costs. Seller shall maintain its existence as a limited liability company organized solely and in good standing under the law of the State of Delaware and shall not dissolve, liquidate, merge with or into any other Person or otherwise change its organizational structure or documents or identity or incorporate or organize in any other jurisdiction.

(m) Seller shall maintain all records with respect to the Purchased Loans and the conduct and operation of its business with no less a degree of prudence than if the Purchased Loans were held by Seller for its own account and will furnish Buyer, upon request by Buyer or its designated representative, with information reasonably obtainable by Seller with respect to the Purchased Loans and the conduct and operation of its business.

(n) Seller shall provide Buyer with notice of each modification of any Purchased Loan Documents consented to by Seller (including such modifications which do not constitute a Significant Modification).

(o) Seller shall provide Buyer with reasonable access to operating statements, the occupancy status and other property level information, with respect to the Properties, plus any such additional reports as Buyer may reasonably request.

(p) Seller shall have no right to take any action pursuant to the Purchased Loan Documents during the continuance of an Event of Default.

(q) Seller shall not cause any Purchased Loan to be serviced by any servicer other than the Servicer or any other servicer expressly approved in writing by Buyer.

(r) [Reserved].

(s) None of Seller or Guarantor or any of their respective direct or, without regard to owners of publicly traded stock traded on a national exchange, indirect, equityholders shall (i) knowingly conduct any business, or engage in any transaction or dealing, with any Prohibited Person, including the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person, or (ii) knowingly engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any Federal Trade Embargo. Seller shall cause the representation set forth in Section 10(a)(xxii) to remain true and correct at all times.

(t) Upon the occurrence of a Required Manager Termination Event, Seller shall terminate and replace the manager subject to such Required Manager Termination Event within forty-five (45) days thereafter unless Buyer has consented in writing to Seller not terminating such manager. Seller shall promptly notify Buyer in writing upon the occurrence of a Required Manager Termination Event or any other proposed replacement or termination of any property manager, asset manager or other similar manager with respect to the Properties (collectively, a " Manager Termination Event "). In connection with any Manager Termination Event pursuant to which Seller's approval is required by the Purchased Loan Documents for the selection of a replacement manager, any replacement manager other than the Backup Manager shall be subject to Buyer's approval, such approval not to be unreasonably withheld, conditioned or delayed; provided , however , that Buyer's approval of any replacement manager shall be deemed to be given if (i) no Event of Default shall have occurred and be continuing (either at the date of any notices specified below or as of the effective date of any deemed approval), (ii) Seller shall have sent Buyer a written request for approval with respect to such matter, which written request shall have been (A) accompanied by name of the proposed replacement manager, the terms of the engagement of such

replacement manager and such other information regarding the replacement manager as is reasonably requested by Buyer in order for Buyer to make a determination with respect to approving such replacement manager, and (B) marked in bold lettering with the following language: "BUYER'S RESPONSE IS REQUIRED WITHIN TEN (10) BUSINESS DAYS OF RECEIPT OF THIS NOTICE PURSUANT TO THE TERMS OF THE MASTER REPURCHASE AGREEMENT BETWEEN THE UNDERSIGNED AND BUYER", and (iii) Buyer shall have failed to respond to such request within the aforesaid time-frame. Notwithstanding the foregoing, upon the occurrence of a "Default," "Event of Default" or other breach by the Underlying Obligor of the Purchased Loan Documents that gives Seller, as lender thereunder, the right to terminate and/or replace any property manager, asset manager or other similar manager with respect to the Properties, Seller may, in its sole discretion, absent a Required Management Termination Event, elect not to terminate and/or replace any such manager.

(u) Seller agrees to use commercially reasonable efforts to appoint Green River Capital as backup manager with respect to the Properties on or prior to October 25, 2014 pursuant to a management agreement reasonably acceptable to Buyer (the " Backup Management Agreement "), or if Seller is unable to appoint Green River Capital as the backup manager, such other manager approved by Buyer (such approval not to be unreasonably withheld, conditioned or delayed) (the " Backup Manager "). Seller and Buyer agree to each pay fifty percent (50%) of all fees, costs and expenses due to the Backup Manager pursuant to the Backup Management Agreement, provided that Seller's obligation for payment pursuant to this sentence shall not exceed $25,000.00 per calendar year. Seller shall use commercially reasonable efforts to promptly deliver to Buyer and Backup Manager such documents, reports and other information with respect to the Properties as Buyer and/or Backup Manager may reasonably request from time to time. Notwithstanding the foregoing, Seller shall have no obligation to appoint the Backup Manager as replacement manager in connection with the replacement of any manager in accordance with Section 12(t) and may, in its sole discretion, appoint another replacement manager, which manager shall be subject to Buyer's approval rights set forth in Section 12(t) .

(v) Seller shall service and administer each Purchased Asset in accordance with the terms of the Transaction Documents, the Purchased Loan Documents, and applicable law, and independent of any relationship that Seller or any Affiliate of Seller may have with the Underlying Obligor or any Affiliate of any Underlying Obligor other than with respect to the Purchased Loan.

13. SINGLE-PURPOSE ENTITY.

Seller hereby represents and warrants to Buyer and covenants with Buyer that, as of the date hereof and so long as any of the Transaction Documents shall remain in effect:

(a) It is and intends to remain Solvent, and it has paid and intends to pay its debts and liabilities (including overhead expenses) from and solely to the extent of its own assets as the same shall become due.

(b) It has complied and will comply with the provisions of its certificate of formation and its limited liability company agreement in all material respects.

(c) It has done or caused to be done and will do all things necessary to observe limited liability company formalities and to preserve its existence.

(d) It has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates, its members and any other Person, and it will file its own Tax returns (except to the extent consolidation is required or permitted under GAAP or as a matter of law).

(e) It has been, is and will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), it shall correct any misunderstanding of which it has Knowledge regarding its status as a separate entity, it shall conduct business in its own name, it shall not identify itself or any of its Affiliates as a division or part of the other and it shall maintain and utilize separate stationery, invoices and checks and shall allocate fairly and reasonably any overhead for shared office space and for services performed by any employee of its Affiliates.

(f) It has not owned and will not own any property or any other assets other than the Purchased Loans, cash and its interest under any associated Hedging Transactions.

(g) It has not engaged and will not engage in any business other than the origination, acquisition, ownership, servicing, enforcement, financing and disposition of the Purchased Loans and any associated Hedging Transactions in accordance with the applicable provisions of the Transaction Documents and its organizational documents.

(h) It has not entered into, and will not enter into, any contract or agreement with any of its Affiliates, except upon terms and conditions that are substantially similar to those that would be available on an arm's length basis with Persons other than such Affiliate.

(i) It has not incurred and will not incur any Indebtedness or obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (A) obligations under the Transaction Documents, (B) obligations under the documents evidencing the Purchased Loans, (C) unsecured trade payables, in an aggregate amount not to exceed $250,000 at any one time outstanding, incurred in the ordinary course of acquiring, owning, servicing, enforcement, financing and disposing of the Purchased Loans and which are either (x) no more than ninety (90) days past due or (y) are being contested in good faith with adequate reserves maintained therefor, and/or (D) as otherwise expressly permitted under this Agreement.

(j) It has not made and will not make any loans or advances to any other Person, and shall not acquire obligations or securities of any member or affiliate of any member or any other Person (other than in connection with the origination or acquisition of Purchased Loans).

(k) It intends to maintain adequate capital derived from income from its business operations for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; provided, however, that the foregoing shall not require any shareholder, member or partner of such entity to make any additional capital contributions to such entity.

(l) Neither it nor Guarantor will seek the dissolution, liquidation or winding up, in whole or in part of Seller.

(m) It will not commingle its funds and other assets with those of any of its Affiliates or any other Person.

(n) It has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any of its Affiliates or any other Person.

(o) It has not held and will not hold itself out to be responsible for the debts or obligations of any other Person.

(p) (i) It will have at all times at least one (1) Independent Director and (ii) provide Buyer with up-to-date contact information for all Independent Director(s) and a copy of the agreement pursuant to which each Independent Director consents to and serves as an "Independent Director" for Seller.

(q) Its organizational documents shall provide that (i) no Independent Director of Seller may be removed or replaced without Cause, (ii) Buyer be given at least two (2) Business Days prior notice of the removal and/or replacement of the Independent Director, together with the name and contact information of the replacement Independent Director and evidence of the replacement's satisfaction of the definition of Independent Director and (iii) any Independent Director of Seller shall not have any fiduciary duty to anyone including the holders of the equity interests in Seller and any Affiliates of Seller except Seller and the creditors of Seller with respect to taking of, or otherwise voting on, any Act of Insolvency; provided, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing.

(r) It shall not, without the consent of its Independent Director, take any Act of Insolvency.

14. EVENTS OF DEFAULT; REMEDIES

(a) The following shall constitute an event of default by Seller hereunder (each a " Event of Default "):

(i) failure of Seller to repurchase one or more Purchased Loans on the applicable Repurchase Date;

(ii) failure of Seller to apply any Income received by Seller in accordance with the provisions hereof;

(iii) (A) the Transaction Documents shall for any reason not cause, or shall cease to cause, Buyer to be the owner of, or, if recharacterized as a secured financing, a secured party with respect to, the Repurchase Assets specified in Sections 6(a) hereof and the other collateral specified in Section 6(c) hereof free of any adverse claim, liens and other rights of others (other than as granted herein); (B) if a Transaction is recharacterized as a secured financing, the Transaction Documents with respect to any Transaction shall for any reason cease to create a valid first priority security interest in favor of Buyer in the Repurchase Assets specified in Section 6(a) hereof and the other collateral specified in Section 6(c) hereof; or (C) if the Transaction Documents shall cease to be in full force and effect or if the enforceability of any of them is challenged or repudiated by Seller, Guarantor or Servicer or any Affiliate thereof;

(iv) failure of Seller to make the payments required under Section 4 or Section 5(b) when due;

(v) failure of Seller to make any other payment owing to Buyer which has become due, whether by acceleration or otherwise, under the terms of this Agreement which failure is not remedied within the period specified herein or, if no period is specified, five (5) Business Days after notice thereof to Seller from Buyer; provided , however, that Buyer shall not be required to provide notice in the event of a failure by Seller to repurchase any Purchased Loan on the required Repurchase Date therefor;

(vi) breach by Seller in the due performance or observance of any term, covenant or agreement contained in Section 11 of this Agreement which has not been cured within five (5) Business Days after notice thereof from Buyer to Seller;

(vii) a Change of Control shall have occurred with respect to Seller or Guarantor;

(viii) any representation made by Seller herein or in any Transaction Document shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated (other than with respect to the MTM Representations) and such breach has not been cured within five (5) Business Days following notice thereof from Buyer to Seller; provided that the representations and warranties made by Seller in Section 10(a)(vi) , 10(a)(viii) , 10(a)(xvi) or 10(a)(xvii) (in each case, with respect to the affected or Purchased Loans only) hereof shall not be considered an Event of Default if incorrect or untrue in any material respect (which determination shall be made with respect to the representations and warranties in Exhibit V without regard to any knowledge qualifier therein), if Buyer terminates the related Transaction and Seller repurchases the related Purchased Loan(s) on an Early Repurchase Date no later than five (5) Business Days after receiving written notice of such incorrect or untrue representation; provided , however , that if Seller shall have made any such representation with Knowledge that it was materially incorrect or untrue at the time made, such misrepresentation shall constitute an Event of Default;

(ix) (A) a final judgment by any competent court in the United States of America for the payment of money in an amount greater than $100,000 shall have been rendered against Seller and remains undischarged or unpaid for a period of forty-five (45) days, during which period execution of such judgment is not effectively stayed or (B) a final judgment by any competent court in the United States of America for the payment of money in an amount greater than the lesser of (a) $50,000,000 or (b) three percent (3%) of the Tangible Net Worth of Guarantor shall have been rendered against Guarantor and remains undischarged or unpaid for a period of thirty (30) days, during which period execution of such judgment is not effectively stayed;

(x) (A) Guarantor shall have defaulted or failed to perform under any note, indenture, loan agreement, guaranty, swap agreement or any other contract, agreement or transaction to which it is a party, and which default results in the acceleration of an obligation equal to or greater than the lesser of (i) three percent (3%) of the Tangible Net Worth of Guarantor or (ii) $50,000,000.00; provided , however , that any such default, failure to perform or breach shall not constitute an Event of Default if Seller or Guarantor, as the case may be, cures such default, failure to perform or breach, as the case may be, within the grace period, if any, provided under the applicable agreement;

(xi) as of the end of any fiscal quarter, Guarantor breaches the Guarantor Financial Covenants;

(xii) if Seller shall breach or fail to perform any of the terms, covenants, obligations or conditions of this Agreement or any other Transaction Document, other than as specifically otherwise referred to in this definition of "Event of Default", and such breach or failure to perform is not remedied within ten (10) Business Days after notice thereof to Seller by Buyer, or its successors or assigns; provided, however, that if such default is susceptible of cure but cannot reasonably be cured within such ten (10) Business Day period and provided further that Seller shall have commenced to cure such default within such ten (10) Business Day period and thereafter diligently and expeditiously proceeds to cure the same, such ten (10) Business Day period shall be extended for such time as is reasonably necessary for Seller, in the exercise of due diligence, to cure such default, and in no event shall such cure period exceed thirty (30) days from Seller's receipt of Buyer's notice of such default;

(xiii) an Act of Insolvency shall have occurred with respect to Seller or Guarantor;

(xiv) Buyer ceases for any reason to have a valid and perfected first priority security interest in any Purchased Loan;

(xv) Seller shall consent or assent to or effect a Significant Modification without Buyer's consent and, if such breach is susceptible to cure, such breach has not been cured within five (5) Business Days following notice thereof from Buyer to Seller;

(xvi) [reserved];

(xvii) an "event of default" or "termination event" (as defined in the agreements relating to a facility described in clause (A) or (B) of this clause (xviii)), by Seller or Guarantor beyond any applicable notice and cure period, shall have occurred under (A) any repurchase facility, loan facility or hedging transaction entered into by Seller or Guarantor or any Affiliate of any of them and Buyer or any Affiliate of Buyer or (B) any repurchase facility, loan facility or hedging transaction with Buyer or any Affiliate of Buyer in which Seller or Guarantor or any Affiliate of any of them is a guarantor;

(xviii) (A) any of the representations and warranties of Guarantor in the Guaranty, or of Guarantor in any Financial Covenant Compliance Certificate shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated or (B) Guarantor shall breach any covenant in the Guaranty, and such breach has not been cured within five (5) Business Days after receipt of notice thereof from Buyer; or

(xix) Seller's termination or replacement of (or failure to terminate or replace) a property manager, asset manager or other similar manager with respect to the Properties in violation of Section 12(t) hereof.

(b) If an Event of Default shall occur and be continuing, the following rights and remedies shall be available to Buyer:

(i) At the option of Buyer, exercised by written notice to Seller (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Act of Insolvency with respect to Seller), the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (the date on which such option is exercised or deemed to have been exercised being referred to hereinafter as the " Accelerated Repurchase Date ") (and any Transaction for which the related Purchase Date has not yet occurred shall be canceled).

(ii) If Buyer exercises or is deemed to have exercised the option referred to in Section 14(b)(i) hereof:

(A) Seller's obligations hereunder to repurchase all Purchased Loans shall become immediately due and payable on and as of the Accelerated Repurchase Date, and all Income deposited in the Blocked Account shall be retained by Buyer and applied to the aggregate unpaid Repurchase Price and any other amounts owing by Seller hereunder; and

(B) the Repurchase Price with respect to each Transaction (determined as of the Accelerated Repurchase Date) shall include the accrued and unpaid Price Differential with respect to each Purchased Loan accrued at the Pricing Rate applicable upon an Event of Default for such Transaction; and

(C) Custodian shall, upon the request of Buyer (with simultaneous copy of such request to Seller), deliver to Buyer all instruments, certificates and other documents then held by Custodian relating to the Purchased Loans.

(iii) Buyer may, after ten (10) days' notice to Seller of Buyer's intent to take such action (provided that no such notice shall be required in the circumstances set forth in Section 9-611(d) of the UCC), in a commercially reasonable manner (A) immediately sell, at a public or private sale at such price or prices as Buyer may reasonably deem to be satisfactory any or all of the Purchased Loans on a servicing released basis or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Loans, to give Seller credit for such Purchased Loans in an amount equal to the Market Value of such Purchased Loans against the aggregate unpaid Repurchase Price for such Purchased Loans and any other amounts owing by Seller under the Transaction Documents. The proceeds of any disposition of Purchased Loans effected pursuant to this Section 14(b)(iii) shall be applied (v) first, to the costs and expenses incurred by Buyer in connection with Seller's default, (w) second, to the costs of cover and/or Hedging Transactions, if any, (x) third, to the Repurchase Price, (y) fourth, to any other outstanding obligation owed by Seller to Buyer or its Affiliates pursuant to the Transaction Documents (including interest which would be payable as post-petition interest in connection with any bankruptcy or similar proceeding) irrespective of whether such obligations are direct or indirect, absolute or contingent, matured or unmatured, and (z) the balance, if any, to Seller. In the event that Buyer shall not have received repayment in full of the Aggregate Repurchase Price and the other obligations of the Seller under the Transaction Documents following its liquidation of the Purchased Loans, Buyer may, in its sole discretion, pursue the Seller and Guarantor (to the extent provided in the Guaranty) for all or any part of any deficiency.

(iv) The parties recognize that it may not be possible to purchase or sell all of the Purchased Loans on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for such Purchased Loans may not be liquid. In view of the nature of the Purchased Loans, the parties agree that, to the extent permitted by applicable law, liquidation of a Transaction or the Purchased Loans shall not require a public purchase or sale and that a good faith private purchase or sale shall be deemed to have been made in a commercially reasonable manner. Accordingly, Buyer may elect, in its sole discretion, the time and manner of liquidating any Purchased Loans, and nothing contained herein shall (A) obligate Buyer to liquidate any Purchased Loans on the occurrence and during the continuance of an Event of Default or to liquidate all of the Purchased Loans in the same manner or on the same Business Day or (B) constitute a waiver of any right or remedy of Buyer.

(v) Seller shall be liable to Buyer for (A) the amount of all actual expenses, including reasonable legal fees and expenses of counsel, incurred by Buyer in connection with or as a consequence of an Event of Default, (B) all actual costs incurred in connection with covering transactions or hedging transactions (including short sales) or entering into replacement transactions, (C) all damages, losses, judgments, actual costs and other expenses of any kind that may be imposed on, incurred by or asserted against Buyer relating to or arising out of such Hedging Transactions or covering transactions, and (D) any other loss, damage, actual cost or expense directly arising or resulting from the occurrence of an Event of Default.

(vi) Buyer may exercise any or all of the remedies available to Buyer immediately upon the occurrence of an Event of Default and at any time during the continuance thereof. All rights and remedies arising under the Transaction Documents, as amended from time to time, are cumulative and not exclusive of any other rights or remedies that Buyer may have.

(vii) Buyer may enforce its rights and remedies hereunder without prior judicial process or hearing, and Seller hereby expressly waives any defenses Seller might otherwise have to require Buyer to enforce its rights by judicial process. Seller also waives any defense Seller might otherwise have arising from the use of nonjudicial process, disposition of any or all of the Purchased Loans, or from any other election of remedies. Seller recognizes that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's length.

(viii) Without limiting any other rights or remedies of Buyer, Buyer shall have the right, without prior notice to Seller, and any such notice being expressly waived by Seller to the extent permitted by applicable law, to set off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final) in any currency, and any other obligation (including to return excess margin), credits, indebtedness 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 or due from Buyer or any Affiliate thereof to or for the credit of the account of Seller, Guarantor or any Subsidiary of Guarantor to any obligations of Seller hereunder to Buyer.

(ix) Buyer shall have, in addition to its rights and remedies under the Transaction Documents, all of the rights and remedies provided by applicable federal, state, foreign, and local laws (including, without limitation, if the Transactions are recharacterized as secured financings, the rights and remedies of a secured party under the UCC of the State of New York, to the extent that the UCC is applicable, and the right to offset any mutual debt and claim), in equity, and under any other agreement between Buyer and Seller, exercisable upon ten (10) days notice from Buyer to Seller. Without limiting the generality of the foregoing, Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Loans against all of Seller's obligations to Buyer or its Affiliates, whether under this Agreement or under any other agreement between Seller and Buyer or between Seller and any Affiliate of Buyer, or otherwise, whether or not such obligations are then due, without prejudice to Buyer's right to recover any deficiency.

(x) Buyer shall at any time have the right, in each case until such time as Buyer determines otherwise, to retain, to suspend payment or performance of, or to decline to remit, any amount or property that Buyer would otherwise be obligated to pay, remit or deliver to Seller hereunder if a monetary or material non-monetary Default or an Event of Default has occurred and is continuing.

15. SINGLE AGREEMENT

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder.

16. NOTICES AND OTHER COMMUNICATIONS

All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (d) by e-mail (with return receipt requested) to the addresses specified in Annex I hereto or at such other

address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section 16 . A notice shall be deemed to have been given: (v) in the case of hand delivery, at the time of delivery; (w) in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; (x) in the case of expedited prepaid delivery upon the first attempted delivery on a Business Day; or (y) in the case of e-mail, upon receipt. A party receiving a notice that does not comply with the technical requirements for notice under this Section 16 may elect to waive any deficiencies and treat such notice as having been properly given. In furtherance of the foregoing, notices pursuant to Section 4 hereof may be sent by electronic mail to the e-mail addresses set forth on Annex I attached hereto.

17. NON-ASSIGNABILITY

(a) The rights and obligations of Seller under the Transaction Documents, the Hedging Transactions and under any Transaction shall not be assigned by Seller without the prior written consent of Buyer.

(b) Buyer may assign, participate or sell all or a portion of its rights and obligations under the Transaction Documents and under any Transaction from time to time, in each case, without the prior consent of Seller. Each assignee shall be entitled to the benefits of Section 3 (subject to the requirements and limitations therein, including the requirements under Section 3(p) (it being understood that the documentation required under Section 3(p) shall be delivered to the participating Buyer)) and Section 20 ; provided, however, that any such assignee or participant shall not be entitled to receive any greater payment under Section 3 than its participating Buyer would have been entitled to receive. Notwithstanding the foregoing, Buyer agrees that, prior to the occurrence and continuance of an Event of Default, (i) at any time prior to the Outside Date, Buyer shall not assign, participate or sell all or any portion of its rights and obligations under the Transaction Documents to any Person other than a Qualified Transferee, (ii) Buyer shall remain sole agent under the Transaction Documents, (iii) Seller shall continue to deal solely and directly with Buyer in connection with any Transaction and (iv) Buyer shall not assign, participate or sell all or any portion of its rights and obligations under the Transaction Documents or any Transaction to any Prohibited Transferee. During the continuance of an Event of Default, Buyer may assign, participate or sell its rights and obligations under the Transaction Documents and/or any Transaction to any Person without prior notice to Seller and without regard to the limitations in this Section 17(b) .

(c) Buyer, acting solely for this purpose as agent of the Seller shall maintain a record of each assignment, participation, or sale and a register for the recordation of the names and addresses of the assignees that become parties hereto and, with respect to each assignee, the aggregate assigned Purchase Price and applicable Price Differential (the " Register "). The entries in the Register shall be conclusive absent manifest error, and the Buyer and the Seller shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Buyer hereunder for all purposes of this Agreement.

(d) Subject to the foregoing, the Transaction Documents and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in the Transaction Documents, express or implied, shall give to any Person, other than the parties to the Transaction Documents and their respective successors, any benefit or any legal or equitable right, power, remedy or claim under the Transaction Documents.

18. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

(a) This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof, except for Section 5-1401 of the General Obligations Law of the State of New York.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Agreement or relating in any way to this Agreement or any Transaction under this Agreement.

(c) To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Agreement or relating in any way to this Agreement or any Transaction under this Agreement.

(d) Each party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile and irrevocably consents to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified herein. Each party hereby agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 18 shall affect the right of Buyer or Seller to serve legal process in any other manner permitted by law or affect the right of Buyer or Seller to bring any action or proceeding against the other party or its property in the courts of other jurisdictions.

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

19. NO RELIANCE; DISCLAIMERS

(a) Each party hereby acknowledges, represents and warrants to the other that, in connection with the negotiation of, the entering into, and the performance under, the Transaction Documents and each Transaction thereunder:

(i) It is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the other party to the Transaction Documents, other than the representations expressly set forth in the Transaction Documents.

(ii) It has consulted with its own legal, regulatory, Tax, business, investment, financial and accounting advisors to the extent that it has deemed to be necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of any Transaction) based upon its own judgment and upon any advice from such advisors as it has deemed to be necessary and not upon any view expressed by the other party.

(iii) It is a sophisticated and informed Person that has a full understanding of all the terms, conditions and risks (economic and otherwise) of the Transaction Documents and each Transaction thereunder and is capable of assuming and willing to assume (financially and otherwise) those risks.

(iv) It is entering into the Transaction Documents and each Transaction thereunder for the purposes of managing its borrowings or investments or hedging its underlying assets or liabilities and not for purposes of speculation.

(v) It is not acting as a fiduciary or financial, investment or commodity trading advisor for the other party and has not given the other party (directly or indirectly through any other Person) any assurance, guaranty or representation whatsoever as to the merits (either legal, regulatory, Tax, business, investment, financial accounting or otherwise) of the Transaction Documents or any Transaction thereunder.

20. INDEMNITY AND EXPENSES

(a) Seller hereby agrees to hold Buyer and its Affiliates and each of their respective officers, directors and employees (" Indemnified Parties ") harmless from and indemnify the Indemnified Parties against any and all actual, out-of-pocket liabilities, obligations, losses, damages, penalties, actions, judgments, suits, Indemnified Taxes, fees, costs, expenses (including reasonable attorneys' fees and disbursements of outside counsel and any and all servicing and enforcement costs with respect to the Purchased Loans) or disbursements (all of the foregoing, collectively " Indemnified Amounts ") that may at any time (including, without limitation, such time as this Agreement shall no longer be in effect and the Transactions shall have been repaid in full) be imposed on or asserted against any Indemnified Party in any way whatsoever arising out of or in connection with, or relating to, this Agreement or any Transactions thereunder or any action taken or omitted to be taken by any Indemnified Party under or in connection with any of the foregoing; provided , that Seller shall not be liable for Indemnified Amounts resulting from the gross negligence or willful misconduct of any Indemnified Party. Without limiting the generality of the foregoing, Seller agrees to hold each Indemnified Party harmless from and indemnify each Indemnified Party against all Indemnified Amounts with respect to all Purchased Loans relating to or arising out of any violation or alleged violation of any environmental law, rule or regulation or any consumer credit laws, including without limitation ERISA, that, in each case, results from anything other than the gross negligence or willful misconduct of an Indemnified Party. In any suit, proceeding or action brought by Buyer in connection with any Purchased Loan for any sum owing thereunder, or to enforce any provisions of any Purchased Loan Documents, Seller will save, indemnify and hold Buyer harmless from and against all actual, out-of-pocket expense, loss or damage suffered by Buyer by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from Seller. Seller also agrees to reimburse an Indemnified Party as and when billed by such Indemnified Party for all such Indemnified Party's costs and expenses incurred in connection with the enforcement or the preservation of such Indemnified Party's rights under this Agreement and any other Transaction Document or any transaction contemplated hereby or thereby, including without limitation the fees and disbursements of its outside counsel. Seller hereby acknowledges that its obligations hereunder are recourse obligations of Seller. For avoidance of doubt, this Section 20 shall not apply to claims with respect to Taxes, Excluded Taxes, or Other Taxes, which are governed by Section 3 hereof.

(b) Seller agrees to pay as and when billed by Buyer (i) all Indemnified Amounts provided in Section 20(a) , (ii) all of the out-of-pocket costs and expenses incurred by Buyer in connection with the development, preparation and execution of, and any amendment, supplement or modification to this Agreement and the other Transaction Documents or any other documents prepared in connection herewith or therewith, (iii) all of the out-of-pocket costs and expenses incurred in connection with the consummation and administration of the transactions contemplated hereby and thereby including without limitation all the fees, disbursements and expenses of counsel to Buyer, (iv) all costs and expenses contemplated by Section 14(b)(v) and (v) all the Diligence Fees (collectively, " Transaction Costs ").

21. DUE DILIGENCE

Seller acknowledges that Buyer has the right to perform continuing due diligence reviews with respect to the Purchased Loans, at Seller's sole cost and expense, for purposes of verifying compliance with the representations, warranties and specifications made hereunder, or determining or re-determining the Asset Base for purposes of Section 4 of this Agreement, or otherwise, and Seller agrees that Buyer, at its option, has the right at any time to conduct a partial or complete due diligence review on any or all of the Purchased Loans, including, without limitation, ordering new credit reports and Appraisals on the applicable collateral and otherwise regenerating the information used to originate such Purchased Loans. Upon reasonable (but no less than one (1) Business Days) prior notice to Seller, Buyer or its authorized representatives will be permitted during normal business hours to examine, inspect, and make copies and extracts of, the Purchased Loan Files and any and all documents, records, agreements, instruments or information relating to any Purchased Loan in the possession or under the control of Seller, any servicer or sub-servicer and/or Custodian. Seller also shall make available to Buyer a knowledgeable financial or accounting officer for the purpose of answering questions respecting the Purchased Loan Files and the Purchased Loans. Seller agrees to cooperate with Buyer and any third party underwriter designated by Buyer in connection with such underwriting, including, but not limited to, providing Buyer and any third party underwriter with access to any and all documents, records, agreements, instruments or information relating to such Purchased Loans in the possession, or under the control, of such Seller.

22. SERVICING

(a) The parties hereto agree and acknowledge that the Purchased Loans will be sold by Seller to Buyer on a servicing released basis. In furtherance of the foregoing, the Seller and the Buyer hereby agree and confirm that from and after the date hereof, only such Servicing Agreements that have been approved by Buyer shall govern the servicing of the Purchased Loans and any prior agreement between Seller and any other Person or otherwise with respect to such servicing is hereby superseded in all respects. Provided that Buyer shall have received a duly executed Servicing Acknowledgement from Servicer, prior to an Event of Default, Seller may retain, on behalf of the Buyer, the Servicer to service the Purchased Loans for the benefit of or on behalf of Buyer; provided , however , that the obligation of Servicer to service any Purchased Loan for the benefit of or on behalf of Buyer as aforesaid shall cease upon the repurchase of such Purchased Loan by Seller in accordance with the provisions of this Agreement or as otherwise provided in the Servicing Acknowledgement.

(b) Seller agrees that, as between Seller and Buyer, Buyer is the owner of all servicing records, including but not limited to any and all servicing agreements, files, documents, records, data bases, computer tapes, copies of computer tapes, proof of insurance coverage, insurance policies, appraisals, other closing documentation, payment history records, and any other records relating to or evidencing the servicing of Purchased Loans (the " Servicing Records ") so long as the Purchased Loans are subject to this Agreement. Seller covenants to safeguard any such Servicing Records in Seller's possession and to deliver them promptly to Buyer or its designee (including the Custodian) at Buyer's request.

(c) Seller shall not, and shall not provide consent to Servicer to, employ any other sub-servicers to service the Purchased Loans without the prior written approval of Buyer which approval shall not be unreasonably withheld.

(d) Seller shall cause Servicer and any other sub-servicers engaged on behalf of Buyer to execute a Servicing Acknowledgement acknowledging Buyer's interest in the Purchased Loans and the Servicing Agreement and agreeing that the Servicer and any sub-servicer (if applicable) shall deposit all Income with respect to the Purchased Loans in the Blocked Account, all in such manner as shall be reasonably acceptable to Buyer.

(e) To the extent applicable, Seller shall cause Servicer to permit Buyer to inspect Servicer's servicing facilities for the purpose of satisfying Buyer that Servicer has the ability to service such Purchased Loan as provided in this Agreement.

(f) Buyer may, in its sole discretion if an Event of Default shall have occurred and be continuing, sell the Purchased Loans on a servicing released basis without payment of any termination fee or any other amount to Servicer. Upon the occurrence of an Event of Default hereunder, Buyer shall have the right immediately to terminate Servicer's right to service the Purchased Loans without payment of any penalty or termination fee.

23. TREATMENT FOR TAX PURPOSES

It is the intention of the parties that, for U.S. Federal, state and local income and franchise Tax purposes, the Transactions constitute a financing, and that Seller is, and, so long as no Event of Default shall have occurred and be continuing, will continue to be, treated as the owner of the Purchased Loans for such purposes. Unless prohibited by applicable law, Seller and Buyer agree to treat the Transactions as described in the preceding sentence on any and all filings with any U.S. Federal, state or local taxing authority.

24. INTENT

(a) The parties intend and acknowledge that this Agreement is a "master netting agreement" as that term is defined in Section 101(38A)(A) of the Bankruptcy Code.

(b) The parties intend and acknowledge that each Transaction is a "securities contract" as that term is defined in Section 741(7) of the Bankruptcy Code.

(c) The parties intend and acknowledge that the Guaranty is a "securities contract" as that term is defined in Section 741(7)(A)(xi) of the Bankruptcy Code.

(d) The parties intend and acknowledge that any party's right to cause the termination, liquidation or acceleration of or to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with this Agreement or any Transaction hereunder is in each case a contractual right to cause the termination, liquidation, or acceleration of or to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with this Agreement or any Transaction hereunder as described in Section 555 and 561 of the Bankruptcy Code.

(e) The parties intend and acknowledge that any provisions hereof or in any other document, agreement or instrument that is related in any way to the servicing of the Purchased Loans shall be deemed "related to" this Agreement within the meaning of Section 741 of the Bankruptcy Code.

(f) Each party hereto agrees that it shall not challenge the characterization of this Agreement as a “securities contract” or “master netting agreement” within the meaning of the Bankruptcy Code.

25. MISCELLANEOUS

(a) Time is of the essence under the Transaction Documents and all Transactions thereunder, and all references to a time shall mean New York time in effect on the date of the action unless otherwise expressly stated in the Transaction Documents.

(b) All rights, remedies and powers of Buyer hereunder and in connection herewith are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers of Buyer whether under law, equity or agreement. In addition to the rights and remedies granted to it in this Agreement to the extent applicable, Buyer shall have all rights and remedies of a secured party under the UCC and any other applicable law.

(c) The Transaction Documents may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument.

(d) The headings in the Transaction Documents are for convenience of reference only and shall not affect the interpretation or construction of the Transaction Documents.

(e) Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(f) This Agreement, the Fee Letter and each Confirmation contains a final and complete integration of all prior expressions by the parties with respect to the subject matter hereof and thereof and shall constitute the entire agreement among the parties with respect to such subject matter, superseding all prior oral or written understandings.

(g) Each party understands that this Agreement is a legally binding agreement that may affect such party’s rights. Each party represents to the other that such party has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and that it is satisfied with its legal counsel and the advice received from it.

(h) Should any provision of this Agreement require judicial interpretation, it is agreed that a court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any Person by reason of the rule of construction that a document is to be construed more strictly against the Person who itself or through its agent prepared the same, it being agreed that all parties have participated in the preparation of this Agreement.

(i) To the extent permitted by applicable law, each party hereby waives any right to claim or recover from the other party any exemplary or punitive damages of any kind or nature whatsoever, whether the likelihood of such damages was known or foreseeable and regardless of the form of the claim or action. The foregoing waiver shall also apply to Indemnified Amounts.

[SIGNATURES COMMENCE ON THE NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BUYER:

GOLDMAN SACHS BANK USA,
a New York state member bank

By: /s/ Charles D. Johnston
Name: Charles D. Johnston
Title: Authorized Signatory

SELLER:

643 SINGLE FAMILY FINCO 2014, LLC,
a Delaware limited liability company

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

SCHEDULE 1

INTENTIONALLY OMITTED

SCHEDULE 2

PURCHASED LOAN INFORMATION

a) Loan Number/Loan Type

b) Obligor Name

c) Property Address

d) Original Balance

e) Outstanding Balance

f) Maturity Date

g) Table Funding (Yes/No)

h) Such information as Buyer and Seller shall agree on a case-by-case basis.

SCHEDULE 3-A

PROHIBITED TRANSFEREES

1. Annaly Capital Management, Inc.
2. Apollo Commercial Real Estate Finance, Inc.
3. Arbor Realty Trust Inc.
4. Ares Commercial Real Estate Corporation
5. Brookfield Investment Management Inc.
6. Cantor Fitzgerald & Co.
7. CapitalSource Inc.
8. Children's Investment Fund LP
9. Colony Financial, Inc.
10. CreXus Investment Corp.
11. H/2 Credit Manager LP
12. iStar Financial Inc.
13. KKR & Co. L.P.
14. Ladder Capital Securities LLC
15. LoanCore Capital, LLC
16. Mesa West Capital, LLC
17. NCH Capital Inc.
18. NorthStar Realty Finance Corp.
19. RAIT Financial Trust
20. Redwood Trust Inc.
21. Rialto Capital Management, LLC
22. SL Green Realty Corp.
23. Square Mile Capital Management, LLC
24. Starwood Capital Group
25. Starwood Property Trust, Inc.
26. Winthrop Capital Management, LLC

SCHEDULE 3-B

PROHIBITED TRANSFEREES

1. Annaly Capital Management, Inc.
2. Apollo Commercial Real Estate Finance, Inc.
3. Arbor Realty Trust Inc.
4. Ares Commercial Real Estate Corporation
5. Brookfield Investment Management Inc.
6. Cantor Fitzgerald & Co.
7. CapitalSource Inc.
8. Children's Investment Fund LP
9. Colony Financial, Inc.
10. CreXus Investment Corp.
11. H/2 Credit Manager LP
12. iStar Financial Inc.
13. KKR & Co. L.P.
14. Ladder Capital Securities LLC
15. LoanCore Capital, LLC
16. Mesa West Capital, LLC
17. NCH Capital Inc.
18. NorthStar Realty Finance Corp.
19. RAIT Financial Trust
20. Redwood Trust Inc.
21. Rialto Capital Management, LLC
22. SL Green Realty Corp.
23. Square Mile Capital Management, LLC
24. Starwood Capital Group
25. Starwood Property Trust, Inc.
26. Winthrop Capital Management, LLC
27. Invesco Ltd.
28. OZ Management LP
29. Angelo, Gordon & Co., L.P.
30. Lone Star U.S. Acquisitions, LLC
31. Fortress Credit Corp.
32. Newcastle Investment Corp.
33. TPG Capital Management, L.P.

EXHIBIT I

CONFIRMATION
GOLDMAN SACHS MORTGAGE COMPANY

Ladies and Gentlemen:

Goldman Sachs Bank USA is pleased to deliver our written **CONFIRMATION** of our agreement (subject to satisfaction of the Transaction Conditions Precedent) to enter into the Transaction pursuant to which Goldman Sachs Bank USA shall purchase from you the Purchased Loan identified in Schedule I attached hereto, pursuant to the Master Repurchase Agreement among Goldman Sachs Bank USA (the " Buyer ") and 643 Single Family Finco 2014, LLC (" Seller "), dated as of April 25, 2014 (as amended from time to time the " Agreement "; capitalized terms used herein without definition have the meanings given in the Agreement), as follows below and on the attached Schedule 1:

Seller:	643 Single Family Finco 2014, LLC
Purchase Date:	[_____], [_____]
Purchased Loan:	As identified on attached Schedule 1
Aggregate Principal Amount of Purchased Loan:	[_____]
Repurchase Date:	[_____],[_____]
Initial Purchase Price:	$
Pricing Rate:	LIBOR + 2.75%
Purchase Percentage:	80%
Type of Funding:	[Table Funded/Non-Table Funded]
Wire Instructions:	[_____]
Governing Agreements:	As identified on attached Schedule 1
Name and address for communications:	Buyer : Goldman Sachs Bank USA 6011 Connection Drive Irving, Texas 75039 Attention: Henry Nguyen Telephone: (972) 368-2324 E-Mail: gs-warehouselending@gs.com

with a copy to:

Goldman Sachs Security Instrument Company
200 West Street
New York, New York 10282
Attention: Michelle Gill
Telephone: (212) 357-8721
E-Mail: michelle.gill@gs.com

with a copy to:

Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, Pennsylvania 19104
Attention: Richard D. Jones, Esq.
Telephone: (212) 698-3844
Fax: (215) 655-2501
Email: richard.jones@dechert.com

Seller :

643 Single Family Finco 2014, LLC
c/o Blackstone Mortgage Trust, Inc.
345 Park Avenue
New York, NY 10154
Attn: Douglas Armer
Telephone: 212-583-5000
E-mail: BXMTGoldmanSFRrepo@blackstone.com

with a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: David C. Djaha
Email: david.djaha@ropesgray.com

[SIGNATURES ON THE NEXT PAGE]

GOLDMAN SACHS BANK USA,
a New York state member bank

By: _____
Name:
Title:

AGREED AND ACKNOWLEDGED:

643 SINGLE FAMILY FINCO 2014, LLC,
a Delaware limited liability company

By:_____
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

SCHEDULE 1 TO CONFIRMATION STATEMENT

Purchased Loan:	[Loan Type] dated as of [_____] in the original principal amount of $[_____], made by [_____] to [_____] under and pursuant to that certain [loan agreement/applicable document] (the "Governing Agreement").
Aggregate Principal Amount:	$[_____] [(Plus up to $[_____] of future advances under Section [_____] of the Governing Agreement)]. Buyer's obligation to fund any future advances is contingent on (a) Seller's satisfaction of the conditions captained in Section [_____] of [Governing Agreement] and (b) a bringdown by Seller of all representations and warranties made on the date hereof with regard to the Purchased Loan pursuant to Section 10 of the Agreement.)]
Representations:	Seller acknowledges and agrees that upon funding by Buyer of the Purchase Price for the Purchased Loan [and in connection with any subsequent funding of the Purchase Percentage of a future advance under the Purchased Loan, (i)] Seller shall be deemed to have confirmed that all of the representations and warranties set forth in Section 10 of the Agreement are true and correct in all material respects as of the Purchase Date [or the applicable funding date, as the case may be,], except as set forth in the attached Exception Report [and (ii) with respect to the funding of a future advance, Seller shall be deemed to have represented and warranted that all of the conditions to funding of such advance set forth in Section [_____] of the Governing Agreement have been satisfied (and no conditions have been waived, except as has been previously disclosed by Seller to Buyer in writing)].
Fixed/Floating:	
Coupon:	
Term of Loan including Extension Options:	
Amortization (e.g. IO, full amortization, etc.):	

EXHIBIT II

AUTHORIZED REPRESENTATIVES OF SELLER

Name	Specimen Signature
[•]	_____
[•]	_____
[•]	_____
[•]	_____
[•]	_____

INTENTIONALLY OMITTED

FORM OF POWER OF ATTORNEY TO BUYER

Know All Men by These Presents, that, subject to the terms and conditions of the Repurchase Agreement (defined below), 643 Single Family Finco 2014, LLC (" Seller "), does hereby appoint GOLDMAN SACHS BANK USA (" Buyer "), in connection with the Repurchase Agreement (defined below) its attorney-in-fact to act in Seller's name, place and stead in any way which Seller could do with respect to (i) the completion of the endorsements of the Notes and the Assignments of Security Instruments, (ii) the recordation of the Assignments of Security Instruments and (iii) the enforcement of Seller's rights under the Purchased Loans purchased by Buyer pursuant to the Master Repurchase Agreement dated as of August 9, 2013, as amended from time to time, between Seller and Buyer (the " Repurchase Agreement ") (including, for the avoidance of doubt, the enforcement and exercise of Seller's rights in respect of any interest reserve account or other deposit account or securities account established by any borrower or any other related obligor in connection with any Purchased Loans (including the enforcement and exercise of Seller's rights in respect of all funds or other assets deposited in, or credited to, such accounts)) and to take such other steps as may be necessary or desirable to enforce Buyer's rights against such Purchased Loans, the related Purchased Loan Files and the Servicing Records to the extent that Seller is permitted by law to act through an agent. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Repurchase Agreement.

TO INDUCE ANY THIRD PARTY TO ACT IN RELIANCE ON THIS POWER OF ATTORNEY, SELLER HEREBY AGREES THAT ANY THIRD PARTY RECEIVING A DULY EXECUTED COPY OR FACSIMILE OF THIS INSTRUMENT MAY ACT IN RELIANCE ON THIS POWER OF ATTORNEY, AND THAT REVOCATION OR TERMINATION HEREOF SHALL BE INEFFECTIVE AS TO SUCH THIRD PARTY UNLESS AND UNTIL ACTUAL NOTICE OR KNOWLEDGE OR SUCH REVOCATION OR TERMINATION SHALL HAVE BEEN RECEIVED BY SUCH THIRD PARTY, AND SELLER ON ITS OWN BEHALF AND ON BEHALF OF SELLER'S ASSIGNS, HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS ANY SUCH THIRD PARTY FROM AND AGAINST ANY AND ALL CLAIMS THAT MAY ARISE AGAINST SUCH THIRD PARTY BY REASON OF SUCH THIRD PARTY HAVING RELIED ON THE PROVISIONS OF THIS INSTRUMENT.

IN WITNESS WHEREOF Seller has caused this Power of Attorney to be executed this _____day of _____, 20 ___.

643 SINGLE FAMILY FINCO 2014, LLC,
a Delaware limited liability company

By:_____
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On this _____of _____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

_____
Notary Public

(Seal)

FORM OF POWER OF ATTORNEY TO SELLER

Know All Men by These Presents, that GOLDMAN SACHS BANK USA (" Buyer ") does hereby appoint 643 Single Family Finco 2014, LLC (" Seller "), its attorney-in-fact to act in Buyer's name, place and stead in any way which Buyer could with respect to modifications described below, to mortgage loan documents with respect to Purchased Loans sold by Seller to Buyer under that certain Master Repurchase Agreement, dated as of August 9, 2013 (as amended from time to time, the " Repurchase Agreement "). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Repurchase Agreement.

Subject to the terms and conditions of the Repurchase Agreement, Seller is permitted to administer and service the Purchased Loans without the consent of Buyer, any assignee or any other Person, pursuant to this power of attorney delivered by Buyer, which power of attorney shall not be revoked by Buyer unless an Event of Default under the Repurchase Agreement has occurred and is then continuing. Notwithstanding the foregoing, Seller shall not consent or assent to a Significant Modification without the prior written consent of Buyer. Actions taken under the foregoing power of attorney shall be binding upon each holder of the Purchased Loans.

" Purchased Loans " shall mean (i) with respect to any Transaction, the Eligible Loans sold by Seller to Buyer in such Transaction and (ii) with respect to the Transactions in general, all Eligible Loans sold by Seller to Buyer.

" Significant Modification " shall mean (i) any material extension, amendment, waiver, termination, rescission, cancellation, release, subordination or other material modification to the terms of, or any collateral, guaranty or indemnity for, any Purchased Loan or Purchased Loan Document, or (ii) the foreclosure or exercise of any material right or remedy by the holder of any Purchased Loan or Purchased Loan Document.

THIS POWER OF ATTORNEY MAY BE REVOKED BY BUYER BY DELIVERY OF WRITTEN NOTICE TO SELLER DURING THE CONTINUANCE OF ANY EVENT OF DEFAULT UNDER THE REPURCHASE AGREEMENT. IF THIS POWER OF ATTORNEY HAS NOT BEEN REVOKED AND IF REQUESTED BY SELLER, BUYER WILL PROMPTLY CONFIRM IN WRITING TO SELLER, AND ANY OTHER PERSON OR ENTITY REASONABLY DESIGNATED BY SELLER, THAT THIS POWER OF ATTORNEY HAS NOT BEEN REVOKED AND IS IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF Seller has caused this Power of Attorney to be executed this ____day of _____, 20 __.

GOLDMAN SACHS BANK USA,
a New York state member bank

By:_____
Name:
Title:

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On this ____of _____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

_____
Notary Public

(Seal)

EXHIBIT V

REPRESENTATIONS AND WARRANTIES
REGARDING THE PURCHASED LOANS

With respect to each Purchased Loan, with respect to the Underlying Collateral and with respect to the related Properties on the related Purchase Date, and, except as expressly set forth below, at all times required by this Agreement, Seller shall be deemed to make the following representations and warranties to Buyer as of such date; provided, however, that with respect to any Purchased Loan, such representations and warranties shall be deemed to be modified by any Exception Report delivered by Seller to Buyer prior to the issuance of a Confirmation with respect thereto:

(1) Purchased Loan Schedule and Purchased Loan Information . The information set forth in the Purchased Loan Schedule and the Purchased Loan Information with respect to each Purchased Loan on the Purchase Date is true and correct in all material respects.

(2) Whole Loan; Ownership of Purchased Loans . Each Purchased Loan is a whole loan and not a participation interest in a Purchased Loan. At the time of the sale, transfer and assignment to Buyer, no Note or Security Instrument was subject to any assignment (other than assignments to the Seller), participation (other than any participation to the Seller, if applicable) or pledge, and the Seller had good title to, and was the sole owner of, each Purchased Loan free and clear of any and all liens, charges, pledges, encumbrances, participations, any other ownership interests on, in or to such Purchased Loan. Seller has full right and authority to sell, assign and transfer each Purchased Loan, and the assignment to Buyer constitutes a legal, valid and binding assignment of such Purchased Loan free and clear of any and all liens, pledges, charges or security interests of any nature encumbering such Purchased Loan.

(3) Loan Document Status . Each related Note, Security Instrument, master lease, guaranty and other agreement executed by or on behalf of the related Underlying Obligor, guarantor or other obligor in connection with such Purchased Loan is the legal, valid and binding obligation of the related Underlying Obligor, guarantor or other obligor (subject to any non-recourse provisions contained in any of the foregoing agreements and any applicable state anti-deficiency or market value limit deficiency legislation), as applicable, and is enforceable in accordance with its terms, except (i) as such enforcement may be limited by (a) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law) and (ii) that certain provisions in such Purchased Loan Documents (including, without limitation, provisions requiring the payment of default interest, late fees or prepayment/yield maintenance fees, charges and/or premiums) are, or may be, further limited or rendered unenforceable by or under applicable law, but (subject to the limitations set forth in clause (i) above) such limitations or unenforceability will not render such Purchased Loan Documents invalid as a whole or materially interfere with the Secured Party's realization of the principal benefits and/or security provided thereby (clauses (i) and (ii) collectively, the " Standard Qualifications ").

Except as set forth in the immediately preceding sentence, there is no valid offset, defense, counterclaim or right of rescission available to the related Underlying Obligor with respect to any of the related Notes, Security Instruments or other Purchased Loan Documents, including, without limitation, any such valid offset, defense, counterclaim or right based on intentional fraud by Seller in connection with the origination of the Purchased Loan, that would deny the Secured Party the principal benefits intended to be provided by the Note, Security Instrument or other Purchased Loan Documents.

(4) Security Instrument Provisions . The Purchased Loan Documents for each Purchased Loan contain provisions that render the rights and remedies of the holder thereof adequate for the practical realization against the Property of the principal benefits of the security intended to be provided thereby, including realization by judicial or, if applicable, nonjudicial foreclosure subject to the limitations set forth in the Standard Qualifications.

(5) Security Instrument Status; Waivers and Modifications . Since origination and except by written instruments set forth in the related Purchased Loan File or as otherwise approved by Buyer, (a) the material terms of such Security Instrument, Note, Loan guaranty, and related Purchased Loan Documents have not been waived, impaired, modified, altered, satisfied, canceled, subordinated or rescinded in any respect which materially interferes with the security intended to be provided by such Security Instrument; (b) no related Property or any portion thereof has been released from the lien of the related Security Instrument in any manner which materially interferes with the security intended to be provided by such Security Instrument or the use or operation of the remaining portion of such Property; and (c) neither the related Underlying Obligor nor the related guarantor has been released from its material obligations under the Purchased Loan.

(6) Lien; Valid Assignment . Subject to the Standard Qualifications, each assignment of Security Instrument from the Seller constitutes a legal, valid and binding assignment from the Seller. Each related Security Instrument is freely assignable without the consent of the related Underlying Obligor. Each related Security Instrument is a legal, valid and enforceable first lien on the Underlying Collateral (other than any master lease agreement) in the principal amount of such Purchased Loan or allocated loan amount, except as the enforcement thereof may be limited by the Standard Qualifications. Such Underlying Collateral (other than any master lease agreement) is free and clear of any liens or encumbrances, and, to the Seller's knowledge, no rights exist which under law could give rise to any such lien or encumbrance that would be prior to or equal with the lien of the related Security Instrument. Notwithstanding anything herein to the contrary, no representation is made as to the perfection of any security interest in rents or other personal property to the extent that possession or control of such items or actions other than the filing of Uniform Commercial Code financing statements is required in order to effect such perfection.

(7) Junior Liens . There are no subordinate or junior liens securing the payment of money encumbering the related Underlying Collateral. The Seller has no Knowledge of any mezzanine or other debt secured directly by interests in the related Underlying Obligor.

(8) UCC Filings . Seller has filed and/or recorded or caused to be filed and/or recorded (or, if not filed and/or recorded, have been submitted in proper form for filing and/or recording), UCC financing statements in the appropriate public filing and/or recording offices necessary at the time of the origination of the Purchased Loan to perfect a valid security interest in the Underlying Collateral.

(9) Compliance with Usury Laws . The interest rate with respect to each Purchased Loan (exclusive of any default interest, late charges, yield maintenance charge, or prepayment premiums) of such Purchased Loan complied as of the date of origination with, or was exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury.

(10) No Contingent Interest or Equity Participation . No Purchased Loan has a shared appreciation feature, any other contingent interest feature or a negative amortization feature or an equity participation by Seller.

(11) Authorized to do Business . To the extent required under applicable law, as of the Purchase Date or as of the date that such entity held the Note, each holder of the Note was authorized to originate, acquire and/or hold (as applicable) the Note in the jurisdiction in which each related Property is located, or the failure to be so authorized does not materially and adversely affect the enforceability of such Purchased Loan.

(12) Actions Concerning Purchased Loan . As of the date of origination and to the Seller's Knowledge as of the Purchase Date, there was no pending or filed action, suit or proceeding, arbitration or governmental investigation involving any Underlying Obligor, guarantor, or Underlying Obligor's interest in the Underlying Collateral, an adverse outcome of which would reasonably be expected to materially and adversely affect (a) such Underlying Obligor's title to the Underlying Collateral, (b) the validity or enforceability of the Security Instrument, (c) such Underlying Obligor's ability to perform under the related Purchased Loan, (d) such guarantor's ability to perform under the related guaranty, (e) the principal benefit of the security intended to be provided by the Purchased Loan documents or (f) the current principal use of the Underlying Collateral.

(13) Escrow Deposits . All escrow deposits and payments required to be escrowed with Secured Party pursuant to each Purchased Loan are in the possession, or under the control, of the Seller or its servicer, and there are no deficiencies (subject to any applicable grace or cure periods) in connection therewith.

(14) No Holdbacks . Except for Purchased Loans identified to Buyer on the Exception Report in connection with a subject Transaction as having future advances, the principal amount of the Purchased Loan stated on the Purchased Loan Schedule has been fully disbursed as of the Purchase Date and there is no requirement for future advances thereunder (except in those cases where the full amount of the Purchased Loan has been disbursed but a portion thereof is being held in escrow or reserve accounts pending the satisfaction of certain conditions relating to leasing, repairs or other matters with respect to the related Property, the Underlying Obligor, the Property Owner or other considerations determined by Seller to merit such holdback).

(15) Insurance . The related Properties are, and are required pursuant to the related Security Instrument to be, insured by a property insurance policy providing coverage for loss in accordance with coverage found under a "special cause of loss form" or "all risk form" that includes replacement cost valuation issued by an insurer meeting the requirements of the related Purchased Loan Documents and having a claims-paying or financial strength rating of at least "A-:VIII" from A.M. Best Company or "A3" (or the equivalent) from Moody's Investors Service, Inc. or "A-" from Standard & Poor's Ratings Service (collectively the "Insurance Rating Requirements"), in an amount in the aggregate (subject to a customary deductible) not less than the lesser of (1) the then outstanding principal balance of the Purchased Loan and (2) the full insurable value on a replacement cost basis of the improvements, furniture, furnishings, fixtures and equipment owned by the Underlying Obligor and included in the Property (with no deduction for physical depreciation), but, in any event, not less than the amount necessary or containing such endorsements as are necessary to avoid the operation of any coinsurance provisions with respect to the related Properties.

The related Properties are also covered, and required to be covered pursuant to the related Purchased Loan Documents, by business interruption or rental loss insurance which (subject to a customary deductible) covers a period of not less than 12 months (or with respect to each Purchased Loan on a single asset with a principal balance of $50 million or more, 18 months).

If any material part of the improvements located on a Property is in an area identified in the Federal Register by the Federal Emergency Management Agency as "a Special Flood Hazard Area", the related Underlying Obligor is required to maintain insurance in the maximum amount available under the National Flood Insurance Program.

If any Property is located within 25 miles of the coast of the Gulf of Mexico or the Atlantic coast of Florida, Georgia, South Carolina or North Carolina, the related Underlying Obligor is required to maintain coverage for windstorm and/or windstorm related perils and/or "named storms" issued by an insurer meeting the Insurance Rating Requirements or endorsement covering damage from windstorm and/or windstorm related perils and/or named storms.

The Properties are covered, and required to be covered pursuant to the related Purchased Loan Documents, by a commercial general liability insurance policy issued by an insurer meeting the Insurance Rating Requirements including coverage for property damage, contractual damage and personal injury (including bodily injury and death) in amounts as are generally required by prudent institutional commercial mortgage lenders, and in any event not less than $1 million per occurrence and $2 million in the aggregate.

An architectural or engineering consultant has performed an analysis of each of the Properties located in seismic zones 3 or 4 in order to evaluate the structural and seismic condition of such property, for the sole purpose of assessing the scenario expected limit ("SEL") for the Property in the event of an earthquake. In such instance, the SEL was based on a 475-year return period, an exposure period of 50 years and a 10% probability of exceedance. If the resulting report concluded that the SEL would exceed 20% of the amount of the replacement costs of the improvements, earthquake insurance on such Property was obtained by an insurer rated at least "A:VIII" by A.M. Best Company or "A3" (or the equivalent) from Moody's Investors Service, Inc. or "A-" by Standard & Poor's Ratings Service in an amount not less than 100% of the SEL.

The Purchased Loan Documents require insurance proceeds in respect of a property loss to be applied either (a) to the repair or restoration of all or part of the related Property, with respect to all property losses in excess of 5% of the then outstanding principal amount of the related Purchased Loan, the Secured Party (or a trustee appointed by it) having the right to hold and disburse such proceeds as the repair or restoration progresses, or (b) to the payment of the outstanding principal balance of such Purchased Loan together with any accrued interest thereon.

All premiums on all insurance policies referred to in this section due and payable as of the Purchase Date have been paid, and such insurance policies name the Secured Party under the Purchased Loan and its successors and assigns as a loss payee under a mortgagee endorsement clause or, in the case of the general liability insurance policy, as named or additional insured. Such insurance policies will inure to the benefit of the Buyer. Each related Purchased Loan obligates the related Underlying Obligor to maintain all such insurance and, at such Underlying Obligor's failure to do so, authorizes the Secured Party to maintain such insurance at the Underlying Obligor's reasonable cost and expense and to charge such Underlying Obligor for related premiums. All such insurance policies (other than commercial liability policies) require prior notice to lender of the termination or cancellation (or such lesser period as may be required by applicable law) arising for any reason, including non-payment of a premium.

(16) Recourse Obligations . The Purchased Loan Documents for each Purchased Loan provide that such Purchased Loan (a) becomes full recourse to the Underlying Obligor and guarantor (which is a natural person or persons, or an entity distinct from the Underlying Obligor (but may be affiliated with the Underlying Obligor) that has assets other than equity in the related Properties that are not de minimis) in any of the following events: (i) if any voluntary petition for bankruptcy, insolvency, dissolution or liquidation pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by the Underlying Obligor; (ii) Underlying Obligor or guarantor shall have colluded with (or, alternatively, solicited or caused to be solicited) other creditors to cause an involuntary bankruptcy filing with respect to the Underlying Obligor or (iii) voluntary transfers of either the Property or equity interests in Underlying Obligor made in violation of the Purchased Loan Documents; and (b) contains provisions providing for recourse against the Underlying Obligor and guarantor (which is a natural person or persons, or an entity distinct from the Underlying Obligor (but may be affiliated with the Underlying Obligor) that has assets other than equity in the related Property that are not de minimis), for losses and damages sustained by reason of Underlying Obligor's (i) misappropriation of rents after the occurrence of an event of default under the Purchased Loan, (ii) misappropriation of (A) insurance proceeds or condemnation awards or (B) security deposits or, alternatively, the failure of any security deposits to be delivered to Secured Party upon foreclosure or action in lieu thereof (except to the extent applied in accordance with leases prior to a Purchased Loan event of default); (iii) fraud or intentional material misrepresentation; (iv) breaches of the environmental covenants in the Purchased Loan Documents; or (v) commission of intentional material physical waste at the Property.

(17) Security Instrument Releases . The terms of the related Security Instrument or related Purchased Loan Documents do not provide for release of any material portion of the Underlying Collateral and/or Properties from the lien of the Security Instrument except (a) a partial release, accompanied by principal repayment, or partial defeasance, of not less than a specified percentage at least equal to the lesser of (i) 110% of the related allocated loan amount of such portion of the Property and (ii) the outstanding principal balance of the Purchased Loan, (b) upon payment in full of such Purchased Loan, (c) upon a defeasance, (d) releases of out-parcels that are unimproved or other portions of the Property which will not have a material adverse effect on the underwritten value of the Property and which were not afforded any material value in the appraisal obtained at the origination of the Purchased Loan and are not necessary for physical access to the Property or compliance with zoning requirements, or (e) as required pursuant to an order of condemnation or taking by a State or any political subdivision or authority thereof.

(18) Financial Reporting and Rent Rolls . The Purchased Loan documents for each Purchased Loan require the Underlying Obligor to provide the owner or holder of the Security Instrument with quarterly (other than for single-tenant properties) and annual operating statements, and quarterly (other than for single-tenant properties) for the Properties in the aggregate, which annual financial statements with respect to each Purchased Loan with more than one Underlying Obligor are in the form of an annual combined balance sheet of the Underlying Obligor entities (and no other entities), together with the related combined statements of operations, members' capital and cash flows, including a combining balance sheet and statement of income for the Properties on a combined basis.

(19) Due on Sale or Encumbrance . Except as otherwise disclosed in the Due Diligence Package, subject to specific exceptions set forth below, each Purchased Loan contains a "due on sale" or other such provision for the acceleration of the payment of the unpaid principal balance of such Purchased Loan if, without the consent of the holder of the Security Instrument (which consent, in some cases, may not be unreasonably withheld) and/or complying with the requirements of the

related Purchased Loan Documents (which provide for transfers without the consent of the Secured Party which are customarily acceptable to prudent commercial and multifamily lending institutions lending on the security of property comparable to the related Properties, including, without limitation, transfers of worn-out or obsolete furnishings, fixtures, or equipment promptly replaced with property of equivalent value and functionality and transfers by leases entered into in accordance with the Purchased Loan Documents), (a) the related Underlying Collateral and/or Property, or any equity interest of greater than 50% in the related Underlying Obligor, is directly or indirectly pledged, transferred or sold, other than as related to (i) family and estate planning transfers or transfers upon death or legal incapacity, (ii) transfers to certain affiliates as defined in the related Purchased Loan Documents, (iii) transfers of less than, or other than, a controlling interest in the related Underlying Obligor, (iv) transfers to another holder of direct or indirect equity in the Underlying Obligor, a specific Person designated in the related Purchased Loan Documents or a Person satisfying specific criteria identified in the related Purchased Loan Documents, such as a qualified equityholder, (v) transfers of stock or similar equity units in publicly traded companies or (vi) a substitution or release of collateral within the parameters of Section 17 or pursuant to a defeasance or (b) the related Underlying Collateral is encumbered by a subordinate lien and/or any related Property is encumbered with a subordinate lien or security interest against the related Property, other than (i) any Purchased Loan that is cross-collateralized and cross-defaulted with another Purchased Loan, as set forth in the Due Diligence Package, or (ii) with respect to the related Property, Permitted Encumbrances or Title Exceptions.

(20) Single-Purpose Entity . Except as otherwise disclosed in the Due Diligence Package, each Purchased Loan requires the Underlying Obligor to be a Single-Purpose Entity for at least as long as the Purchased Loan is outstanding. Both the Purchased Loan Documents and the organizational documents of the Underlying Obligor provide that the Underlying Obligor is a Single-Purpose Entity and each Purchased Loan with an unpaid principal balance as of the Purchase Date of $20,000,000.00 or more has a counsel's opinion regarding non-consolidation of the Underlying Obligor. For this purpose, a " Single-Purpose Entity " shall mean an entity, other than an individual, whose organizational documents provide substantially to the effect that it was formed or organized solely for the purpose of owning and operating one or more of the single family rental home properties indirectly securing the Purchased Loans and prohibit it from engaging in any business unrelated to such Property or Properties, and whose organizational documents further provide, or which entity represented in the related Purchased Loan Documents, substantially to the effect that it does not have any assets other than those related to its interest in and operation of such Property or Properties, or any indebtedness other than as permitted by the related Security Instrument(s) or the other related Purchased Loan Documents, that it has its own books and records and accounts separate and apart from those of any other person, and that it holds itself out as a legal entity, separate and apart from any other person or entity.

(21) Fixed Interest Rates . Each Purchased Loan bears interest at a rate that remains fixed throughout the remaining term of such Purchased Loan, except in situations where default interest is imposed, or if such Purchased Loan bears interest at a floating rate, the Purchased Loan Documents require the Underlying Obligor to purchase an interest rate protection for the entire term of such Purchased Loan, which interest rate protection agreement has been collaterally assigned to Seller as collateral for the Purchased Loan.

(22) Ground Leases . No Property is owned by its respective Property Owner as a leasehold, rather than fee interest.

(23) Servicing . The servicing and collection practices used by the Seller with respect to the Purchased Loan have been, in all respects, legal and have met customary industry standards for servicing of commercial loans.

(24) Origination and Underwriting . The origination practices of the Seller (or, to Seller's Knowledge, the related originator if the Seller was not the originator) with respect to each Purchased Loan have been, in all material respects, in compliance with applicable law and as of the date of its origination, such Purchased Loan and to the extent originated by Seller or its Affiliates or, if originated by another Person, to Seller's Knowledge, the origination thereof complied in all material respects with, or was exempt from, all requirements of federal, state or local law relating to the origination of such Purchased Loan; provided that such representation and warranty does not address or otherwise cover any matters with respect to federal, state or local law otherwise covered in this Exhibit V .

(25) No Material Default; Payment Record . As of the Purchase Date, no Purchased Loan has been more than 30 days delinquent, without giving effect to any grace or cure period, in making required debt service payments since origination, and as of the date hereof, no Purchased Loan is more than 30 days delinquent (beyond any applicable grace or cure period) in making required payments as of the Purchase Date. As of the Purchase Date, to the Seller's Knowledge, there is (a) no material default, breach, violation or event of acceleration existing under the related Purchased Loan, or (b) no event (other than payments due but not yet delinquent) which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration, which default, breach, violation or event of acceleration, in the case of either (a) or (b), materially and adversely affects the value of the Purchased Loan or the value, use or operation of the related Property. No person other than the holder of such Purchased Loan may declare any event of default under the Purchased Loan or accelerate any indebtedness under the Purchased Loan Documents.

(26) Bankruptcy . To Seller's Knowledge, as of the date of origination of the related Purchased Loan and to the Seller's knowledge as of the Purchase Date, neither the Property (other than any tenants of such Property), nor any portion thereof, is the subject of, and no Underlying Obligor, Property Owner or guarantor with respect to any Purchased Loan is a debtor in state or federal bankruptcy, insolvency or similar proceeding.

(27) Organization of Underlying Obligor . With respect to each Purchased Loan, in reliance on certified copies of the organizational documents of the Underlying Obligor delivered by the Underlying Obligor in connection with the origination of such Purchased Loan, the Underlying Obligor is an entity organized under the laws of a state of the United States of America, the District of Columbia or the Commonwealth of Puerto Rico.

(28) Appraisal . Seller has obtained an appraisal of the related Property with an Appraisal date within 6 months of the Purchased Loan origination date, and within 12 months of the Purchased Date. Each Appraisal was performed in accordance with the requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as in effect on the date such Purchased Loan was originated.

(29) Cross-Collateralization . No Purchased Loan is cross-collateralized or cross-defaulted with any other Indebtedness that is not also a Purchased Loan.

(30) Advance of Funds by the Seller . After origination, no advance of funds has been made by Seller to the related Underlying Obligor other than in accordance with the Purchased Loan Documents, and, to Seller's Knowledge, no funds have been received from any person other than the related Underlying Obligor or an affiliate for, or on account of, payments due on the Purchased Loan (other than as contemplated by the Purchased Loan Documents, such as, by way of example and not in limitation of the foregoing, amounts paid by the tenant(s) into a Secured Party-controlled lockbox if required or contemplated under the related lease or Purchased Loan Documents). Neither Seller nor any affiliate thereof has any obligation to make any capital contribution to any Underlying Obligor under a Purchased Loan, other than contributions made on or prior to the date hereof.

(31) Compliance with Anti-Money Laundering Laws . Seller has complied in all material respects with all Federal Trade Embargoes with respect to the origination of the Purchased Loan.

(32) Ownership of Properties . Each Property Owner has good and marketable fee simple legal and equitable title to its respective Property (subject to Permitted Encumbrances). None of the Permitted Encumbrances (a) materially and adversely affect the value of any Property, (b) impair the use or operation of any Property (as currently used), or (c) impair the Underlying Obligor's ability to perform its obligations with respect to the Underlying Loan. Each Property Owner's ownership of its respective Property is free and clear of any liens other than Permitted Encumbrances.

(33) Permitted Liens; Title Insurance . Each Property indirectly securing a Purchased Loan is covered by an American Land Title Association loan title insurance policy or a comparable form of loan title insurance policy approved for use in the applicable jurisdiction (or, if such policy is yet to be issued, by a pro forma policy, a preliminary title policy with escrow instructions or a "marked up" commitment, in each case binding on the title insurer) (the " Title Policy ") in an amount equal to not less than the purchase price of such Property, that insures for the benefit of the Property Owner, the fee simple ownership of such Property by the Property Owner, subject only to the Permitted Encumbrances and Title Exceptions. Such Title Policy (or, if it has yet to be issued, the coverage to be provided thereby) is in full force and effect, all premiums thereon have been paid and no claims have been made by the Property Owner thereunder and no claims have been paid thereunder. Neither the Seller, nor to the Seller's Knowledge, the Property Owner or any other Person, has done, by act or omission, anything that would materially impair the coverage under such Title Policy.

(34) Condition of Property . To the Seller's Knowledge, based solely upon due diligence customarily performed in connection with the origination of comparable loans, and except as disclosed on any engineering report or property condition report delivered to Buyer, as of the Purchase Date, each Property is free of and clear of any material damage (other than (i) deferred maintenance for which escrows were established at origination and (ii) any damage fully covered by insurance) that would have a material adverse effect on the use or value of the Property as security for the Purchased Loan. Each Property has been renovated in accordance with the renovation standards set forth in the Purchased Loan Documents, if any.

(35) Taxes and Assessments . All taxes, governmental assessments and other outstanding governmental charges (including, without limitation, water and sewage charges), or installments thereof, which could be a lien on the related Property that would be of equal or superior priority to the lien of the Security Instrument, that would materially impair Seller's or Buyer's interest in any of the collateral for the Purchased Loan, and that prior to that prior to the Purchase Date have become delinquent in respect of each related Property have been paid, or an escrow of funds has been established in an amount sufficient to cover such payments and reasonably estimated interest and penalties, if any, thereon. For purposes of this representation and warranty, real

estate taxes and governmental assessments and other outstanding governmental charges and installments thereof shall not be considered delinquent until the earlier of (a) the date on which interest and/or penalties would first be payable thereon and (b) the date on which enforcement action is entitled to be taken by the related taxing authority.

(36) Condemnation . To the Seller's Knowledge as of the Purchase Date, there is no proceeding pending, and, to the Seller's Knowledge as of the date of origination and as of the Purchase Date, there is no proceeding threatened, for the total or partial condemnation of such Property that would have a material adverse effect on the value, use or operation of the Property.

(37) Actions Concerning the Properties . As of the date of origination and to the Seller's Knowledge as of the Purchase Date, there was no pending or filed action, suit or proceeding, arbitration or governmental investigation involving any Property Owner or Property Owner's interest in its respective Property, an adverse outcome of which would reasonably be expected to materially and adversely affect (a) such Property Owner's title to the Property, (b) the validity or enforceability of the Security Instrument, (c) such Property Owner's ability to perform under the related Purchased Loan, (d) the principal benefit of the security intended to be provided by the Purchased Loan documents or (f) the current principal use of the Property.

(38) Access; Utilities; Separate Tax Lots . To the Seller's Knowledge based solely on the Title Policies (or, if such policy is not yet issued, a pro forma title policy, a preliminary title policy with escrow instructions or a "marked up" commitment) and any current surveys obtained in connection with the origination of each Purchased Loan, each Property (a) is located on or adjacent to a public road and has direct legal access to such road, or has access via an irrevocable easement or irrevocable right of way permitting ingress and egress to/from a public road, (b) is served by or has uninhibited access rights to public or private water and sewer (or well and septic) and all required utilities, all of which are appropriate for the current use of the Property, and (c) constitutes one or more separate tax parcels which do not include any property which is not part of the Property or is subject to an endorsement under the related Title Policy insuring the Property, or in certain cases, an application has been, or will be, made to the applicable governing authority for creation of separate tax lots, in which case the Purchased Loan requires the Underlying Obligor to escrow an amount sufficient to pay taxes for the existing tax parcel of which the Property is a part until the separate tax lots are created.

(39) No Encroachments . To the Seller's Knowledge based solely on the Title Policies (or, if such policy is not yet issued, a pro forma title policy, a preliminary title policy with escrow instructions or a "marked up" commitment) obtained in connection with the origination of each Purchased Loan, (a) all material improvements that were included for the purpose of determining the appraised value of the related Properties at the time of the origination of such Purchased Loan are within the boundaries of the related Properties, except encroachments that do not materially and adversely affect the value or current use of such Properties or for which insurance or endorsements were obtained under the Title Policies, (b) no improvements on adjoining parcels encroach onto the related Properties except for encroachments that do not materially and adversely affect the value or current use of such Properties or for which insurance or endorsements were obtained under the Title Policies and (c) no improvements encroach upon any easements except for encroachments the removal of which would not materially and adversely affect the value or current use of such Properties or for which insurance or endorsements obtained with respect to the Title Policies.

(40) Local Law Compliance . To the Seller's Knowledge, based upon any of a letter from any governmental authorities, a legal opinion, an architect's letter, a zoning consultant's report, an endorsement to the related Title Policy, or other affirmative investigation of local law compliance consistent with the investigation conducted by the Seller for similar single family rental home loans intended for securitization, there are no material violations of applicable zoning ordinances, building codes and land laws (collectively " Zoning Regulations ") with respect to the improvements located on or forming part of each Property securing a Purchased Loan as of the date of origination of such Purchased Loan and as of the Purchase Date, other than those which (i) are insured by the Title Policy or a law and ordinance insurance policy, (ii) are adequately reserved for in accordance with the Purchased Loan Documents or (iii) would not have a material adverse effect on the value, operation or net operating income of such Property. The terms of the Purchased Loan Documents require the Underlying Obligor and Property Owner to comply in all material respects with all applicable governmental regulations, zoning and building laws.

(41) Licenses and Permits . Each Underlying Obligor and Property Owner covenants in the Purchased Loan Documents that it shall keep all material licenses, permits and applicable governmental authorizations necessary for the operation of the Properties in full force and effect, and to the Seller's Knowledge based upon any of a letter from any government authorities or other affirmative investigation of local law compliance consistent with the investigation conducted by the Seller for similar single family rental home loans intended for securitization, all such material licenses, permits and applicable governmental authorizations are in effect. The Purchased Loan requires the related Underlying Obligor and Property Owner to be qualified to do business in the jurisdiction in which the related Property is located.

(42) Acts of Terrorism Exclusion . The related special-form all-risk insurance policy and business interruption policy (issued by an insurer meeting the Insurance Rating Requirements) do not specifically exclude Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively referred to as " TRIA "), from coverage, or if such coverage is excluded, it is covered by a separate terrorism insurance policy. With respect to each Purchased Loan, the related Purchased Loan Documents do not expressly waive or prohibit the Secured Party from requiring coverage for Acts of Terrorism, as defined in TRIA, or damages related thereto.

(43) Environmental Conditions . A Phase I environmental site assessment (or update of a previous Phase I and or Phase II site assessment) and, with respect to certain Purchased Loans, a Phase II environmental site assessment (collectively, an " ESA ") meeting ASTM requirements conducted by a reputable environmental consultant in connection with such Purchased Loan within 12 months prior to its origination date (or an update of a previous ESA was prepared), and such ESA (i) did not identify the existence of recognized environmental conditions (as such term is defined in ASTM E1527-05 or its successor, hereinafter " Environmental Condition ") at the related Property or the need for further investigation, or (ii) if the existence of an Environmental Condition or need for further investigation was indicated in any such ESA, then at least one of the following statements is true: (A) an amount reasonably estimated by a reputable environmental consultant to be sufficient to cover the estimated cost to cure any material noncompliance with applicable Environmental Laws or the Environmental Condition has been escrowed by the related Underlying Obligor and is held or controlled by the related Secured Party; (B) if the only Environmental Condition relates to the presence of asbestos-containing materials, radon in indoor air, lead based paint or lead in drinking water, the only recommended action in the ESA is the institution of such a plan, an operations or maintenance plan has been required to be instituted by the related Underlying Obligor that, based on the ESA, can reasonably be expected to mitigate the identified risk; (C) the Environmental Condition identified in the related environmental report was remediated or abated in all material respects prior to the date hereof, and, if and as appropriate, a no further action or closure letter was obtained from the applicable governmental

regulatory authority (or the environmental issue affecting the related Property was otherwise listed by such governmental authority as "closed" or a reputable environmental consultant has concluded that no further action is required); (D) an environmental policy or a lender's pollution legal liability insurance policy meeting the requirements set forth below that covers liability for the identified circumstance or condition was obtained from an insurer rated no less than A- (or the equivalent) by Moody's, S&P and/or Fitch; (E) a party not related to the Underlying Obligor was identified as the responsible party for such condition or circumstance and such responsible party has financial resources reasonably estimated to be adequate to address the situation; or (F) a party related to the Underlying Obligor having financial resources reasonably estimated to be adequate to address the situation is required to take action. To Seller's Knowledge, except as set forth in the ESA, there is no Environmental Condition (as such term is defined in ASTM E1527-05 or its successor) at the related Property.

(44) Master Lease Agreement . Each related Security Instrument is a legal, valid and enforceable first lien on each master lease agreement in the principal amount of such Purchased Loan or allocated loan amount in the aggregate together with all other Underlying Colalteral (subject only to Permitted Encumbrances (as defined below) and the exceptions to Section 33 hereof ("Permitted Liens; Title Insurance") set forth in the related Exception Report (each such exception, a " Title Exception ")), except as the enforcement thereof may be limited by the Standard Qualifications. Except as otherwise set forth in the Title Policy relating to such Purchased Loan, such master lease agreements (subject to and excepting Permitted Encumbrances and Title Exceptions) as of the origination were, to the Seller's Knowledge, free and clear of any recorded mechanics' liens, recorded materialmen's liens and other recorded encumbrances which are prior to or equal with the lien of the related Security Instrument, except those which are bonded over, escrowed for or insured against by a lender's title insurance policy and, to the Seller's Knowledge and subject to the rights of tenants (as tenants only) (subject to and excepting Permitted Encumbrances), no rights exist which under law could give rise to any such lien or encumbrance that would be prior to or equal with the lien of the related Security Instrument, except those which are bonded over, escrowed for or insured against by a lender's title policy.

For purposes of these representations and warranties, "Secured Party" shall mean the mortgagee, grantee or beneficiary under any Security Instrument, any holder of legal title to any portion of any Purchased Loan or, if applicable, any agent or servicer on behalf of such party.

EXHIBIT VI

FORM OF BAILEE AGREEMENT

[SELLER ADDRESS]

_____ __, 20__

[ ]

Re: Bailee Agreement (the " Bailee Agreement ") in connection with the sale of [_____] by 643 Single Family Finco 2014, LLC (the " Seller ") to Goldman Sachs Bank USA (the " Buyer ")

Ladies and Gentlemen:

Reference is made to that certain Master Repurchase Agreement dated as of April 25, 2014, by and between Seller and Buyer (as further amended, modified or supplemented from time to time, the " Repurchase Agreement "). In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller, the Buyer and [ ] (the " Bailee ") hereby agree as follows:

1. The Seller has delivered to the Bailee and the Bailee is holding, in connection with the Purchased Loan(s) delivered to the Bailee hereunder (for Bailee's delivery to the Custodian), the custodial delivery certificate (the " Custodial Delivery Certificate ") attached hereto as Attachment 1, in connection with the Purchased Loan identified thereon.

2. On or prior to the date indicated on the Custodial Delivery Certificate delivered by the Seller (the " Funding Date "), the Seller shall have delivered to the Bailee, as bailee for hire, and Bailee hereby confirms receipt of, the documents set forth on Exhibit B to the Custodial Delivery Certificate (collectively, the " Purchased Loan File ") for the loans (the " Purchased Loans ") listed in Exhibit A to the Custodial Delivery Certificate (the " Purchased Loan Schedule ").

3. The Bailee shall issue and deliver to the Buyer and the Custodian (as defined in Section 5 below) on or prior to the Funding Date by electronic mail (a) in the name of the Buyer, an initial trust receipt and certification in the form of Attachment 2 attached hereto (the " Trust Receipt "), which Trust Receipt shall state that the Bailee has received the documents comprising the Purchased Loan File as set forth in the Custodial Delivery Certificate.

4. On the applicable Funding Date, in the event that the Buyer fails to purchase any New Loan from the Seller that is identified in the related Custodial Delivery Certificate (as confirmed by Buyer in writing (which may include electronic mail)), the Bailee shall release the Purchased Loan File to the Seller in accordance with the Seller's instructions.

5. Following the Funding Date, the Bailee shall forward the Purchased Loan Files to U.S. Bank, National Association (the " Custodian ") by insured overnight courier for receipt by the Custodian no later than 1:00 p.m. on the third (3 rd) Business Day following the applicable Funding Date (the " Delivery Date ").

6. From and after the applicable Funding Date until the applicable Delivery Date, the Bailee (a) shall maintain continuous custody and control of the related Purchased Loan File as bailee for the Buyer (excluding any period when the same is under the delivery process described in Section 5 hereof) and (b) shall hold the related Purchased Loan File as sole and exclusive bailee for the Buyer unless and until otherwise instructed in writing by the Buyer.

7. In the event that the Bailee fails to deliver a Note or other material portion of a Purchased Loan File that was in its possession to the Custodian within five (5) Business Days following the applicable Funding Date, the same shall constitute a " Bailee Delivery Failure " under this Bailee Agreement.

8. The undersigned Seller agrees to indemnify and hold Bailee and its partners, directors, officers, agents and employees harmless against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable attorneys' fees and costs, that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising out of this Bailee Agreement or any action taken or not taken by it or them hereunder unless such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (other than special, indirect, punitive or consequential damages, which shall in no event be paid by the undersigned Seller) were imposed on, incurred by or asserted against Bailee because of the breach by Bailee of its obligations hereunder, which breach was caused by negligence, lack of good faith or intentional misconduct on the part of Bailee or any of its owners, directors, officers, agents or employees. The foregoing indemnification shall survive any resignation or removal of Bailee or the termination or assignment of this Bailee Agreement.

9. (a) In the event of a Bailee Delivery Failure, Bailee shall indemnify Buyer in accordance with Section 9(b) of this Bailee Agreement.

(b) The Bailee agrees to indemnify and hold Buyer and Seller, and their respective owners, officers, directors, employees, agents, affiliates and designees, harmless against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable attorneys' fees and costs, that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising out of a Bailee Delivery Failure or Bailee's negligence, lack of good faith or intentional misconduct. The foregoing indemnification shall survive any termination or assignment of this Bailee Agreement.

10. The Seller hereby represents, warrants and covenants that the Bailee is not an affiliate of or otherwise controlled by the Seller. Notwithstanding the foregoing, the parties hereby acknowledge that the Bailee hereunder may act as counsel to the Seller in connection with a proposed loan, that Dechert LLP, if acting as bailee, has represented the Seller in connection with negotiation, execution and delivery of the Repurchase Agreement and may represent Seller in connection with any dispute related to this Bailee Agreement or the Transaction Documents.

11. This Bailee Agreement may not be modified, amended or altered, except by written instrument, executed by all of the parties hereto.

12. This Bailee Agreement may not be assigned by the Seller or the Bailee without the prior written consent of the Buyer.

13. For the purpose of facilitating the execution of this Bailee Agreement as herein provided and for other purposes, this Bailee Agreement may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute and be one and the same instrument. Electronically transmitted signature pages shall be binding to the same extent.

14. This Bailee Agreement shall be construed in accordance with the laws of the State of New York, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

15. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Repurchase Agreement.

[SIGNATURES COMMENCE ON NEXT PAGE]

Very truly yours,

643 SINGLE FAMILY FINCO 2014, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ACCEPTED AND AGREED:

[_____], Bailee

By: _____
Name:
Title:

ACCEPTED AND AGREED:

GOLDMAN SACHS BANK USA, Buyer

By: _____
Name:
Title:

ATTACHMENT 1 TO BAILEE AGREEMENT

CUSTODIAL DELIVERY CERTIFICATE

ATTACHMENT 2 TO BAILEE AGREEMENT

Form of Bailee's Trust Receipt

_____, 201 _

Goldman Sachs Bank USA
6011 Connection Drive
Irving, Texas 75039
Attention: Henry Nguyen

Re: Bailee Agreement, dated _____, 201 _(the " Bailee Agreement ") among 643 Single Family Finco 2014, LLC (the " Seller "), Goldman Sachs Bank USA (the " Buyer ") and _____(the " Bailee ")

Ladies and Gentlemen:

In accordance with the provisions of Section 3 of the above-referenced Bailee Agreement, the undersigned, as the Bailee, hereby certifies that as to the Purchased Loan(s) referred to therein, it has reviewed the Purchased Loan File(s) and has determined that (i) all documents listed in Schedule A attached to the Bailee Agreement are in its possession and (ii) such documents have been reviewed by it and appear regular on their face and relate to the Purchased Loan(s).

The Bailee hereby confirms that it is holding the Purchase Loan File as agent and bailee for the exclusive use and benefit of the Buyer pursuant to the terms of the Bailee Agreement.

All capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the above-referenced Bailee Agreement.

_____,
Bailee

By:_____
Name:
Title:

ANNEX I

Names and Addresses for Communications Between Parties:

BUYER

Goldman Sachs Bank USA
6011 Connection Drive
Irving, Texas 75039
Attention: Henry Nguyen
Telephone: (972) 368-2324
E-Mail: gs-warehouselending@gs.com

with a copy to:

Goldman Sachs Security Instrument Company
200 West Street
New York, New York 10282
Attention: Michelle Gill
Telephone: (212) 357-8721
E-Mail: michelle.gill@gs.com

with a copy to:

Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, Pennsylvania 19104
Attention: Richard D. Jones, Esq.
Telephone: (212) 698-3844
Email: richard.jones@dechert.com

SELLER

345 Park Avenue
New York, New York 10154
Attention: Douglas Armer
Email: BXMTGoldmanSFRRepo@blackstone.com

With a copy to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attention: David C. Djaha
Email: david.djaha@ropesgray.com

Payments to Buyer : Payments to Buyer under this Agreement shall be made by transfer, via wire transfer, to the following account of Buyer: Citibank, N.A., ABA #: 021000089, Account #: 30627664, Swift Code: CITIUS33, Account Name: Goldman Sachs Bank USA, Ref: BXMT/643, Attention: Henry Nguyen. Buyer may consider on a case-by-case-basis in its sole and absolute discretion alternative funding arrangements.

Payments to Seller : Payments to any Seller under this Agreement shall be made by transfer, via wire transfer, to the following account of Seller:

Bank: Bank of America
ABA#: 026009593
Account #: 483024227101
Account Name: Blackstone Mortgage Trust, Inc.
Ref: [643 Single Family Loan A (Housekey)/643 Single Family Loan B (Gatehouse)]

Exhibit 10.2

GUARANTY

This GUARANTY (this " Guaranty ") is executed as of April 25, 2014, 2014, by BLACKSTONE MORTGAGE TRUST, INC., a Maryland corporation (" Guarantor "), for the benefit of GOLDMAN SACHS BANK USA, a New York state member bank, having an address at 6011 Connection Drive Irving, Texas 75039 (" Buyer "). Any capitalized term utilized herein shall have the meaning as specified in the Repurchase Agreement (as defined below), unless such term is otherwise specifically defined herein.

W I T N E S E T H :

WHEREAS, Buyer and 643 Single Family Finco 2014, LLC, a Delaware limited liability company (" Seller "), entered into that certain Master Repurchase Agreement dated as of the date hereof (as the same may be amended, modified and/or restated, the " Repurchase Agreement ");

WHEREAS, Guarantor directly or indirectly owns 100% of the membership interests in Seller, and Guarantor will derive benefits, directly and indirectly, from the execution, delivery and performance by Seller of the Transaction Documents and the transactions contemplated by the Repurchase Agreement; and

WHEREAS, it is a condition precedent to the Repurchase Agreement and the consummation of the Transactions thereunder that Guarantor execute and deliver this Guaranty for the benefit of Buyer.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Guarantor does hereby agree as follows:

ARTICLE I

NATURE AND SCOPE OF GUARANTY

1.1 Guaranty of Obligation . Subject to the terms hereof, Guarantor hereby irrevocably and unconditionally guarantees to Buyer and its successors and assigns as a primary obligor the payment and performance of the Guaranteed Obligations (as herein defined) as and when the same shall be due and payable.

1.2 Definition of Guaranteed Obligations . As used herein, the term "Guaranteed Obligations" means:

(a) the prompt and complete payment of the aggregate Repurchase Price with respect to the Purchased Loans on the respective Repurchase Dates therefor and all other amounts due under the Transaction Documents (including post-default or post-petition Price Differential, when and as payable under the Repurchase Agreement) irrespective of whether such obligations are direct or indirect, absolute or contingent, matured or unmatured (the " Repurchase Obligations "); provided, however, the maximum aggregate sum of the Guaranteed Obligations described in this Section 1.2(a) to be paid by Guarantor shall not exceed an amount equal to fifty percent (50%) of the aggregate outstanding Repurchase Price of all Purchased Loans then subject to a Transaction under the Repurchase Agreement, measured at the time the Guaranteed Obligations described in this Section 1.2(a) become due and payable;

(b) any obligations or liabilities of Seller to Buyer arising under the Transaction Documents to the extent of actual loss, cost or expense incurred by Buyer (including attorneys' fees and costs reasonably incurred) (collectively, " Damages ") resulting solely from any of the following:

(i) any fraud or intentional misrepresentation committed by Seller, Guarantor or any of their respective Affiliates in connection with the execution and delivery of this Guaranty, the Repurchase Agreement, or any of the other Transaction Documents, or any certificate, report, financial statement or other instrument or document furnished to Buyer at the time of the closing of the Repurchase Agreement or during the term of the Repurchase Agreement;

(ii) the misappropriation or intentional misapplication by Seller, Guarantor or any of their respective Affiliates of any Income, reserves or escrows related to the Purchased Loans to the extent collected by any of them or any agent thereof and not applied in accordance with the Repurchase Agreement;

(iii)(A) the creation or incurrence of any lien by Seller, Guarantor or any of their respective Affiliates on any Purchased Loan unless permitted under the Repurchase Agreement, (B) any Change of Control in violation of the Repurchase Agreement, (C) any transfer, assignment or sale of any Purchased Loan in violation of the Repurchase Agreement, (D) any Significant Modification to a Purchased Loan that is not permitted under the Repurchase Agreement or (E) the material breach of any material separateness covenants contained in the Repurchase Agreement, in each case, in violation of the applicable covenant set forth in the Repurchase Agreement; and

(iv) during the continuance of an Event of Default, any distribution by Seller to its equityholders in violation of the Repurchase Agreement and, in the case of such a violation, only to the extent of such distribution; and

(c) any and all Repurchase Obligations in the event that an Act of Insolvency of Seller shall occur that results from the Seller making a voluntary filing under the Bankruptcy Code or similar federal or state law, or any joining or colluding by Seller, Guarantor or any of their Affiliates in the filing of an involuntary filing against Seller under the Bankruptcy Code or similar federal or state law.

(d) the payment by Seller to Buyer of the Commitment Fee as and when such Commitment Fee is due pursuant to the Fee Letter.

1.3 Nature of Guaranty . This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor. This Guaranty may be enforced by Buyer and any subsequent assignee of Buyer permitted under the Repurchase Agreement and shall not be discharged by such permitted assignment or negotiation of all or part thereof.

1.4 Guaranteed Obligations Not Reduced by Offset . The Guaranteed Obligations and the liabilities and obligations of Guarantor to Buyer hereunder, shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Seller, or any other party, against Buyer or against payment of the Guaranteed Obligations, other than payment of the Guaranteed Obligations, whether such offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations) or otherwise.

1.5 Payment By Guarantor . If all or any part of the Guaranteed Obligations shall not be punctually paid, whether on demand, maturity, acceleration or otherwise, Guarantor shall, within five (5) Business Days after demand by Buyer, and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity, or any other notice whatsoever, but subject to the limitations set forth in Section 1.2 hereof, pay in lawful money of the United States of America, the amount then due on the Guaranteed Obligations to Buyer at Buyer's address as set forth herein. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations pursuant to the Repurchase Agreement. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

1.6 No Duty To Pursue Others . It shall not be necessary for Buyer (and Guarantor hereby waives any rights which Guarantor may have to require Buyer), in order to enforce the obligations of Guarantor hereunder, first to (i) institute suit or exhaust its remedies against Seller or others liable on the Guaranteed Obligations or any other person, (ii) enforce or exhaust Buyer's rights against any collateral which shall ever have been given to secure the Guaranteed Obligations, (iii) join Seller or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty or (iv) resort to any other means of obtaining payment of the Guaranteed Obligations. Buyer shall not be required to mitigate damages or take any other action to collect or enforce the Guaranteed Obligations.

1.7 Waivers . Guarantor agrees to the provisions of the Transaction Documents, and hereby waives notice of (i) any loans or advances made by Buyer to Seller or any purchases of Purchased Loans made by Buyer from Seller, (ii) acceptance of this Guaranty, (iii) any amendment or extension of the Repurchase Agreement or of any other Transaction Documents, (iv) the execution and delivery by Seller and Buyer of any other agreement or of Seller's execution and delivery of any other documents arising under the Transaction Documents or in connection with the Guaranteed Obligations, (v) the occurrence of any breach by Seller or an Event of Default under the Transaction Documents, (vi) Buyer's transfer or disposition of the Transaction Documents, or any part thereof, (vii) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Obligations, (viii) protest, proof of non-payment or default by Seller, or (ix) any other action at any time taken or omitted by Buyer, and, generally, except to the extent required by the terms hereof, all other demands and notices of every kind in connection with this Guaranty, the Transaction Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations; provided, however, that the foregoing shall not constitute a waiver by Guarantor of any notice that Buyer is expressly required to provide to Seller or Guarantor or any other party pursuant to the Transaction Documents.

1.8 Payment of Expenses . In the event that Guarantor should breach or fail to timely perform any provisions of this Guaranty, Guarantor shall, within five (5) Business Days after demand by Buyer, pay Buyer all actual and reasonable out-of-pocket costs and expenses (including court costs and reasonable attorneys' fees) incurred by Buyer in the enforcement hereof or the preservation of Buyer's rights hereunder. The covenant contained in this Section 1.8 shall survive the payment and performance of the Guaranteed Obligations.

1.9 Effect of Bankruptcy . In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, Buyer must rescind or restore any payment, or any part thereof, received by Buyer in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Buyer shall be without effect, and this Guaranty shall remain in full force and effect. It is the intention of Seller and Guarantor that Guarantor's obligations hereunder shall not be discharged except by Seller's or Guarantor's payment and performance of the Guaranteed Obligations which is not so rescinded or Guarantor's performance of such obligations and then only to the extent of such performance.

1.10 Deferral of Subrogation, Reimbursement and Contribution . Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably defers until payment in full of the Guaranteed Obligations any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating the Guarantor to the rights of Buyer), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Seller or any other party liable for payment of any or all of the Guaranteed Obligations for any payment made by Guarantor under or in connection with this Guaranty.

1.11 Seller . The term " Seller " as used herein shall include any new or successor corporation, limited liability company, association, partnership (general or limited), joint venture, trust or other individual or organization formed as a result of any merger, reorganization, sale, transfer, devise, gift or bequest of Seller or any interest in Seller.

ARTICLE II

EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

Guarantor hereby consents and agrees to each of the following, and agrees that its obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following, except to the extent required by the terms hereof, and waives any common law, equitable, statutory or other rights (including without limitation, except to the extent required by the terms hereof, rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

2.1 Modifications . Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Repurchase Agreement, the other Transaction Documents, or any other document, instrument, contract or understanding between Seller and Buyer, or any other parties, pertaining to the Guaranteed Obligations, or any failure of Buyer to notify Guarantor of any such action, except that the Guaranteed Obligations shall be modified to the extent by which any of the foregoing expressly modifies or alters in writing the Repurchase Obligations, obligations or liabilities of Seller or Damages.

2.2 Adjustment . Any adjustment, indulgence, forbearance or compromise that might be granted or given by Buyer to Seller, except that the Guaranteed Obligations shall be modified to the extent by which any of the foregoing expressly modifies or alters in writing the Repurchase Obligations, obligations or liabilities of Seller or Damages.

2.3 Condition of Seller or Guarantor . The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of Seller, Guarantor or any other party at any time liable for the payment of all or part of the Guaranteed Obligations or any dissolution of Seller or Guarantor, or any sale, lease or transfer of any or all of the assets of Seller or Guarantor, or any changes in the shareholders, partners or members of Seller or Guarantor; or any reorganization of Seller or Guarantor.

2.4 Invalidity of Guaranteed Obligations . The invalidity, illegality or unenforceability against Seller of all or any part of the Repurchase Agreement or any document or agreement executed in connection with the Guaranteed Obligations, for any reason whatsoever, including without limitation, the fact that (i) the act of creating the Guaranteed Obligations or any part thereof is ultra vires , (ii) the officers or representatives executing the Repurchase Agreement or the other Transaction Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iii) the Seller has valid defenses (other than payment of the Guaranteed Obligations), claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Seller or (iv) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or executed in connection with the Guaranteed Obligations, or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable.

2.5 Release of Obligors . Any full or partial release of the liability of Seller on the Guaranteed Obligations, or any part thereof, or of any co-guarantors, or any other person or entity now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations, or any part thereof, except that the Guaranteed Obligations shall be modified to the extent by which any of the foregoing expressly modifies or alters in writing the Repurchase Obligations, obligations or liabilities of Seller or Damages, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support of any other party, and Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement, as between Buyer and Guarantor, that other parties will be liable to pay or perform the Guaranteed Obligations, or that Buyer will look to other parties to pay or perform the obligations of Seller under the Repurchase Agreement or the other Transaction Documents.

2.6 Other Collateral . The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations, except to the extent by which the foregoing reduces the amount of the Guaranteed Obligations, as agreed to by Buyer in writing.

2.7 Release of Collateral . Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) by any party other than Buyer or any of its Affiliates of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

2.8 Care and Diligence . Except to the extent the same shall result from the gross negligence, willful misconduct, bad faith, illegal acts or fraud of Buyer or its Affiliates, the failure of Buyer or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security, including but not limited to any neglect, delay, omission, failure or refusal of Buyer (i) to take or prosecute any action for the collection of any of the Guaranteed Obligations or (ii) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (iii) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations.

2.9 Unenforceability . The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed as between Buyer and Guarantor by Guarantor that it is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Guaranteed Obligations.

2.10 Merger . The reorganization, merger or consolidation of Seller into or with any other corporation or entity.

2.11 Preference . Any payment by Seller to Buyer is held to constitute a preference under bankruptcy laws, or for any reason Buyer is required to refund such payment or pay such amount to Seller or someone else.

2.12 Other Actions Taken or Omitted . Except to the extent the same shall result from the gross negligence, willful misconduct, bad faith, illegal acts or fraud of Buyer or its Affiliates, any other action taken or omitted to be taken with respect to the Transaction Documents, the Guaranteed Obligations, or the security and collateral therefor, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it is the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce Buyer to enter into the Transaction Documents, Guarantor represents and warrants to Buyer as of the date hereof and at all times while the Repurchase Agreement and any Transaction thereunder is in effect as follows:

3.1 Benefit . Guarantor has received, or will receive, indirect benefit from the execution, delivery and performance by Seller of the Transaction Documents, and the transactions contemplated therein.

3.2 Familiarity and Reliance . Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Seller and is familiar with the value of any and all collateral intended to be pledged as security for the payment of the Guaranteed Obligations; however, as between Buyer and Guarantor, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

3.3 No Representation By Buyer . Neither Buyer nor any other party on Buyer's behalf has made any representation, warranty or statement to Guarantor in order to induce the Guarantor to execute this Guaranty.

3.4 Guarantor's Financial Condition . As of the date hereof, and after giving effect to this Guaranty and the contingent obligation evidenced hereby, Guarantor is and will be solvent, and has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities fairly estimated) and debts, and has and will have property and assets sufficient to satisfy and repay its obligations and liabilities, as and when the same become due.

3.5 Legality . The execution, delivery and performance by Guarantor of this Guaranty and of Guarantor's obligations hereunder do not, and will not, contravene or conflict with any law, statute or regulation whatsoever to which Guarantor is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any material indenture, mortgage, deed of trust, charge, lien, or any material contract, agreement or other material instrument to which Guarantor is a party or which may be enforceable against Guarantor. This Guaranty is a legal and binding obligation of Guarantor and is enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights and subject, as to enforceability, to general principals of equity, regardless whether enforcement is sought in a proceeding in equity or at law.

3.6 Survival . All representations and warranties made by Guarantor herein shall survive until payment in full of the Guaranteed Obligations.

3.7 Organization . Guarantor has been duly organized or formed and is validly existing and in good standing with requisite power and authority to own its properties and to transact the businesses in which it is now engaged. Guarantor is duly qualified to do business

and is in good standing in each jurisdiction where it is required to be so qualified in connection with its properties, businesses and operations except where the failure to do same would not reasonably be expected to have a material adverse effect thereon. Guarantor possesses all rights, licenses, permits and authorizations, governmental or otherwise, necessary to entitle it to own its properties and to transact the businesses in which it is now engaged, except where the failure to do same would not reasonably be expected to have a material adverse effect thereon.

3.8 No Investment Company . Guarantor is not an "investment company", or a company "controlled by an investment company", within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE IV

COVENANTS OF GUARANTOR

Guarantor covenants and agrees with Buyer that, until payment in full of all Guaranteed Obligations:

4.1 [Reserved] .

4.2 Litigation . Guarantor will promptly, and in any event within ten (10) days after service of process on any of the following, give to Buyer notice of all litigation, actions, suits, arbitrations, investigations (including, without limitation, any of the foregoing which are pending or which are threatened in writing) or other legal or arbitrable proceedings affecting Guarantor or any of its Subsidiaries before any Governmental Authority that (i) questions or challenges the validity or enforceability of the Guaranty, (ii) makes a claim or claims against Guarantor in an aggregate amount greater than (a) $50,000,000 or (b) three percent (3%) of the Tangible Net Worth of Guarantor or (iii) which, individually or in the aggregate, if adversely determined could be reasonably likely to have a Material Adverse Effect.

4.3 Existence, etc . Pursuant to the Transaction Documents, Guarantor will:

(a) preserve and maintain its legal existence and all of its material rights, privileges, licenses and franchises;

(b) comply in all material respects with the requirements of applicable laws, rules, regulations and orders of Governmental Authorities (including, without limitation, all environmental laws);

(c) keep adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied;

(d) not change its jurisdiction of organization unless it shall have provided Buyer at least ten (10) days' prior written notice of such change;

(e) pay and discharge all material taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its property prior to the date on which penalties attach thereto, except for any such tax,

assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; and

(f) permit representatives of Buyer, during normal business hours, to examine, copy and make extracts from its books and records, to inspect any of its properties, and to discuss its business and affairs with its officers, all to the extent reasonably requested by Buyer.

4.4 Prohibition of Fundamental Changes . Guarantor shall not enter into any transaction that would constitute a Change of Control, or liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution) or sell all or substantially all of its assets.

4.5 Notices . Guarantor shall give notice to Buyer promptly upon Guarantor's receipt of notice or obtaining knowledge of the occurrence of any Default or Event of Default.

4.6 Limitation on Distributions . After the occurrence and during the continuance of any monetary Default or Event of Default, Guarantor shall not declare or make any payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any equity interest of 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 Guarantor.

4.7 Financial Covenants . Guarantor covenants and agrees that:

(a) As of the fiscal quarter most recently ended, Guarantor satisfies the following financial covenants (the " Guarantor Financial Covenants "):

(i) Minimum Fixed Charge Coverage Ratio . The ratio of (i) Guarantor's EBITDA during the previous four (4) fiscal quarters to (ii) Guarantor's Fixed Charges during the same such previous four (4) fiscal quarters shall not be less than 1.40 to 1.00 as determined as soon as practicable after the end of each fiscal quarter, but in no event later than forty-five (45) days after the last day the applicable fiscal quarter.

(ii) Minimum Tangible Net Worth . Guarantor's Tangible Net Worth shall not fall below the sum of (i) Nine Hundred Seventy-One Million Seven Hundred Thousand and No/100 Dollars ($971,700,000.00) plus (ii) seventy-five percent (75%) of the net cash proceeds of any equity issuance by Guarantor that occurs after the date hereof.

(iii) Minimum Cash Liquidity . Guarantor's Cash Liquidity shall not fall below the greater of (i) ten million dollars ($10,000,000) or (ii) five percent (5%) of Guarantor's Recourse Indebtedness.

(iv) Maximum Indebtedness . The ratio, expressed as a percentage, the numerator of which shall equal Guarantor's and its Subsidiaries' Indebtedness and the denominator of which shall equal Guarantor's and its Subsidiaries Total Assets, shall not be greater than eighty three and a third percent (83.3333%).

(b) The following capitalized terms in this Section 4.7 shall have the respective meanings set forth below:

" Available Borrowing Capacity " shall mean, 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.

" Cash Equivalents " shall mean, as of any date of determination, marketable securities issued or directly and unconditionally guaranteed as to interest and principal by the United States Government.

" Cash Liquidity " shall mean, 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.

" Consolidated Net Income " shall mean, 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.

" EBITDA " shall mean, 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.

" Fixed Charges " shall mean, 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.

" Recourse Indebtedness " shall mean, 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.

" Tangible Net Worth " shall mean, 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.

" Total Assets " shall mean, with respect to any Person, on any date of determination, an amount equal to the aggregate book value of all assets owned by such Person and the proportionate share of such Person of all assets owned by Affiliates of such Person as consolidated in accordance with GAAP, less (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 expenses, all on or as of such date, and (d) the amount of nonrecourse Indebtedness owing pursuant to securitization transactions such as a REMIC securitization, a collateralized loan obligation transactions or other similar securitizations.

(c) Within forty-five (45) days of the end of the first three fiscal quarters and within ninety (90) days of the end of each fiscal year, Guarantor shall deliver to Buyer a Financial Covenant Compliance Certificate setting forth the calculation of each of the financial covenants set forth in Section 4.7(a) above.

4.8 Voluntary or Collusive Filing . Guarantor shall not voluntarily file a case, or join or collude with any Person in the filing of an involuntary case, in respect of the Seller under the Bankruptcy Code.

4.9 Offset . The liabilities and obligations of the Guarantor to Buyer hereunder shall not be reduced, discharged or released because of or by reason of any existing or future right of offset, claim or defense (other than payment of the Guaranteed Obligations) of Seller against Buyer, or any other party, or against payment of the Guaranteed Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations (or the transactions creating the Guaranteed Obligations).

4.10 Dissolution . Guarantor shall not seek the dissolution, liquidation or winding up, in whole or in part, of Seller.

ARTICLE V

SUBORDINATION OF CERTAIN INDEBTEDNESS

5.1 Subordination of All Guarantor Claims . As used herein, the term " Guarantor Claims " shall mean all debts and liabilities of Seller to Guarantor arising as the consequence of this Guaranty or the payment or other performance by Guarantor hereunder, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligations of Seller thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts

or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by Guarantor. The Guarantor Claims shall include without limitation all rights and claims of Guarantor against Seller (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or a portion of the Guaranteed Obligations. Upon the occurrence and during the continuance of an Event of Default, Guarantor shall not receive or collect, directly or indirectly, from Seller or any other party any amount upon the Guarantor Claims until payment in full of the Guaranteed Obligations.

5.2 Claims in Bankruptcy . In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Seller as debtor, Buyer shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Guarantor agrees to pay over to Buyer all such dividends and payments received by Guarantor to the extent necessary to satisfy the Guaranteed Obligations. Upon payment in full of the Guaranteed Obligations, to the extent of any unpaid Guarantor Claims, Guarantor shall become subrogated to the rights of Buyer against Seller.

5.3 Payments Held in Trust . In the event that, notwithstanding anything to the contrary in this Guaranty, Guarantor should receive any funds, payment, claim or distribution which is prohibited by this Guaranty and which should have been paid to or received by Buyer pursuant to the Transaction Documents, Guarantor agrees to hold in trust for Buyer an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees to promptly pay such amounts to Buyer.

5.4 Liens Subordinate . Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances in favor of Guarantor upon Seller's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances in favor of Buyer upon Seller's assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Buyer presently exist or are hereafter created or attach. Without the prior written consent of Buyer, Guarantor shall not (i) exercise or enforce any creditor's right they may have against Seller, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including without limitation the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgage, deeds of trust, security interests, collateral rights, judgments or other encumbrances on assets of Seller securing payment of the Guarantor Claims held by Guarantor.

ARTICLE VI

MISCELLANEOUS

6.1 Waiver . No failure to exercise, and no delay in exercising, on the part of Buyer, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Buyer hereunder shall be in addition to all other rights provided by law. No

modification or waiver of any provision of this Guaranty, nor consent to departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand (except to the extent such a notice or demand is required by the terms hereof).

6.2 Notices . All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (d) by e-mail (with return receipt requested), addressed as follows (or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section 6.2):

If to Guarantor:	345 Park Avenue New York, New York 10154 Attention: Douglas Armer Email: BXMTGoldmanSFRRepo@blackstone.com
With a copy to:	Ropes & Gray LLP 1211 Avenue of the Americas New York, New York 10036 Attention: David C. Djaha Email: david.djaha@ropesgray.com
If to Buyer:	Goldman Sachs Bank USA 6011 Connection Drive Irving, Texas 75039 Attention: Henry Nguyen Telephone: (972) 368-2324 E-Mail: gs-warehouselending@gs.com
with a copy to:	Goldman Sachs Mortgage Company 200 West Street New York, New York 10282 Attention: Michelle Gill Telephone: (212) 357-8721 E-Mail: michelle.gill@gs.com
and:	Dechert LLP Cira Centre 2929 Arch Street Philadelphia, Pennsylvania 19104 Attention: Richard D. Jones, Esq. Telephone: (212) 698-3844 Email: richard.jones@dechert.com

A notice shall be deemed to have been given: (a) in the case of hand delivery, at the time of delivery, (b) in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day, (c) in the case of expedited prepaid delivery upon the first attempted delivery on a Business Day; or (d) in the case of e-mail, upon receipt. A party receiving a notice that does not comply with the technical requirements for notice under this Section 6.2 may elect to waive any deficiencies and treat the notice as having been properly given.

6.3 Governing Law. This Guaranty shall be governed by, and construed in accordance with, New York law.

6.4 SUBMISSION TO JURISDICTION; WAIVERS . EACH OF GUARANTOR AND, BY ITS ACCEPTANCE OF THIS GUARANTY, BUYER, HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTY, 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, SITTING IN NEW YORK COUNTY, THE FEDERAL 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, TO THE EXTENT PERMITTED BY LAW, 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 ITS ADDRESS SET FORTH HEREIN OR AT SUCH OTHER ADDRESS OF WHICH THE OTHER PARTY HERETO SHALL HAVE BEEN NOTIFIED; AND

(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.

6.5 WAIVER OF JURY TRIAL . EACH OF GUARANTOR AND, BY ITS ACCEPTANCE OF THIS GUARANTY, BUYER, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. ANY PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

6.6 Invalid Provisions . If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

6.7 Amendments . This Guaranty may be amended only by an instrument in writing executed by Guarantor and Buyer.

6.8 Parties Bound; Assignment . This Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, that (i) Guarantor may not, without the prior written consent of Buyer, assign any of their rights, powers, duties or obligations hereunder, and (ii) Buyer may assign its rights, powers, duties and obligation hereunder in connection with a permitted assignment by Buyer under the Repurchase Agreement.

6.9 Headings . Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

6.10 Recitals . The recital and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

6.11 Counterparts . This Guaranty may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Repurchase Agreement by signing any such counterpart.

6.12 Rights and Remedies . If Guarantor becomes liable for any indebtedness owing by Seller to Buyer, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of Buyer hereunder shall be cumulative of any and all other rights that Buyer may ever have against Guarantor. The exercise by Buyer of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

6.13 Other Defined Terms . Any capitalized term utilized herein shall have the meaning as specified in the Repurchase Agreement, unless such term is otherwise specifically defined herein.

6.14 Entirety . This Guaranty embodies the final, entire agreement of Guarantor and Buyer with respect to Guarantor’s guaranty of the Guaranteed Obligations and supersedes any and all prior commitments, agreements, representations, and understandings, whether written

or oral, relating to the subject matter hereof. This Guaranty is intended by Guarantor and Buyer as a final and complete expression of the terms of the Guaranty, and no course of dealing between Guarantor and Buyer, no course of performance, no trade practices, and no evidence of prior, contemporaneous or subsequent oral agreements or discussions or other extrinsic evidence of any nature shall be used to contradict, vary, supplement or modify any term of this Guaranty. There are no oral agreements between Guarantor and Buyer relating to the subject matter hereof.

6.15 Intent . The Guarantor and the Buyer intend that this Guaranty constitutes a "securities contract" as that term is defined in section 741(7)(xi) of the Bankruptcy Code and damages under this Guaranty in any proceeding under the Bankruptcy Code with respect to Guarantor shall be measured in accordance with section 562 of the Bankruptcy Code.

[SIGNATURES ON NEXT PAGE]

EXECUTED as of the day and year first above written.

BLACKSTONE MORTGAGE TRUST, INC., a Maryland corporation

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

[Signature Page to Guaranty]

Exhibit 10.3

MASTER REPURCHASE AGREEMENT

Dated as of June 27, 2014

by and between

PARLEX 7 FINCO, LLC,

as Seller,

and

METROPOLITAN LIFE INSURANCE COMPANY,

as Buyer

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This MASTER REPURCHASE AGREEMENT (this " Agreement ") is dated as of June 27, 2014, by and between PARLEX 7 FINCO, LLC, a Delaware limited liability company (" Seller ") and METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation (" Buyer ").

1. APPLICABILITY

From time to time the parties hereto may enter into transactions in which Seller agrees to transfer to Buyer certain Eligible Assets (as hereinafter defined) against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Eligible Assets at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in any annexes, exhibits or schedules identified herein as applicable hereunder.

2. DEFINITIONS

" 1933 Act " shall mean the Securities Act of 1933, as amended.

" 1934 Act " shall have the meaning specified in Section 24(a) of this Agreement.

" A-Note " shall mean a mortgage loan evidenced by a senior Mortgage Note secured by a Mortgage that also secures (i) additional *pari passu* notes or (ii) B-Notes that are subordinate in right of payment to such A-Note, in each case pursuant to the related intercreditor agreement or co-lender agreement approved by Buyer in its sole and absolute discretion as of the Purchase Date.

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

" Accepted Servicing Practices " shall have the meaning given to such term in the Servicing Agreement.

" Affiliate " shall mean, when used with respect to any specified Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with, such Person.

" Agreement " shall mean this Master Repurchase Agreement, dated as of June 27, 2014 by and between Seller and Buyer, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

" Alternative Rate " shall have the meaning specified in Section 3(g) of this Agreement.

" Alternative Rate Transaction " shall mean, with respect to any Pricing Rate Period, any Transaction with respect to which the Pricing Rate for such Pricing Rate Period is determined with reference to the Alternative Rate.

" Applicable Spread " shall have the meaning specified in the Fee Letter.

" Appraisal " shall mean an appraisal of the related Mortgaged Property from an Independent Appraiser, complying with the requirements of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended from time to time, conducted in accordance with the standards of the American Appraisal Institute and in form and substance acceptable to Buyer.

" Appraised Value " shall mean the as-is value of the underlying Mortgaged Property relating to a Purchased Asset, as determined by Buyer as of the Purchase Date based on (but not necessarily equal to) the most recent Appraisal delivered by Seller to Buyer pursuant to the terms of this Agreement.

" Approved Exception Report " shall mean, with respect to any Purchased Asset, any Exception Report furnished by Seller to Buyer and approved by Buyer in its discretion prior to the related Purchase Date.

" Assignment of Leases " shall mean, with respect to any Mortgaged Property, an assignment of leases under the related Mortgage, or a separate assignment of leases, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein such Mortgaged Property is located to reflect the assignment of leases.

" Assignment of Mortgage " shall mean, with respect to any Mortgage, an assignment of the mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect the assignment and pledge of the Mortgage, subject to the terms, covenants and provisions of this Agreement.

" Assumed Obligations " shall mean (a) with respect to any Purchased Asset, (i) all duties, obligations and liabilities of Seller pursuant to the Purchased Asset Documents, including payment and indemnity obligations, (ii) all obligations of agents, trustees, servicers, administrators or other Persons under the Purchased Asset Documents, and (iii) if any portion of the Indebtedness related to such Purchased Asset is owned by another lender or is being retained by Seller, the interests, rights and obligations under the Purchased Asset Documents 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.

" Authorized Representative of Seller " shall mean each of the natural persons listed on Exhibit II , as such Exhibit II may be updated by Seller by written notice to Buyer.

" Available Income " shall mean, all Income other than the Underlying Purchased Asset Reserves.

" B-Note " shall mean a Mortgage Note secured by a Mortgage that also secures an A-Note that is senior in right of payment to such B-Note pursuant to the related intercreditor or co-lender agreement.

" Bailee " shall mean Ropes & Gray LLP or any other law firm reasonably acceptable to Buyer that has delivered at Seller's request a Bailee Letter with respect to any Purchased Asset.

" Bailee Letter " shall mean a letter from Seller and acknowledged by Bailee and Buyer substantially in the form attached hereto as Exhibit XI , pursuant to which the Bailee (i) agrees to issue a Bailee Trust Receipt upon taking possession of the Purchased Asset Documents identified in such Bailee Letter, (ii) confirms that it is holding the Purchased Asset Documents as bailee for the benefit of Buyer under the terms of such Bailee Letter, and (iii) agrees that it shall deliver such Purchased Asset Documents to the Custodian, or as otherwise directed by Buyer in writing, by not later than the third (3 rd) Business Day following the Purchase Date for the related Purchased Asset.

" Bailee Trust Receipt " shall mean a trust receipt issued by Bailee to Buyer in accordance with and substantially in the form contained in the Bailee Letter confirming the Bailee's possession of the Purchased Asset Documents listed thereon.

" Bankruptcy Code " shall mean Title 11 of the United States Code (11 U.S.C. § 101, *et seq* .), as amended, modified or replaced from time to time.

" Business Day " shall mean a day other than (i) a Saturday or Sunday, or (ii) a day in which the New York Stock Exchange or commercial banks in the States of New York, Kansas, Pennsylvania or Minnesota are authorized or obligated by law or executive order to be closed. When used with respect to a Pricing Rate Determination Date, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in London, England are closed for interbank or foreign exchange transactions.

" Buyer " shall mean Metropolitan Life Insurance Company, or any successor or permitted assign.

" Buyer Future Funding Advance Amount " shall mean, with respect to any Purchased Asset, the Maximum Purchase Price Percentage multiplied by the then unfunded Future Funding Amount.

" Capital Stock " shall mean 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 in any limited liability company, and any and all warrants or options to purchase any of the foregoing.

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

" Cash Management Account " shall mean a segregated non-interest bearing account, in the name of Seller, for the benefit of Buyer, established at Depository and subject to the Cash Management Account Control Agreement.

" Cash Management Account Control Agreement " shall mean the deposit account control agreement, dated as of the date hereof, among Depository, Seller and Buyer relating to the Cash Management Account, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" Change of Control " shall mean if either: (a) a transfer, whether directly or indirectly, of all or substantially all of Guarantor's assets (excluding any transfer in connection with any securitization transaction or sale of mortgage loans or sale of real estate owned and real estate investments in the ordinary course of Guarantor's business) to any Person other than an Affiliate of Guarantor; (b) the consummation of a merger or consolidation of Guarantor with or into another entity or a reorganization of Guarantor pursuant to which Guarantor is not the surviving entity following such merger, consolidation or reorganization; (c) any "person" or "group" within the meaning of Section 13(d) or 14 (d) of the 1934 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 1934 Act), directly or indirectly, of a percentage of the total voting power of all classes of Capital Stock of Guarantor entitled to vote generally in the election of directors, on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), of twenty percent (20%) or more other than Affiliates of Guarantor, related funds of The Blackstone Group L.P., or, so long as the Guarantor maintains its status as a publicly traded REIT, to the extent such interests are obtained through public market offering or secondary market trading; (d) Guarantor shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding Capital Stock of Pledgor; or (e) Pledgor shall cease to own and control directly, of record and beneficially, one hundred percent (100%) of each class of outstanding Capital Stock of Seller.

" Closing Date " shall mean the date hereof.

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

" Collateral " shall mean all of the property pledged pursuant to Sections 6(a) and 6(d) of this Agreement and the equity ownership interests in Seller pledged pursuant to the Pledge and Security Agreement.

" Collection Period " shall mean (i) with respect to the first Remittance Date, the period beginning on and including the Closing Date and continuing to and including the calendar day immediately preceding such Remittance Date, and (ii) with respect to each subsequent Remittance Date, the period beginning on and including the immediately preceding Remittance Date and continuing to and including the calendar day immediately preceding the following Remittance Date.

" Commitment Fee " shall have the meaning specified in the Fee Letter.

" Concentration Limit " shall mean (a) with respect to each Purchased Asset that is a Senior Interest, the limit on the Maximum Purchase Price for such Purchased Asset on each Business Day, which limit shall be twenty five percent (25%) of the Facility Amount, and (b) with respect to all Purchased Assets that are Senior Interests, the limit on the aggregate Maximum Purchase Price for such Purchased Assets on each Business Day, which limit shall be fifty percent (50%) of the Facility Amount.

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

" Confirmation " shall have the meaning specified in Section 3(b) of this Agreement.

" Control " shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and affairs of a Person, including investment decisions, whether through the ownership of voting securities, by contract or otherwise and "Controlling," "Controlled" and "under common Control" shall have meanings correlative thereto. For purposes of this definition, debt securities that are convertible into common stock will be treated as voting securities only when converted.

" Custodial Agreement " shall mean the Custodial Agreement, dated as of June 27, 2014, by and among Custodian, Seller and Buyer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" Custodial Delivery Certificate " shall mean the custodial delivery certificate delivered by Seller pursuant to Section 7 of this Agreement substantially in the form attached to the Custodial Agreement as Annex 1 thereto.

" Custodian " shall mean U.S. Bank National Association, or any successor Custodian appointed by Buyer with the prior written consent of Seller (which consent shall not be unreasonably withheld or delayed).

" Default " shall mean any event which, with the giving of notice, the passage of time, or both, would constitute an Event of Default.

" Depository " shall mean PNC Bank, National Association, or any successor Depository appointed by Buyer with the prior written consent of Seller (which consent shall not be unreasonably withheld or delayed).

" Diligence Material " shall mean, collectively, (i) the Underwriting/Due Diligence Package furnished by Seller to Buyer, and (ii) any other diligence materials delivered by Seller to Buyer in connection with Buyer's review of any New Asset, whether pursuant to a Supplemental Due Diligence List or otherwise.

" Early Facility Termination Date " shall have the meaning specified in Section 3(f) of this Agreement.

" Early Repurchase " shall have the meaning specified in Section 3(d)(ii) of this Agreement.

" Early Repurchase Date " shall have the meaning specified in Section 3(d)(ii) of this Agreement.

" Eligible Assets " shall mean Whole Loans, Mezzanine Loans originated in connection with a Whole Loan that Seller is simultaneously selling to Buyer in a single Transaction hereunder, and Senior Interests (i) originated or acquired by Seller, (ii) having a final legal maturity date of no more than five (5) years from the Purchase Date and (iii) approved by Buyer in its sole and absolute discretion. For the avoidance of doubt, "Eligible Assets" shall not include Whole Loans, Mezzanine Loans or Senior Interests that (a) as of the related Purchase Date, are delinquent, defaulted or non-performing, or were rejected for inclusion in a securitization, or (b) are secured by first liens on land, condominiums, student housing, self storage, medical office or research and development facilities or healthcare related properties, unless, in any such instance, Buyer shall have approved such Whole Loan, Mezzanine Loan or Senior Interest as an Eligible Asset, in Buyer's sole and absolute discretion.

" Eligible Assignee " shall mean (i) prior to the occurrence and continuance of an Event of Default, any Person that is a Qualified Transferee and is not a Prohibited Transferee and (ii) after the occurrence and continuance of an Event of Default, any Person.

" Eligibility Requirements " shall mean, with respect to any Person, that such Person (i) has total assets (in name or under management) in excess of $500,000,000 and (except with respect to a pension advisory firm, asset manager or similar fiduciary) capital/statutory surplus or shareholder's equity of $100,000,000 and (ii) is regularly engaged in the business of making or owning (including indirectly through REMIC bonds and/or securitizations) commercial real estate loans or interests therein (including, without limitation, B-Notes, participations and mezzanine loans with respect to commercial real estate) or owning and operating commercial properties.

" Environmental Law " shall mean, 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 in each case as amended, 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, without limitation, CERCLA; RCRA; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq .; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq .; the Clean Air Act, 42 U.S.C. § 7401 et seq .; the Safe Drinking Water Act, 42 U.S.C. § 3803 et seq .; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq .; the Emergency Planning the Community Right-to-Know Act of 1986, 42 U.S.C. § 11001 et seq .; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 et seq .; and the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq .; and any state and local or foreign counterparts or equivalents, in each case as amended from time to time.

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

" ERISA Affiliate " shall mean any corporation or trade or business that is a member of any group of organizations (i) described in Section 414(b) or (c) of the Code of which Seller is a member and (ii) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which Seller is a member.

" Event of Default " shall have the meaning specified in Section 14(a) of this Agreement.

" Exception Report " shall mean a written list prepared by Seller and delivered to Buyer prior to the Purchase Date with respect to any Purchased Asset, specifying in reasonable detail, all exceptions of which Seller has Knowledge to the representations and warranties set forth in Exhibit VI , Exhibit VII and Exhibit VIII , as applicable, relating to such Purchased Asset.

" Excluded Taxes " shall mean any of the following Taxes imposed on or with respect to Buyer or other recipient of any payment hereunder or required to be withheld or deducted from a payment to Buyer or such other recipient: (a) Taxes imposed on or measured by net income or net worth or similar Taxes imposed in lieu of net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Buyer (or such other recipient) being organized under the laws of, or having its principal office or the office from which it books the Transaction located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) Other Connection Taxes, (b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Buyer (or such other recipient) pursuant to a law in effect on the date on which such Person (i) becomes a party to this Agreement or (ii) changes the office from which it books the Transaction, except to the extent that, pursuant to Sections 3(l) and 3(m) of this Agreement, such Taxes were payable to such party's assignor immediately before such party acquired an interest hereunder or to such Buyer immediately before it changed its lending office, (c) Taxes attributable to such Buyer's failure to comply with Section 3(p) , Section 19(c) and Section 23 of this Agreement, and (d) any U.S. federal withholding Taxes imposed under FATCA

" Extension Fee " shall have the meaning specified in the Fee Letter.

" Facility Amount " shall mean (i) prior to the Initial Facility Termination Date, $500,000,000 and (ii) at all times after Seller exercises its first Facility Extension Option in accordance with Section 3(e) of this Agreement, the aggregate Maximum Purchase Price for all Purchased Assets as of the Initial Facility Termination Date, (a) as increased by the aggregate Buyer Future Funding Advance Amount with respect to all Purchased Assets as of the Initial Facility Termination Date and (b) as reduced by the Maximum Purchase Price and any related Buyer Future Funding Advance Amount for each Purchased Asset that is repaid in full or repurchased by Seller on any Repurchase Date after the Initial Facility Termination Date.

" Facility Extension Conditions " shall have the meaning specified in Section 3(e) of this Agreement.

" Facility Extension Option " shall have the meaning specified in Section 3(e) of this Agreement.

" Facility Termination Date " shall mean the earliest of (i) the Initial Facility Termination Date, as such date may be extended pursuant to Seller's exercise of the Facility Extension Options in accordance with Section 3(e) of this Agreement, (ii) the date on which Seller terminates this Agreement and the other Transaction Documents pursuant to Section 3(f) of this

Agreement, and (iii) the date on which Buyer terminates this Agreement pursuant to Section 14(b)(ii)(D) of this Agreement; *provided, that* , in the case of clauses (i) and (ii) above, if any such date is not a Business Day, the Facility Termination Date shall be the next succeeding Business Day.

" FATCA " means 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 with a Governmental Authority pursuant thereto (including pursuant to Section 1471(b)(1) of the Code).

" FDIA " shall have the meaning specified in Section 23(c) of this Agreement.

" FDICIA " shall have the meaning specified in Section 23(d) of this Agreement.

" Fee Letter " shall mean the fee letter, dated as of the date hereof, between Buyer and Seller, as the same may be amended, restated, supplemented or otherwise modified from time to time.

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

" Foreign Buyer " shall mean any Buyer that is not a U.S. Buyer.

" Funding Fee " shall have the meaning specified in the Fee Letter.

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

" Future Funding Amount " shall mean with respect to any Purchased Asset, the amount of additional funding obligations set forth in the applicable Purchased Asset Documents and identified to Buyer in the related Confirmation for such Purchased Asset.

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

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

" Ground Lease " shall mean a ground lease pursuant to which any Mortgagor holds a leasehold interest in the related Mortgaged Property, together with any estoppels, waivers or other agreements executed and delivered by the ground lessor in favor of the lender under the related Purchased Asset.

" Guarantor " shall mean Blackstone Mortgage Trust Inc., a Maryland corporation.

" Guaranty " shall mean the Guaranty, dated as of the date hereof, from Guarantor to Buyer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" Hotel Purchased Assets " shall mean any Purchased Assets secured by Mortgaged Properties that are hotel properties.

" Income " shall mean, with respect to any Purchased Asset at any time, the sum of (a) payments of any principal thereof and all interest, dividends or other distributions thereon including, without limitation (i) any proceeds of Mortgagor Hedging Transactions in connection with such Purchased Asset and (ii) any other collections from whatever source in connection with or on account of such Purchased Asset, in each case, applied to amounts due and owing pursuant to the applicable Purchased Asset Document and (b) all net sale proceeds received by Seller or any Affiliate of Seller in connection with a sale of such Purchased Asset.

" Indebtedness " shall mean, for 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 trade accounts payable are payable within ninety (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) contingent or future funding obligations under any Purchased Asset or any obligations senior to, or *pari passu* with, any Purchased Asset; (f) Capitalized Lease Obligations of such Person; (g) obligations of such Person under repurchase agreements or like arrangements; (h) Indebtedness of others guaranteed by such Person to the extent of such guarantee; and (i) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person. Notwithstanding the foregoing, nonrecourse Indebtedness owing pursuant to a securitization transaction such as a REMIC securitization, a collateralized loan obligations transaction or other similar securitization shall not be considered Indebtedness for any Person.

" Indemnified Amounts " shall have the meaning specified in Section 27 of this Agreement.

" Indemnified Party " and " Indemnified Parties " shall have the meaning specified in Section 27 of this Agreement.

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

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

" Independent Director " shall mean an individual who has prior experience as an independent director, independent director or independent member with at least three (3) years of employment experience and who is provided by Corporation Service Company, CT Corporation, Lord Securities Corporation, National Registered Agents, Inc., Global Securitization Services LLC, Stewart Management Company, Wilmington Trust Company, or, if none of those companies is then providing professional independent directors, another nationally-recognized company that provides professional independent directors and other corporate services in the ordinary course of its business and which is reasonably approved by Buyer, is not an Affiliate of Seller, and has never been, and will not while serving as Independent Director be, any of the following:

(i) a member (other than an independent, non-economic "springing" member), partner, equityholder, manager, director, officer or employee of Seller or any of Seller's equityholders or Affiliates (other than as an independent manager, director or non-economic "springing" member of an Affiliate of Seller that is not in the direct chain of ownership of Seller and that is required by a creditor to be a single purpose bankruptcy remote entity);

(ii) a creditor, supplier or service provider (including provider of professional services) to Seller or any of Seller's equityholders or Affiliates (other than a nationally-recognized company that routinely provides professional independent managers or independent directors and other corporate services and that also provides lien search and other similar services to Seller or any of its equityholders or Affiliates in the ordinary course of business);

(iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or

(iv) a Person that Controls (whether directly, indirectly or otherwise) any of (i) or (ii) above.

A natural person who otherwise satisfies the foregoing definition and satisfies subparagraph (i) by reason of being the independent manager or independent director of a "special purpose entity" affiliated with Seller shall not be disqualified from serving as the Independent Director of Seller; provided that the fees that such natural person earns from serving as an independent manager or independent director of such Affiliates of Seller in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year. The same natural persons may not serve as the Independent Director of Seller and, at the same time, serve as an independent directors or independent manager of an equityholder or member of Seller.

" Initial Facility Termination Date " shall mean June 29, 2015.

" Initial Purchase " shall mean the initial purchase by Buyer of an Eligible Asset pursuant to this Agreement.

" Insolvency Event " shall mean, 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 Persons' affairs, and such decree or order shall remain undismissed, unstayed and in effect for a period of ninety (90) 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 " shall mean, the Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments and similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

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

" Knowledge " shall mean, 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 (i) Stephen Plavin, Thomas C. Ruffing or Douglas Armer, or their respective replacement (written notice of which shall be given to Buyer) or (ii) any asset manager or employee with a title equivalent or more senior to that of "principal" within The Blackstone Group, L.P. that is responsible for the origination, acquisition and/or management of any Purchased Asset.

" LIBOR " shall mean, with respect to each Pricing Rate Period, the rate (expressed as a percentage per annum and rounded upward, if necessary, to the next nearest 1/1000 of 1%) for deposits in U.S. dollars, for a one-month period, that appears on Reuters Screen LIBOR01 (or the successor thereto) as of 11:00 a.m., London time, on the related Pricing Rate Determination Date. If such rate does not appear on Reuters Screen LIBOR01 as of 11:00 a.m., London time, on such Pricing Rate Determination Date, Buyer shall request the principal London office of any four major reference banks in the London interbank market selected by Buyer to provide such bank's offered quotation (expressed as a percentage per annum) to prime banks in the London interbank market for deposits in U.S. dollars for a one-month period as of 11:00 a.m., London time, on such Pricing Rate Determination Date for amounts of not less than the Repurchase Price of the Transaction. If at least two such offered quotations are so provided, LIBOR shall be the arithmetic mean of such quotations (rounded upward, if necessary, to the nearest 1/1000 of 1%). If fewer than two such quotations are so provided, Buyer shall request any three major banks in New York City selected by Buyer to provide such bank's rate (expressed as a percentage per

annum) for loans in U.S. dollars to leading European banks for a one-month period as of approximately 11:00 a.m., New York City time on the applicable Pricing Rate Determination Date for amounts of not less than the Repurchase Price of the Transaction. If at least two such rates are so provided, LIBOR shall be the arithmetic mean of such rates (rounded upward, if necessary, to the nearest 1/1000 of 1%). The LIBOR shall be determined by Buyer or its agent, which determination shall be conclusive absent manifest error.

" LIBOR Transaction " shall mean, with respect to any Pricing Rate Period, any Transaction with respect to which the Pricing Rate for such Pricing Rate Period is determined with reference to LIBOR.

" Lien " shall mean any mortgage, deed of trust, lien, pledge, hypothecation, assignment, security interest, or any other easement, restriction, covenant, encumbrance, charge or transfer of, on or affecting Seller, any Purchased Asset or any Mortgaged Property or any portion thereof or any interest therein, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

" Margin Availability " shall mean the positive difference, if any, between (i) the Maximum Purchase Price with respect to any Purchased Asset on any date of determination, minus (ii) the outstanding Purchase Price of such Purchased Asset on such date of determination.

" Margin Availability Advance " shall have the meaning specified in Section 3(t) of this Agreement.

" Margin Deficit " shall have the meaning specified in Section 4 of this Agreement.

" Market Value " shall mean, with respect to any Purchased Asset, as of any date, the market value for such Purchased Asset, as determined by Buyer in its commercially reasonable discretion. Changes in the Market Value of a Purchased Asset shall be determined by Buyer in its commercially reasonable discretion, to increase by the amount of any Future Funding Amount advanced by Seller (assuming satisfaction of the conditions set forth in Section 3(u)), or decrease for any principal payments on the underlying Purchased Asset and otherwise based solely in relation to material positive or negative changes (relative to Buyer's initial underwriting Buyer's most recent determination of Market Value or Buyer's determination that a series of changes, taken in the aggregate, have a material impact on Market Value) relating to the performance, condition or occurrence, as applicable, of the following, taken in the aggregate: (a) the Mortgaged Property or other collateral securing or related to a Purchased Asset, (b) the borrower, guarantor, sponsor or obligor relating to a Purchased Asset, (c) the commercial real estate market relevant to the Mortgaged Property and (d) a breach of an MTM Representation. Notwithstanding anything in the foregoing to the contrary, the Market Value of a Purchased Asset may be determined by Buyer in its sole and absolute discretion following the occurrence of any of the following events relating to such Purchased Asset (and Seller acknowledges that the Market Value with respect thereto may be deemed by Buyer to be zero, in its sole and absolute discretion):

(i) a monetary default or material non-monetary default by a borrower, guarantor, sponsor, participant or obligor relating to a Purchased Asset has occurred and is continuing as determined by Buyer in its sole and absolute discretion; *provided, that* , in the case of a monetary or material non-monetary default by a participant relating to a Purchased Asset, Seller has the right to cure such participant's monetary or material non-monetary default and has failed to do so within the time period required by the applicable Purchased Asset Documents or, if no such time period is prescribed, has failed to take steps to cure such default within a commercially reasonable period of time as determined by Buyer in its commercially reasonable judgment;

(ii) a breach by Seller of any representation or warranty contained in Exhibit VI , Exhibit VII or Exhibit VIII , as applicable (other than a MTM Representation), with respect to the Purchased Asset, other than to the extent previously disclosed in an Approved Exception Report, provided that any determination by Buyer pursuant to this clause (ii) shall not limit Buyer's rights to require an immediate repurchase of such Purchased Asset in accordance with Section 3(d)(iii) of this Agreement;

(iii) any statement or certification made or document, certificate, information, financial statement, report or notice relating to a Purchased Asset and delivered by Seller to Buyer under any Transaction Document is untrue in any material respect; provided , that, Seller has the right to correct such untrue statement, certification, document, certificate, information, financial statement, report or notice in a timely manner satisfactory to Buyer, as determined by Buyer in its commercially reasonably judgment;

(iv) failure of Seller to deliver or cause to deliver or return any document or information required to be delivered or returned to Custodian pursuant to this Agreement and the Custodial Agreement within the required time periods; or

(v) Seller fails to deliver any report hereunder where such failure adversely affects Buyer's ability to determine the Market Value for a Purchased Asset hereunder; provided, however, that if such failure is due to Seller's inability to obtain any such report from the underlying borrower, guarantor, sponsor or obligor relating to such Purchased Asset, then (a) Seller shall take commercially reasonable efforts to obtain such report from the underlying borrower, guarantor, sponsor or obligor as soon as practicable, (b) during the one hundred twenty (120) day period following Seller's initial failure to deliver any such report, unless and until Seller delivers the applicable report, Buyer may determine the Market Value of the applicable Purchased Asset in its commercially reasonable discretion pursuant to the definition of Market Value, but in connection with such determination, Buyer may draw any adverse inference from any missing information that Buyer deems to be reasonable under the circumstances, and (c) after the expiration of the one hundred twenty (120) day period following Seller's initial failure to deliver any such report, if Seller still has not delivered the applicable report, Buyer may determine the Market Value of the applicable Purchased Asset in its sole and absolute discretion, including by deeming the Market Value thereof to be zero.

" Material Adverse Change " shall mean any event, development or circumstance that has a material adverse effect on (a) the property, assets, business, operations, or financial condition of (i) Guarantor, or (ii) Seller, Pledgor and Guarantor taken as a whole, (b) the ability of Seller to pay or perform the Repurchase Obligations or of Guarantor to pay or perform its obligations

under the Guaranty, (c) the validity, legality or enforceability of any Transaction Document, Purchased Asset Document, Purchased Asset or security interest granted hereunder or thereunder, (d) the rights and remedies of Buyer or any Affiliate of Buyer under any Transaction Document, Purchased Asset Document or Purchased Asset or (e) the perfection or priority of any Lien granted under any Transaction Document or Purchased Asset Document.

" Maximum Purchase Price " shall mean, with respect to any Purchased Asset as of any date of determination, the product of the Maximum Purchase Price Percentage for such Purchased Asset multiplied by the Market Value of such Purchased Asset as of such date of determination.

" Maximum Purchase Price Loan to Value " shall mean, with respect to any Purchased Asset, a fraction, expressed as a percentage, the numerator of which is the Maximum Purchase Price for such Purchased Asset and the denominator of which is the aggregate Appraised Value of the Mortgaged Property (or Mortgaged Properties) as of the Purchase Date for such Purchased Asset, and taking into consideration any other interest related to such Purchased Asset that ranks *pari passu* or senior to such Purchased Asset.

" Maximum Purchase Price Percentage " shall have the meaning set forth in the Fee Letter.

" Mezzanine Loan " shall mean any loan secured, in whole or in part, by a pledge, of or security interest in, any direct or indirect ownership interest in the Mortgagor.

" Mezzanine Note " shall mean a note or other evidence of indebtedness of a Mezzanine Loan.

" Moody's " shall mean Moody's Investors Service, Inc., or its successor in interest.

" Mortgage " shall mean a mortgage, deed of trust, deed to secure debt or other instrument, creating a valid and enforceable first lien on or a first priority ownership interest in the Mortgaged Property.

" Mortgage Note " shall mean a note or other evidence of indebtedness of a Mortgagor secured by a Mortgage.

" Mortgaged Property " shall mean, collectively, the real property or properties securing repayment of the debt evidenced by a Mortgage Note or Mortgage Notes, including any Mortgaged Property securing a Mortgage Loan, payments upon which are the principal source of payments to Buyer pursuant to a Senior Interest and with respect to a Mezzanine Loan, the mortgaged property that is owned by the Person the equity of which is pledged as collateral security for such Mezzanine Loan.

" Mortgagee " shall mean the record holder of a Mortgage Note secured by a Mortgage.

" Mortgagor " shall mean the obligor on a Mortgage Note and/or the grantor of the related Mortgage or the obligor on a Mezzanine Note or participation certificate.

" Mortgagor Hedging Documents " shall mean, with respect to each Purchased Asset that has a floating rate of interest, (i) the interest rate cap agreement or confirmation providing protection against fluctuations in interest rates entered into by a Mortgagor and a cap counterparty, (ii) each collateral assignment of interest rate protection agreement entered into by the Mortgagor whereby the Mortgagor assigns and pledges to Seller the interest rate cap agreement and the rights to receive all payments that the Mortgagor is entitled to receive thereunder, and as acknowledged and consented to by the cap counterparty, (iii) provided that the Seller is not the originator of the Purchased Asset, the assignment entered into by the originator and the Seller whereby such originator sells all of its right, title and interest in and to the related Purchased Asset to Seller, (iv) the general assignment entered into by the Seller and the Buyer whereby Seller sells all of its right, title and interest in and to the related Purchased Asset to the Buyer, (v) extensions, renewals and replacements of the interest rate cap agreement in the Seller's possession, if any, and (vi) any other agreements and letters relating to the interest rate cap agreement in the Seller's possession, if any.

" Mortgagor Hedging Transaction " shall mean an interest rate cap agreement providing protection against fluctuations in interest rates entered into by the Mortgagor and the cap counterparty with respect to a Purchased Asset that has a floating rate of interest or return.

" MTM Representation " shall mean the representations and warranties set forth in Exhibit VI in paragraphs 1, 11, 19, 20, 24, 25, 37, 38, 43, 44 (in each case, solely with respect to circumstances occurring after the related Purchase Date) and 21, in Exhibit VII in paragraphs 1, 11, 20, 21, 26, 27, 39, 40, 45, 46 (in each case, solely with respect to circumstances occurring after the related Purchase Date) and 22 and in Exhibit VIII in paragraphs 1, 11, 22, 23, 28, 29, 41, 42, 47, 48 (in each case, solely with respect to circumstances occurring after the related Purchase Date) and 24.

" Multiemployer Plan " shall mean a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been, or were required to have been, made by Seller or any ERISA Affiliate and which is covered by Title IV of ERISA.

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

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

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

" Other Taxes " shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or

otherwise with respect to, any Transaction Document, *provided , however* , that Other Taxes shall not include (i) Taxes imposed with respect to an assignment, transfer or sale of participation or other interest in or with respect to the Transaction Documents or (ii) for avoidance of doubt, any Excluded Taxes.

" Originator " shall mean any Subsidiary of Guarantor from which Seller acquires a Purchased Asset.

" Person " shall mean an individual, corporation, limited liability company, business trust, partnership, joint tenant or tenant-in-common, trust, unincorporated organization, or other entity, or a federal, state or local government or any agency or political subdivision thereof.

" Permitted Fund Manager " shall mean any Person that on the date of determination is (i) a nationally-recognized manager of investment funds investing in debt or equity interests relating to commercial real estate, (ii) investing through a fund with committed capital of at least $500,000,000 and (iii) not subject to a bankruptcy proceeding.

" Permitted Liens " shall mean any of the following: (a) Liens for state, municipal, local or other local taxes not yet due and payable, (b) Liens imposed by Requirements of Law, such as materialmen's, mechanics', carriers', workmen's, repairmen's and similar Liens, arising in the ordinary course of business and which are either paid, bonded or otherwise removed of record within thirty (30) days after the Seller receives notice or otherwise obtains Knowledge of the filing of the same and (c) Liens granted pursuant to or by the Transaction Documents.

" Plan " shall mean 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 Party " shall have the meaning specified in Section 22 of this Agreement.

" Pledge and Security Agreement " shall mean that certain Pledge and Security Agreement, dated as of the date hereof, by Pledgor in favor of Buyer, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time, pledging all of Seller's Capital Stock to Buyer.

" Pledgor " shall mean 42-16 Partners LLC, a Delaware limited liability company.

" Preferred Equity Investment " shall mean any investment in Mortgagor or any direct or indirect owner of Mortgagor whereby such investment has one or more of the following characteristics: (a) the holder of such investment is entitled to a priority return with respect to any distributions relative to any other investors in the applicable entity in which such investment is in, (b) such investment has a mandatory redemption date, (c) such investment is required to be paid a preferred return irrespective of whether distributions are sufficient to make such payment and (d) the holder of such investment is entitled to exercise remedies against the common equity owners (including, without limitation, the right to change control in the applicable entity in which such investment is in) in the event that payments owed to the holder of such investment are not paid when due or such investment is not redeemed when required.

" Price Differential " shall mean, with respect to any Transaction and related Purchased Assets as of any date of determination, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction and the related Purchased Assets to the outstanding Purchase Price of such Purchased Asset on a 360-day-per-year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) such date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction).

" Pricing Rate " shall mean for each Pricing Rate Period, an annual rate equal to the LIBOR for such Pricing Rate Period plus the Applicable Spread for such Transaction and shall be subject to adjustment and/or conversion as provided in Sections 3(g) and 3(h) of this Agreement.

" Pricing Rate Determination Date " shall mean with respect to any Pricing Rate Period with respect to any Transaction, the second (2nd) Business Day preceding the first day of such Pricing Rate Period.

" Pricing Rate Period " shall mean, (a) in the case of the first Pricing Rate Period with respect to any Transaction, the period commencing on and including the Purchase Date for such Transaction and ending on and excluding the following Remittance Date, and (b) in the case of any subsequent Pricing Rate Period, the period commencing on and including such Remittance Date and ending on and excluding the following Remittance Date; provided , however , that in no event shall any Pricing Rate Period end subsequent to the Repurchase Date for the related Purchased Asset (unless so directed in writing by Buyer following the occurrence of and during the continuation of an Event of Default resulting from Seller's failure to repurchase the applicable Purchased Asset on the Repurchase Date).

" Prime Rate " shall mean the prime rate of U.S. commercial banks as published in The Wall Street Journal (or, if more than one such rate is published, the average of such rates).

" Principal Payment " shall mean, with respect to any Purchased Asset, any payment or prepayment of principal received by Depository or Buyer in respect thereof.

" Prohibited Person " shall mean any (1) person or entity who is on the OFAC List; a "designated national," "specially designated national," "specially designated terrorist," "specially designated global terrorist," "foreign terrorist organization," or "blocked person" within the definitions set forth in the Foreign Assets Control Regulations of the United States Treasury Department, 31 C.F.R., Subtitle B, Chapter V, as amended, (2) person acting on behalf of, or an entity owned or controlled by, any government against whom the United States maintains economic sanctions or embargoes under the Regulations of the United States Treasury Department, 31 C.F.R., Subtitle B, Chapter V, as amended, including, but not limited to, the "Government of Sudan," the "Government of Iran," and the "Government of Cuba," and any person or organization determined by the Director of the Office of Foreign Assets Control to be included within 31 C.F.R. Section 575.306 (definition of "Government of Iraq"), any person on

the U.S. Department of Defense 55-person Watch List and any person identified by the United Nations 661 Committee pursuant to paragraphs 19 and 23 of the United Nations Security Council Resolution 1483, adopted May 22, 2003, (3) person or entity who is listed in the Annex to or is otherwise within the scope of Executive Order 13224—Blocking Property and Prohibiting Transactions with Person who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001, or (4) person or entity subject to additional restrictions imposed by the following statutes or Regulations and Executive Orders issued thereunder: the Trading with the Enemy Act, 50 U.S.C. app. § § 1 et seq ., the Iraq Sanctions Act, Pub. L. 101-513, Title V, § § 586 to 586J, 104 Stat. 2047, the National Emergencies Act, 50 U.S.C. § § 1601 et seq ., the Anti-Terrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1214-1319, the International Emergency Economic Powers Act, 50 U.S.C. § § 1701 et seq ., the United Nations Participation Act, 22 U.S.C. § 287c, the International Security and Development Cooperation Act, 22 U.S.C. § 2349aa-9, the Nuclear Proliferation Prevention Act of 1994, Pub. L. 103-236, 108 Stat. 507, the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. § § 1901 et seq ., the Iran and Libya Sanctions Act of 1996, Pub. L. 104-172, 110 Stat. 1541, the Cuban Democracy Act, 22 U.S.C. § § 6001 et seq ., the Cuban Liberty and Democratic Solidarity Act, 22 U.S.C. § § 6201-91, the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1997, Pub. L. 104-208, 110 Stat. 3009-172, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, 115 Stat. 272, or any other law of similar import as to any non-U.S. country, as each such Act or law has been or may be amended, adjusted, modified, or reviewed from time to time.

" Prohibited Transferee " shall mean any of the entities listed on Schedule 1 hereto.

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

" Purchase Price " shall mean with respect to any Purchased Asset, the price at which such Purchased Asset is transferred by Seller to Buyer on the applicable Purchase Date, as adjusted after the Purchase Date as set forth below and not to exceed the Maximum Purchase Price. The Purchase Price as of the Purchase Date for any Purchased Asset shall be an amount equal to the product obtained by multiplying (i) the Market Value of such Purchased Asset as of the Purchase Date by (ii) the Purchase Price Percentage for such Purchased Asset as set forth on the related Confirmation. The Purchase Price of any Purchased Asset shall thereafter be (a) decreased by (i) the amount of any Income applied pursuant to Section 5 hereof to reduce such Purchase Price and (ii) any other amounts paid to Buyer by or on behalf of Seller to reduce such Purchase Price (including, without limitation, in accordance with Section 3(q) and Section 4 of this Agreement), and (b) increased by the amount of each Margin Availability Advance and Future Funding Advance.

" Purchase Price Percentage " shall mean, with respect to any Purchased Asset, (a) as of the Purchase Date, the initial Purchase Price Percentage for such Purchased Asset as shown on the related Confirmation and (b) thereafter, the amount, expressed as a percentage, determined by dividing (i) the outstanding Purchase Price of such Purchased Asset as of any date of determination by (ii) the Market Value of such Purchased Asset as of such date, and in the case of either (a) or (b), not to exceed the Maximum Purchase Price Percentage.

" Purchased Asset Documents " shall mean, with respect to a Purchased Asset, the documents comprising the Purchased Asset File for such Purchased Asset.

" Purchased Asset File " shall mean, with respect to any Purchased Asset, the documents specified as the "Purchased Asset File" in Section 7(b) of this Agreement, together with any additional documents and information required to be delivered to Buyer or its designee (including Custodian) pursuant to this Agreement.

" Purchased Asset(s) " shall mean (i) with respect to any Transaction, the Eligible Asset or Eligible Assets sold by Seller to Buyer in such Transaction and not repurchased by Seller and (ii) with respect to the Transactions in general, all Eligible Assets sold by Seller to Buyer and not repurchased by Seller and any additional collateral (including but not limited to Mortgagor Hedging Transactions) delivered by Seller to Buyer pursuant to this Agreement, in each case, if applicable, together with all Purchased Asset Documents, Servicing Agreements, Servicing Records, Servicing Rights, insurance relating to any such Eligible Asset, and collection and escrow accounts relating to any such Eligible Asset; provided , that Purchased Assets shall not include any obligations of Seller or any Assumed Obligations until Buyer shall have assumed such Assumed Obligations pursuant to Section 6(e) of this Agreement.

" Purchased Asset Schedule " shall mean a schedule of Purchased Assets attached to each Trust Receipt and Custodial Delivery Certificate.

" Qualified Servicing Expenses " shall mean, with respect to any Servicer that is not an Affiliate of Seller, (i) the Servicing Fee and (ii) any other expenses payable to such Servicer that are expressly provided for in the Servicing Agreement.

" Qualified Transferee " shall mean (i) Buyer and any entity Controlled by, Controlling or under common Control with Buyer or (ii) any one or more of the following:

(A) a real estate investment trust, bank, savings and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan; provided that any such Person satisfies the Eligibility Requirements;

(B) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the 1933 Act or an institutional "accredited investor" within the meaning of Regulation D under the 1933 Act; provided that any such Person satisfies the Eligibility Requirements;

(C) an institution substantially similar to any of the entities described in clauses (ii)(A) , (ii)(B) or (ii)(E) of this definition that satisfies the Eligibility Requirements;

(D) any entity Controlled by, Controlling or under common Control with, any of the entities described in clauses (ii)(A) , (ii)(B) , (ii)(C) or (ii)(E) of this definition;

(E) an investment fund, limited liability company, limited partnership or general partnership where a Permitted Fund Manager or an entity that is otherwise a Qualified Transferee under clauses (ii)(A) , (ii)(B) , (ii)(C) or (ii)(D) of this definition, acts as the general partner, managing member or fund manager and at least fifty percent (50%) of the equity interests in such investment fund, limited liability company, limited partnership, general partnership or entity are owned, directly or indirectly, by one or more of the following: a Qualified Transferee, an institutional "accredited investor" within the meaning of Regulation D promulgated under the 1933 Act and/or a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the 1933 Act, provided such institutional "accredited investors" or "qualified institutional buyers" that are used to satisfy the fifty percent (50%) test set forth above in this clause (ii)(E) satisfy the financial tests in clause (i) of the definition of Eligibility Requirements;

(F) any entity that is otherwise a Qualified Transferee under clauses (ii)(A) , (ii)(B) , (ii)(C) , (ii)(D) or (ii)(E) of this definition that is acting in an agency capacity for a syndicate of lenders, provided more than fifty percent (50%) of the committed loan amounts or outstanding loan balance are owned by lenders in the syndicate that are Qualified Transferees;

For purposes of this definition of "Qualified Transferee" only, " Control " shall mean, when used with respect to any specific Person, the ownership, directly or indirectly, in the aggregate of more than twenty-five percent (25%) of the beneficial ownership interest of such Person and the possession, directly or indirectly, 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, and "Controlled by," "Controlling" and "under common Control with" shall have the respective correlative meaning thereto.

" Redirection Letter " shall have the meaning specified in Section 5(b) of this Agreement.

" Register " shall have the meaning specified in Section 19(c) of this Agreement.

" REIT " shall mean 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.

" REMIC " shall mean a real estate mortgage investment conduit, within the meaning of Section 860D(a) of the Code.

" REMIC Provisions " shall mean the provisions of United States federal income tax law relating to real estate mortgage investment conduits, which appear at Section 860A through Section 860G of subchapter M of Chapter 1 of the Code, and related provisions and regulations promulgated thereunder, as the foregoing may be in effect from time to time.

" Remittance Date " shall mean the seventeenth (17 th) calendar day of each month (or if such day is not a Business Day, the next following Business Day), or such other day as is mutually agreed to by Seller and Buyer.

" Repurchase Date " shall mean, with respect to each Purchased Asset, the earliest to occur of (i) one (1) year from the Purchase Date of such Purchased Asset, as such date may be extended by Seller in accordance with Section 3(d)(iv) of this Agreement, (ii) the Facility Termination Date (including any Early Facility Termination Date), (iii) the date on which Seller is to repurchase such Purchased Asset as specified in the related Confirmation, (iv) the maturity date of such Purchased Asset (subject to extension, if applicable, in accordance with the related Purchased Asset Documents in effect as of the Purchase Date or as subsequently modified with Buyer's consent), (v) three (3) Business Days following the end of the related cure period, if applicable, upon Buyer's demand for repurchase pursuant to Section 3(d)(iii) of this Agreement (vi) three (3) Business Days following an Early Repurchase Date or an Accelerated Repurchase Date and (vii) the date Seller repurchases a Purchased Asset pursuant to Section 14(a)(xiv)(C) , Section 14(a)(xvi) or Section 12(u) of this Agreement.

" Repurchase Obligations " shall mean all obligations of Seller to pay the Repurchase Price of each Purchased Asset on the Repurchase Date with respect to such Purchased Asset and all other obligations and liabilities of Seller to Buyer arising under or in connection with the Transaction Documents, whether now existing or hereafter arising, and all interest and fees that accrue pursuant to the Transaction Documents after the commencement by or against Seller, Pledgor, Guarantor or any Affiliate of Seller or Guarantor 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 " shall mean, with respect to any Purchased Asset as of any Repurchase Date or any date on which the Repurchase Price is required to be determined hereunder, the price at which such Purchased Asset is to be transferred from Buyer to Seller, which price will be determined in each case as the sum of the then outstanding Purchase Price of such Purchased Asset, the accrued and unpaid Price Differential with respect to such Purchased Asset and any other amounts then due and payable by Seller to Buyer and its Affiliates pursuant to the terms of this Agreement (including, without duplication, all accrued and unpaid fees, expenses, indemnity amounts, late fees, default interest, breakage costs and other amounts then due from Seller to Buyer), each as of the date of such determination, minus, without duplication, all Income and other cash actually received by Buyer in respect of such Purchased Asset and applied towards the Repurchase Price pursuant to this Agreement.

" Requirements of Law " shall mean any law, treaty, rule, regulation, code, directive, policy, order or requirement or determination of an arbitrator or a court or other Governmental Authority whether now or hereafter enacted or in effect.

" Responsible Officer " shall mean any executive officer of Seller or Guarantor, as applicable, duly authorized to execute and deliver documents on its behalf.

" S&P " shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, or its successor in interest.

" SEC " shall have the meaning specified in Section 24(a) of this Agreement.

" Seller " shall have the meaning assigned to it in the opening paragraph of this Agreement.

" Senior Interest " shall mean either (a) a senior or *pari passu* participation interest in a Whole Loan secured by a first lien on a commercial or multifamily Mortgaged Property, or (b) an A-Note.

" Senior Interest Purchased Assets " shall mean any Purchased Assets that are Senior Interests.

" Servicer " shall mean Midland Loan Services, Inc., a division of PNC Bank, National Association, or any other Servicer mutually agreed upon by Buyer and Seller.

" Servicing Agreement " shall mean with respect to any Servicer, the Servicing Agreement providing for the servicing of Purchased Assets by and among Buyer, Seller and such Servicer, as the same may be amended, restated, supplemented or otherwise modified from time to time.

" Servicing Fee " shall have the meaning assigned to such term in the Servicing Agreement.

" Servicing Records " shall have the meaning specified in Section 29(b) of this Agreement.

" Servicing Rights " shall mean all of Seller's right, title and interest in and to any and all of the following: (a) any and all rights of Seller to service, collect and or direct any servicer's actions and decisions with respect to, the Purchased Assets or to appoint (or terminate the appointment of) any third party as servicer of the Purchased Assets; (b) any payments to or monies received by or payable to Seller or any other Person as compensation for servicing the Purchased Assets; (c) any late fees, penalties or similar payments with respect to the Purchased Assets; (d) all agreements or documents creating, defining or evidencing any such servicing rights to the extent they relate to such servicing rights and all rights of Seller (individually or as servicer) thereunder (including all rights to set the compensation of any third-party servicer); (e) the rights to collect and maintain escrow payments or other similar payments with respect to the Purchased Assets and any amounts actually collected by Seller or any third party servicer with respect thereto; (f) the rights, if any, to appoint, designate and retain any other servicers, sub-servicers, special servicers, agents, custodians, trustees and liquidators with respect to the Purchased Assets; and (g) all rights of Seller to give directions with respect to the management and distribution of any collections, escrow accounts, reserve accounts or other similar payments or accounts in connection with the Purchased Assets, and, in each case all obligations related or incidental thereto.

" Significant Purchased Asset Modification " means (A) any of the following actions with respect to any Purchased Asset, whether by Seller or Servicer, at the direction of Seller:

(i) any commencement or filing of any litigation or proceeding relating to the restructuring, assumptions or substitutions, foreclosure or other realization upon the collateral under any of the Purchased Assets,

(ii) any retention of or change in legal counsel in connection with any litigation or proceeding described in clause (i) above or any restructuring or workout of such Purchased Asset;

(iii) any settlement agreement or any other material action in connection with any litigation or proceedings described in clause (i) above;

(iv) any execution of any forbearance or restructuring agreement or deed-in-lieu of foreclosure or any exercise of any power of sale or any other right or remedy with respect to such Purchased Asset;

(v) without limiting Section 12(u) and for the avoidance of doubt, any execution of any deed-in-lieu of foreclosure, exercise of entry of any foreclosure judgment or realization thereon or any other conversion of any Mortgaged Property to REO property.

and (B) any waiver, modification or amendment of a Purchased Asset which is not required by the Purchased Asset Documents (or incidental to any such required modifications or amendments) and that:

(i) reduces the principal amount of such Purchased Asset other than (a) with respect to a dollar-for-dollar principal payment or (b) reductions of principal to the extent of deferred, accrued or capitalized interest added to principal which additional amount was not taken into account by Buyer in determining the related Maximum Purchase Price Percentage;

(ii)(x) increases any commitment to advance additional amounts with respect to such Purchased Asset or (y) increases the principal amount of such Purchased Asset other than (a) increases which are derived from accrual or capitalization of deferred interest which is added to principal or protective advances or (b) increases resulting from Future Funding Amounts;

(iii) modifies the maturity date (including the modification of any renewal options) with respect to such Purchased Asset;

(iv) modifies the amount or timing of any regularly scheduled payments of principal and non-contingent interest or changes the frequency of scheduled payments of principal and interest in respect of such Purchased Asset; provided , however , that Seller shall be permitted, without the consent of Buyer, to change the monthly payment date within a given month with respect to a Purchased Asset; provided , that, for the avoidance of doubt, Seller may not change the frequency of the monthly payment date;

(v) subordinates the lien priority of such Purchased Asset or the payment priority of such Purchased Asset other than subordinations required under the related Purchased Asset Documents (provided, however, the foregoing shall not preclude the execution and delivery of subordination, nondisturbance and attornment agreements with tenants, subordination to tenant leases, easements, plats of subdivision and condominium declarations and similar instruments which in the commercially reasonable judgment of Seller do not materially adversely affect the rights and interest of the holder of such Purchased Asset);

(vi) releases any obligor or guarantor under such Purchased Asset or releases any Mortgaged Property or any other material collateral securing the Purchased Asset, provided , that no collateral considered in Buyer's underwriting of such Purchased Asset shall be released, and other than releases required under the related Purchased Asset Documents or releases in connection with eminent domain or under threat of eminent domain;

(vii) materially waives, amends or modifies, in Seller's reasonable judgment, any cash management or reserve account requirements of such Purchased Asset other than changes required under the related Purchased Asset Documents;

(viii) waives any due-on-sale or due-on-encumbrance provisions other than waivers required to be given under the then existing Purchased Asset Documents;

(ix) materially waives, amends or modifies, in Seller's reasonable judgment, any insurance requirements required by the related Purchased Asset Documents;

(x) encumbers the related Mortgaged Property or the direct or indirect ownership interest in the Mortgagor in connection with a subordinate financing, a Mezzanine Loan or a Preferred Equity Investment;

(xi) relates to the issuance of a letter of credit as security for a Purchased Asset where Seller has a consent right to the form of letter of credit unless the letter of credit is transferable without consent of any person and is a sight draft payable upon presentation;

(xii) changes the permitted use or operation of the Mortgaged Property; or

(xiii) waives any monetary default or material non-monetary default referred to in clause (i) of the definition of "Market Value" in this Agreement.

" SIPA " shall have the meaning specified in Section 24(a) of this Agreement.

" Subsidiary ": shall mean, with respect to any Person, any corporation, partnership, limited liability company or other entity (heretofore, now or hereafter established) of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are with those of such Person pursuant to GAAP.

" Supplemental Due Diligence List " shall mean, with respect to any New Asset, information or deliveries concerning the New Asset that Buyer shall reasonably request in addition to the Underwriting / Due Diligence Package.

" Survey " shall mean a certified ALTA/ACSM (or applicable state standards for the state in which the Collateral is located) survey of a Mortgaged Property prepared by a registered independent surveyor or engineer and in form and content satisfactory to Buyer as of the Purchase Date.

" Taxes " shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, or similar charges in the nature of tax imposed by any Governmental Authority, including any interest, additions to tax or penalties with respect thereto.

" Title Exceptions " shall have the meaning specified in Exhibit VI, Exhibit VII , or Exhibit VIII , as applicable.

" Transaction " shall have the meaning specified in Section 1 of this Agreement and shall include any Margin Availability Advance and any Future Funding Advance.

" Transaction Conditions Precedent " shall have the meaning specified in Section 3(b) of this Agreement.

" Transaction Extension Conditions " shall have the meaning specified in Section 3(d)(iv) of this Agreement.

" Transaction Documents " shall mean, collectively, this Agreement, any applicable annexes, exhibits and schedules to this Agreement, the Guaranty, the Fee Letter, the Cash Management Account Control Agreement, the Custodial Agreement, the Servicing Agreement, the Pledge and Security Agreement and all Confirmations executed pursuant to this Agreement in connection with specific Transactions.

" Transaction Request " shall have the meaning specified in Section 3(a) of this Agreement.

" Trust Receipt " shall mean a trust receipt issued by Custodian to Buyer in accordance with the Custodial Agreement and confirming the Custodian's possession of the Purchased Asset Documents listed thereon to be held by Custodian for the benefit of Buyer.

" UCC " shall have the meaning specified in Section 6(b) of this Agreement.

" Underlying Purchased Asset Reserves " shall mean, with respect to any Purchased Asset, the escrows, reserve funds or other similar amounts properly retained in accounts maintained by the servicer of such Purchased Asset unless and until such funds are, pursuant to the terms of the related Purchased Asset Documents, released or otherwise available to Seller (but not if such funds are used for the purpose for which they were maintained, or if such funds are released to the related Mortgagor in accordance with the relevant Purchased Asset Documents).

" Underwriting / Due Diligence Package " shall mean, with respect to any New Asset, all of the information necessary for Buyer to perform its underwriting and due diligence with respect to any Eligible Asset in a timely fashion. Such information shall include, without limitation, the materials listed on Exhibit III to the extent such materials are applicable to such New Asset.

" United States Person " shall mean any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

" Unpaid Qualified Servicing Expenses " shall mean amounts that would have been Qualified Servicing Expenses but for the fact that Servicer failed to net them out of collections.

" U.S. Buyer " shall mean any Buyer that is a United States Person.

" U.S. Tax Compliance Certificate " shall have the meaning specified in Section 3(p)(ii)(C) of this Agreement.

" Whole Loan " shall mean a whole loan secured by first liens on multi-family or commercial properties or other property types approved by Buyer in its sole and absolute discretion.

3. INITIATION; CONFIRMATION; TERMINATION; FEES; EXTENSION

(a) Subject to the terms and conditions set forth in this Agreement (including, without limitation, the "Transaction Conditions Precedent" specified in Section 3(b) of this Agreement), Buyer may agree to enter into Transactions, from time to time on or after the Closing Date, pursuant to written request in the form of Exhibit I-A at the initiation of Seller (each, a " Transaction Request ") as provided below; provided , however , that after giving effect to such Transaction, the aggregate outstanding Repurchase Price plus the aggregate Buyer Future Funding Advance Amount of all Purchased Assets subject to Transactions then outstanding shall not exceed the Facility Amount. Buyer shall have the right to review all Eligible Assets proposed to be sold to Buyer in any Transaction and to conduct its own due diligence investigation of such Eligible Assets as Buyer determines in its sole and absolute discretion, which due diligence investigation Buyer shall endeavor to complete within ten (10) Business Days of Buyer's receipt from Seller of a Transaction Request, the complete Underwriting/Due Diligence Package and such other information as may reasonably be requested by Buyer with respect to any Transaction. Buyer shall be entitled to make a determination, in its sole and absolute discretion, whether it shall or shall not purchase any or all of the assets proposed to be sold to Buyer by Seller.

(b) Upon agreeing to enter into a Transaction hereunder, Buyer shall promptly deliver to Seller a written confirmation (in electronic form) in the form of Exhibit I-B of each Transaction (a " Confirmation "), provided each of the Transaction Conditions Precedent (as hereinafter defined) shall have been satisfied at the time of closing the Transaction as determined by Buyer in its sole and absolute discretion (or affirmatively waived in writing by Buyer); provided , however , that, without limiting the requirements of Sections 3(t) and 3(u) of this Agreement, as applicable, Seller shall not be required to satisfy the Transactions Conditions Precedent as a condition to any Margin Availability Advance or Future Funding Advance. Each Confirmation shall describe the Purchased Asset(s), shall identify Buyer and Seller, and shall set forth:

(i) the Purchase Date and Repurchase Date;

(ii) the Purchase Price Percentage as of the Purchase Date and the Maximum Purchase Price Percentage;

(iii) the Purchase Price as of the Purchase Date and the Maximum Purchase Price;

(iv) the Market Value;

(v) the Pricing Rate (including the Applicable Spread) applicable to the Transaction;

(vi) the Funding Fee and the date on which it was or is to be paid;

(vii) Seller's wiring instructions for the Purchase Price (provided, that, in instances where funds are being wired to an account other than Seller's account described on Annex II to this Agreement, the Confirmation shall be signed by two (2) Responsible Officers of Seller); and

(viii) any additional terms or conditions applicable to the proposed Transaction and not inconsistent with this Agreement.

Buyer's approval of the purchase of an asset on such terms and conditions as Buyer may require and satisfaction (or Buyer's waiver) of the Transaction Conditions Precedent shall be evidenced only by its execution and delivery of the related Confirmation. For the avoidance of doubt, Buyer shall not be obligated to purchase an asset notwithstanding a Confirmation executed by Buyer and Seller unless and until Buyer confirms in writing the release of the executed Confirmation from escrow, which release shall constitute Buyer's obligation to purchase the applicable asset and Buyer's acknowledgment that all Transaction Conditions Precedent have been satisfied or waived by Buyer.

With respect to any Transaction, the Pricing Rate shall be determined initially on the Pricing Rate Determination Date applicable to the first Pricing Rate Period for such Transaction, and shall be reset on each Pricing Rate Determination Date for the next succeeding Pricing Rate Period for such Transaction. Buyer (or Buyer's agent on behalf of Buyer) shall determine in accordance with the terms of this Agreement the Pricing Rate on each Pricing Rate Determination Date for the related Pricing Rate Period and notify Seller of such rate for such period on such Pricing Rate Determination Date. For purposes of this Section 3(b) , the " Transaction Conditions Precedent " shall be deemed to have been satisfied (or otherwise waived by Buyer in its sole and absolute discretion) with respect to any proposed Transaction if:

(A) Buyer has received all documents, certificates, information, financial statements, reports, approvals and opinions of counsel as Buyer may require;

(B) no Default or Event of Default in each case under this Agreement shall have occurred and be continuing as of the Purchase Date for such proposed Transaction;

(C) Seller shall have certified to Buyer (including via a representation in the Confirmation) that Seller has no Knowledge of any material information concerning such proposed Purchased Asset which is not reflected in the related Diligence Material or otherwise disclosed to Buyer in writing;

(D) the representations and warranties, other than the MTM Representations with respect to Purchased Assets not subject to such proposed Transaction, made by each of Seller and Guarantor in the Transaction Documents to which it is a party, as modified by any Approved Exception Report, shall be true and correct in all material respects as of the Purchase Date for such Transaction (or, if any such representation or warranty is expressly stated to have been made as of a specified date, as of such specified date); provided , however , that the representations and warranties made by Seller in Section 10(b)(xxii) and in paragraph (55) of Exhibit VI , paragraph (57) of Exhibit VII , and paragraph (59) of Exhibit VIII , as applicable, hereof shall be true and correct in all respects as of the Purchase Date for such Transaction;

(E) with respect to each Eligible Asset proposed to be sold to Buyer in such Transaction, Buyer shall have received: (1) a Transaction Request, (2) a copy of the Redirection Letter(s) that Seller shall send within one (1) Business Day following the closing of the Transaction, (3) a Trust Receipt (or a Bailee Trust Receipt) and all other items required to be delivered to Buyer on or prior to the Purchase Date in accordance with the Custodial Agreement or Bailee Letter, as applicable, (4) the Underwriting/Due Diligence Package (including a copy of Seller's internal investment committee memo related to such Eligible Asset) and (5) an Exception Report;

(F) Servicer has received copies of any Purchased Asset Documents and such other documents, files and records with respect to the Purchased Assets, in each case as required by the Servicing Agreement to be delivered to Servicer or as in effect as of the Purchase Date;

(G) there shall not have occurred:

(i)(a) a material change in financial markets, an outbreak or escalation of hostilities or a material change in national or international political, financial or economic conditions, or (b) a general suspension of trading on major stock exchanges, or (c) a disruption in or moratorium on commercial banking activities or securities settlement services, or

(ii)(a) a repeal of §§ 362(b) or 555 of the Bankruptcy Code, or (b) a material modification of (1) the definition of "securities contract" as contemplated by §§ 741 of the Bankruptcy Code, (2) the "safe harbor" or other provisions of §§ 362(b), 546(e), 555 or 561 of the Bankruptcy Code, or (3) any defined terms used in such sections of the Bankruptcy Code that would alter the scope or meaning of such sections;

(H) Seller has paid all fees and expenses then due and payable to Buyer under the Transaction Documents, including the Funding Fee with respect to the Transaction, which fees and expenses, if requested by Seller, may be paid out of the Purchase Price funded on the Purchase Date;

(I) simultaneously with the closing of the Transaction, to the extent that the administration of the Underlying Purchased Asset Reserves relating to such Eligible Asset is under Seller's control and to the extent permitted by the Purchased Asset Documents, Seller shall transfer all Underlying Purchased Asset Reserves relating to such Eligible Asset to Buyer (or to Servicer, for the benefit of Buyer);

(J) Buyer shall have satisfactorily completed its "Know Your Customer" and OFAC diligence (as to the related Mortgagor, guarantor, sponsor, participant or obligor relating to a Purchased Asset, and each individual or entity that has a direct or indirect ownership interest in any such Person equal to or greater than twenty five percent (25%), or that controls such Person;

(K) Buyer shall have (1) determined, in its sole and absolute discretion, that the assets proposed to be sold to Buyer by Seller in such Transaction are Eligible Assets, (2) obtained satisfactory results of a full underwriting review of such Eligible Asset and the related Mortgaged Property (or Mortgaged Properties) performed by Buyer and any third party reviewers on behalf of Buyer, (3) obtained satisfactory results of a review of a background check of each underlying Mortgagor, guarantor, sponsor, participant or obligor relating to a Purchased Asset and (4) obtained internal credit approval for the inclusion of such Eligible Asset as a Purchased Asset in a Transaction;

(L) with respect to each Mortgagor Hedging Transaction, Buyer shall have received an executed copy of all related Mortgagor Hedging Documents available as of the Purchase Date;

(M) each Mortgagor shall be a "special purpose entity" as determined by Buyer in Buyer's sole and absolute discretion;

(N) as of the applicable Purchase Date for such Eligible Asset, each of the Concentration Limits is satisfied; and

(O) 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 Purchased Asset to Buyer, Buyer has received evidence that Seller has given notice to the applicable Persons of Buyer's interest in such Purchased 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.

(c) Intentionally omitted.

(d)(i) On the Repurchase Date (or Early Repurchase Date or Early Facility Termination Date, as applicable) with respect to a Transaction, termination of such Transaction will be effected by transfer to Seller or its agent of the Purchased Assets relating to such Transaction and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Section 5 of this Agreement) against the simultaneous transfer of the Repurchase Price with respect to such Transaction to an account of Buyer; it being understood that, for the avoidance of doubt, with respect to any termination of a Transaction consisting of one or more Purchased Assets comprised of a Mortgage Loan(s) and a corresponding Mezzanine Loan(s) (as described in the definition of "Eligible Asset"), such termination shall require the repurchase of all Purchased Assets subject to such Transaction, inclusive of such Mezzanine Loan(s). In connection with any such termination of a Transaction pursuant to the preceding sentence, upon its receipt of the Repurchase Price as confirmed by Buyer, Buyer shall (A) be deemed to have simultaneously released its security interest in the related Purchased Asset and the related Collateral, (B) authorize Custodian to release to Seller the Purchased Asset Documents for such Purchased Asset, and (C) to the extent any UCC financing statement filed against Seller identifies such Purchased Asset, authorize Seller to file an amendment thereto or termination thereof evidencing the release of such Purchased Asset from Buyer's security interest therein, and (D) to the extent Buyer has recorded any Assignment of Mortgage in favor of Buyer pursuant to Section 7(c) of this Agreement, deliver an Assignment of Mortgage executed by Buyer to Seller or Seller's designee (and notarized if required) and any assignment of leases and rents, if any, to Seller for Seller to record in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located (and Seller shall promptly provide Buyer with evidence of recordation or submission for recordation and, following Seller's receipt thereof from the applicable governmental recording office, a recorded copy of such instrument). Any such transfer or release shall be without recourse to Buyer and without representation or warranty by Buyer. Any Income with respect to such Purchased Asset received by Buyer after payment in full of the Repurchase Price therefor and any other amounts due hereunder with respect to such Purchased Asset, and the release of such Purchased Asset in accordance with the terms of this Agreement, shall be promptly transferred to Seller.

(ii) Except as expressly provided herein, including, without limitation, upon the occurrence and during the continuance of an Event of Default, and subject to Section 3(d)(iii) of this Agreement, no Transaction shall be terminable on demand by Buyer. Seller shall be entitled to terminate a Transaction on demand, and repurchase any or all Purchased Assets subject to such Transaction (each, an " Early Repurchase ") on any Business Day prior to the Repurchase Date (each, an " Early Repurchase Date "); provided , however , that with respect to any Termination of a Transaction consisting of one or more Purchased Assets comprised of a Mortgage Loan (s) and a corresponding Mezzanine Loan(s) (as described in the definition of "Eligible Asset"), such termination shall require the repurchase of all Purchased Assets subject to such Transaction, inclusive of all corresponding Mezzanine Loan(s); provided , further , that:

(A) Seller notifies Buyer via email no later than three (3) Business Days prior to such Early Repurchase Date of its intent to terminate such Transaction and repurchase such Purchased Assets (except if such Early Repurchase is in connection with curing a Margin Deficit, Default, breach of any representation or warranty of Seller, or in connection with any of the events described in Sections 3(g) , 3(h) , 3(j) or 3(k) having occurred, in which case, notice shall be given as set forth in Section 3(d)(ii)(B) of this Agreement); provided , however , if Seller fails to comply with the notice required by this Section 3(d)(ii)(A) Buyer will use reasonable efforts to transfer to Seller the related Purchased Asset on such Early Repurchase Date;

(B) Seller provides formal written notice to Buyer by 12:00 p.m. New York City time at least one (1) Business Day prior to such Early Repurchase Date;

(C) on such Early Repurchase Date Seller pays to Buyer an amount equal to the sum of the Repurchase Price for such Transaction(s), and any other amounts due and payable under this Agreement (including, without limitation, Section 3(i) of this Agreement) with respect to such Transaction(s) against transfer to Seller or its agent of such Purchased Assets, all in accordance with Section 3(d)(i) ;

(D) on such Early Repurchase Date, following the payment of the amounts set forth in subclause (C) above, no unpaid Margin Deficit exists; and

(E) no Event of Default shall have occurred and be continuing as of such Early Repurchase Date.

(iii) Seller shall immediately repurchase a Purchased Asset pursuant to Section 3(d)(ii) of this Agreement and the related Transaction shall terminate upon demand of Buyer in the event that (A) any representation or warranty set forth in Exhibit VI , Exhibit VII or Exhibit VIII (other than an MTM Representation) related to such Purchased Asset (as modified by any

applicable Approved Exception Report) shall have been untrue in any material respect when made or repeated or deemed to have been made or repeated, which incorrect or untrue representation is not cured within ten (10) Business Days of the earlier of (a) the receipt of notice by Seller from Buyer and (b) actual Knowledge of Seller or (B) Seller breaches or fails to perform the covenant in Section 11(g) of this Agreement;

(iv) With respect to a Repurchase Date occurring pursuant to clause (i) of the definition thereof, the Repurchase Date with respect to any Purchased Asset may be extended upon Seller's request one or more times provided that all of the Transaction Extension Conditions are timely satisfied, but in no event beyond the earliest to occur of (i) the Facility Termination Date and (ii) the maturity date of the applicable Purchased Asset. Whenever the Repurchase Date with respect to a Purchased Asset is extended in accordance with this Section 3(d)(iv) , a modification to the Confirmation reflecting such extension in a form reasonably acceptable to Buyer and Seller shall be prepared by Seller and executed by Seller and Buyer. For purposes of the preceding sentence, the " Transaction Extension Conditions " shall be deemed to have been satisfied if:

(A) Seller shall have given Buyer written notice, not less than thirty (30) days and not more than ninety (90) days, prior to the then current Repurchase Date for such Purchased Asset, of Seller's desire to extend the Repurchase Date;

(B) no Event of Default under this Agreement shall have occurred and be continuing as of the then current Repurchase Date; and

(C) excluding any MTM Representations, the representations and warranties made by each of Seller, Pledgor and Guarantor in the Transaction Documents to which it is a party, as modified by any Approved Exception Report, shall be true and correct in all material respects as of the then current Repurchase Date (or, if any such representation or warranty is expressly stated to have been made as of a specified date, as of such specified date); provided , however , that the representations and warranties made by Seller in Section 10(b)(xxii) and in paragraph (55) of Exhibit VI , paragraph (57) of Exhibit VII , and paragraph (59) of Exhibit VIII , as applicable, hereof shall be true and correct in all respects as of the then current Repurchase Date

(e) This Agreement shall terminate on the Facility Termination Date. Notwithstanding anything contained in this Agreement to the contrary, provided all of the Facility Extension Conditions (as hereinafter defined) shall have been satisfied, Seller shall have the option to extend the Facility Termination Date (each, a " Facility Extension Option ") for up to five (5) successive one (1) year periods commencing on the Initial Facility Termination Date. For purposes of the preceding sentence, the " Facility Extension Conditions " shall be deemed to have been satisfied if:

(i) Seller shall have given Buyer written notice, not less than thirty (30) days and not more than ninety (90) days, prior to the then current Facility Termination Date for such Purchased Asset, of Seller's desire to extend the Facility Termination Date for a one (1) year period;

(ii) no monetary Default, material non-monetary Default or Event of Default under this Agreement shall have occurred and be continuing as of the then current Facility Termination Date;

(iii) excluding any MTM Representations, the representations and warranties made by each of Seller, Pledgor and Guarantor in the Transaction Documents to which it is a party, as modified by an Approved Exception Report, shall be true and correct in all material respects as of the then current Facility Termination Date; provided , however , that the representations and warranties made by Seller in Section 10(b)(xxii) of this Agreement and in paragraph (55) of Exhibit VI , paragraph (57) of Exhibit VII , and paragraph (59) of Exhibit VIII , as applicable, hereof shall be true and correct in all respects as of the then current Facility Termination Date; and

(iv) Seller shall have paid the Extension Fee to Buyer on or prior to the then current Facility Termination Date.

(f) Seller may terminate this Agreement and the other Transaction Documents on any Business Day prior to the then scheduled Facility Termination Date (the " Early Facility Termination Date "), provided that:

(i) Seller notifies Buyer in writing at least thirty (30) days before the proposed Early Facility Termination Date of its intent to terminate this Agreement and the other Transaction Documents;

(ii) subject to the provisions set forth in Section 3(d)(i) of this Agreement, Seller repurchases all of the Purchased Assets then held by Buyer on the Early Facility Termination Date; and

(iii) Seller pays all accrued and unpaid Price Differential, fees and expenses and all other Repurchase Obligations then due and payable pursuant to the Transaction Documents on the Early Facility Termination Date.

(g) If prior to the Pricing Rate Determination Date with respect to a Transaction, (i) Buyer shall have determined in its reasonable discretion that, by reason of circumstances affecting the interbank eurodollar market, adequate and reasonable means do not exist for ascertaining the LIBOR for the immediately following Pricing Rate Period (provided Buyer has performed (to the extent possible) the procedures for determining LIBOR as set forth in the definition of LIBOR in Section 2 of this Agreement), or (ii) the LIBOR determined or to be

determined for such Pricing Rate Period will not adequately and fairly reflect the cost to Buyer (as reasonably determined by Buyer and certified by Buyer) of making or maintaining Transactions during such Pricing Rate Period, Buyer shall give written notice thereof to Seller as soon as practicable thereafter, which notice shall set forth in reasonable detail such circumstances. If such notice is given, the Pricing Rate with respect to such Transaction for such Pricing Rate Period, and for any subsequent Pricing Rate Periods until such notice has been withdrawn by Buyer, shall be a per annum rate equal to the sum of (a) the greater of (x) the most recent LIBOR and (y) the Prime Rate, plus (b) the Applicable Spread (the " Alternative Rate "). Buyer agrees to exercise its right to convert a Transaction to an Alternative Rate Transaction pursuant to the foregoing sub-clause (ii) in a manner substantially similar to how Buyer is treating its similarly situated customers where Buyer has a comparable contractual right.

(h) Notwithstanding any other provision herein, if after the date of this Agreement the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for Buyer to enter into or maintain Transactions as contemplated by the Transaction Documents, (i) Seller's right hereunder to request that Buyer enter into new Transactions shall forthwith be canceled and, if such adoption of or change in Requirement of Law makes it unlawful for Buyer to continue to maintain Transactions as contemplated by this Agreement, Buyer's obligation to continue Transactions in accordance with this Agreement shall forthwith be canceled, and (ii) the Transactions then outstanding shall be converted automatically to Alternative Rate Transactions on the last day of the then current Pricing Rate Period or within such earlier period as may be required by law. If any such conversion of a Transaction occurs on a day which is not the last day of the then current Pricing Rate Period with respect to such Transaction, Seller shall pay to Buyer such amounts, if any, as may be required pursuant to Section 3(i) of this Agreement. Buyer agrees to exercise its rights and remedies under this Section 3(h) in a manner substantially similar to Buyer's exercise of similar remedies in repurchase facility agreements with similarly situated customers where Buyer has a comparable contractual right.

(i) Seller shall indemnify Buyer and hold Buyer harmless from any net actual, out of pocket loss or expense (not to include any lost profit or opportunity) (including, without limitation, reasonable actual attorneys' fees and disbursements of outside counsel) which Buyer may sustain or incur as a consequence of (i) default by Seller in terminating any Transaction after Seller has given a notice in accordance with Section 3(d)(ii) of a termination of a Transaction, (ii) any payment of the Repurchase Price (including pursuant to Section 3(s) of this Agreement) with respect to a Purchased Asset on any day other than a Remittance Date or the Repurchase Date (or the Early Repurchase Date or the Early Facility Termination Date, as applicable) with respect to such Purchased Asset (including, without limitation, any such actual, out of pocket loss or expense arising from the reemployment of funds obtained by Buyer to maintain Transactions hereunder or from customary and reasonable fees payable to terminate the deposits from which such funds were obtained) or (iii) conversion of any Transaction to an Alternative Rate Transaction pursuant to Section 3(h) of this Agreement on a day which is not the last day of the then current Pricing Rate Period. Buyer shall promptly deliver to Seller a certificate as to such actual costs, losses, damages and expenses, setting forth the calculations therefor and such certificate shall be prima facie evidence of the information set forth therein. For the avoidance of doubt, this Section 3(i) shall not apply with respect to any losses or expenses that are Indemnified Taxes or Excluded Taxes.

(j) If after the date of this Agreement 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 subsequent to the date hereof:

(i) shall subject Buyer to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on or with respect to the Transaction Documents, any Purchased Asset or any Transaction;

(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 Buyer which is not otherwise included in the determination of the LIBOR hereunder; or

(iii) shall impose on Buyer any other condition;

and the result of any of the foregoing is to increase the cost to Buyer, by an amount which Buyer deems, in its sole and absolute discretion, to be material, of entering into, continuing or maintaining Transactions or to reduce any amount receivable under the Transaction Documents in respect thereof; then, in any such case, Seller shall promptly pay Buyer, upon its demand, any additional amounts necessary to compensate Buyer for such increased cost or reduced amount receivable (in the case of Taxes, in an amount such that, after deduction of the applicable Tax, Buyer receives the amount to which it would have been entitled if no Tax were deductible). If Buyer becomes entitled to claim any additional amounts pursuant to this Section 3(j) , it shall, notify Seller in writing of the event by reason of which it has become so entitled. Such notification shall set forth in reasonable detail the calculation of any additional amounts payable pursuant to this subsection shall be prima facie evidence of such additional amounts. Subject to Section 3(r) of this Agreement, this covenant shall survive the termination of this Agreement and the repurchase by Seller of any or all Purchased Assets.

(k) If Buyer shall have determined that the adoption of or any change after the date of this Agreement in any Requirements of Law regarding capital adequacy or in the interpretation or application thereof or compliance by Buyer or any corporation controlling Buyer 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 does or shall have the effect of increasing the amount of capital to be held by Buyer in respect of any Transaction hereunder or reducing the rate of return on Buyer's or such corporation's capital as a consequence of its obligations hereunder to a level below that which Buyer or such corporation could have achieved but for such adoption, change or compliance (taking into consideration Buyer's or such corporation's policies with respect to capital adequacy) by an amount deemed by Buyer to be material, then from time to time, after submission by Buyer to Seller of a written request therefor, Seller shall pay to Buyer such additional amount or amounts as will compensate Buyer for such reduction. In determining any additional amounts due under this Section 3(r), Buyer

shall treat Seller in the same manner it treats other similarly situated sellers in facilities with substantially similar assets. Such notification as to the calculation of any additional amounts payable pursuant to this subsection shall be prima facie evidence of such additional amounts. This covenant shall survive the termination of this Agreement and the repurchase by Seller of any or all of the Purchased Asset.

(l) Any and all payments by or on account of any obligation of Seller under any Transaction 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 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 the Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(m) Seller shall timely pay, without duplication, to the relevant Governmental Authority in accordance with the Requirements of Law any Other Taxes, provided , however , that if such Other Taxes are imposed on and paid by the Buyer and not the Seller, then the Seller shall indemnify the Buyer for such Other Taxes in accordance with Section 3(n) .

(n) Seller shall indemnify Buyer within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted under Section 3(m) of this Agreement) payable or paid by the Buyer or required to be withheld or deducted from a payment to such 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 the Seller by the Buyer shall be conclusive absent manifest error.

(o) As soon as practicable after any payment of Taxes by Seller to a Governmental Authority pursuant to Sections 3(l) , 3(m) and 3(n) of this agreement, 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.

(p) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under this Agreement, Buyer shall deliver to Seller, prior to becoming a party to this Agreement, and at the time or times required by applicable law or as otherwise reasonably requested by Seller, such properly completed and executed documentation 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 3(p)(i), (ii) and (iv) below) shall not be required if in the Buyer's reasonable judgment such completion, execution, or submission would subject the Buyer to any material

unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Buyer; provided that, Buyer shall deliver a written statement explaining in reasonable detail any such determination not to provide necessary documentation to Seller. Without limiting the generality of the foregoing:

(i) If the Buyer is a U.S. Buyer, it shall deliver to Seller on or prior to the date on which Buyer becomes a Buyer under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed originals of IRS Form W-9 (or any successor form) certifying that Buyer is exempt from U.S. federal backup withholding tax;

(ii) If the Buyer is a Foreign Buyer, then, to the extent it is legally entitled to do so, such Buyer shall deliver to the Seller (in such number of copies as shall be requested by the Seller) on or prior to the date on which such Buyer becomes a Buyer under this Agreement (and from time to time thereafter upon the reasonable request of Seller), whichever of the following is applicable:

(A) in the case of 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 this Agreement, executed originals of IRS Form W 8BEN or W-8BEN-E (or any successor form) 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 this Agreement, IRS Form W-8BEN or W-8BEN-E (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(B) executed originals of IRS Form W-8ECI (or any successor form);

(C) 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 in a form reasonably acceptable to Seller to the effect that such Foreign Buyer is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Seller within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E (or any successor form); or

(D) to the extent a Foreign Buyer is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E (or any successor form), a U.S. Tax Compliance Certificate, IRS Form W-9, and/or

other certification documents from each beneficial owner, as applicable; provided that if the Foreign Buyer is a partnership and one or more direct or indirect partners of such Foreign Buyer are claiming the portfolio interest exemption, such Foreign Buyer may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(iii) Any Foreign Buyer 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 such Foreign Buyer becomes a party under this Agreement (and from time to time thereafter upon the reasonable request of Seller), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Seller to determine the withholding or deduction required to be made; and

(iv) If a payment made to Buyer under this Agreement 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), such Buyer shall deliver to Seller at the time or times prescribed by law and at such time or times reasonably requested by Seller such documentation prescribed by applicable law (including as prescribed by Section 1471 (b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Seller as may be necessary for Seller to comply with its obligations under FATCA and to determine that Buyer has complied with Buyer's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Buyer agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Seller in writing of its legal inability to do so.

(q) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3 (including by the payment of additional amounts pursuant to this Section 3), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3 with respect to 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 3 (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 3(q) , in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3(q) 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 paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(r) No additional payment shall be required for any claim by Buyer pursuant to Section 3(j) or Section 3(k) for any amount incurred more than one hundred eighty (180) days prior to the date that such person notifies the Seller in writing of the event that gives rise to such claim (with such written notice set forth in reasonable detail the event that give rise to such claim and the calculation of the additional amount required to be paid); *provided* , *however* , that if the circumstance giving rise to such increase cost or reduction is retroactive, then such one hundred eighty (180) day period shall be extended to include the period of retroactive effect thereof.

(s) On any Business Day prior to the Repurchase Date for the applicable Purchased Asset, Seller shall have the right, from time to time, to transfer cash to Buyer for the purpose of reducing the outstanding Purchase Price of such Purchased Asset without terminating the Transaction; *provided* , that Seller provides Buyer with one (1) Business Day prior notice with respect to any reduction in outstanding Purchase Price occurring on any date that is not a Remittance Date. In connection with any such reduction of outstanding Purchase Price pursuant to this Section 3(s) , Buyer and Seller shall modify the existing Confirmation for the Transaction to set forth the new Purchase Price Percentage and outstanding Purchase Price for such Purchased Asset.

(t) If at any time prior to the Repurchase Date for the applicable Purchased Asset there exists Margin Availability with respect to such Purchased Asset, Seller may, on any Business Day, submit to Buyer a written request that Buyer transfer cash to Seller so as to increase the outstanding Purchase Price for such Purchased Asset in the amount (not to exceed the Margin Availability) requested by Seller (a " Margin Availability Advance ") which Margin Availability Advance shall increase the outstanding Purchase Price for such Purchased Asset. The Margin Availability Advance shall be funded by Buyer on the date requested by Seller which requested funding date shall be no earlier than one (1) Business Day following the date of Seller's delivery of a request for a Margin Availability Advance if such written request is delivered by 11:00 a.m. New York City time on any Business Day. It shall be a condition to Buyer's obligation to make any Margin Availability Advance that (i) as of the funding of such Margin Availability Advance, no Margin Deficit, monetary Default or material non-monetary Default or Event of Default is continuing or would result from the funding of such Margin Availability Advance, and (ii) the funding of the Margin Availability Advance would not cause the aggregate outstanding Purchase Price for all Purchased Assets to exceed the Facility Amount. In connection with any funding of a Margin Availability Advance pursuant to this Section 3(t) , Buyer and Seller shall modify the existing Confirmation for the applicable Transaction to set forth the new Purchase Price Percentage and outstanding Purchase Price for such Purchased Asset.

(u) At any time prior to the Repurchase Date for the applicable Purchased Asset, in the event a future funding is made or is to be made by Seller pursuant to the Purchased Asset Documents for a Purchased Asset, Seller may submit to Buyer a request that Buyer either (A) transfer cash to Seller in an amount not less than $1,000,000 and not to exceed the Maximum Purchase Price Percentage multiplied by the Future Funding Amount of such future funding (a " Future Funding Advance "), which Future Funding Advance shall increase the outstanding Purchase Price for such Purchased Asset, or (B) increase the Market Value for such Purchased Asset by the Future Funding Amount then being advanced by Seller. It shall be a condition to Buyer's obligation to make any Future Funding Advance pursuant to the foregoing sub-clause (A) or to increase the Market Value for a Purchased Asset by the Future Funding Amount pursuant to the foregoing sub-clause (B) , as applicable, that (i) as of the funding of the Future Funding Advance, no Margin Deficit, monetary Default or material non-monetary Default or Event of Default is continuing or would result from the funding of such Future Funding Advance or as of the date such Purchased Asset's Market Value is increased, no Event of Default is continuing or would result from such increase in the Market Value for such Purchased Asset, as applicable, (ii) the funding of the Future Funding Advance would not cause the aggregate outstanding Purchase Price for all Purchased Assets to exceed the Facility Amount, (iii) the Future Funding Advance would not cause the Concentration Limit to be exceeded, (iv) Seller shall have delivered to Buyer (a) a certification by Seller stating that all conditions precedent to the funding by Seller of such Future Funding Amount set forth in the related Purchased Asset Documents (including, if applicable, obligations relating to Mortgagor Hedging Transactions) have been satisfied (or, with respect to any conditions precedent relating to the time period for any advance notice required to be delivered by the Mortgagor, waived or deemed satisfied by Seller) and together with originals or copies of all documents, instruments or certificates delivered by the Mortgagor to Seller in connection therewith to the extent requested by Buyer, (b) an original note, if applicable, duly endorsed in blank, and originals or copies of any other new, amended, supplemented or modified Purchased Asset Documents in connection with such Future Funding Amount, (v) Buyer shall have verified in its commercially reasonable discretion that all conditions precedent to Buyer's funding of a Future Funding Advance have been satisfied and (vi) Seller shall have paid to Buyer the related Funding Fee. If Seller requests that Buyer fund the Future Funding Advance pursuant to sub-clause (A) of this Section 3(u) , then Buyer shall transfer cash to Seller as provided in this Section 3(u) (and in accordance with the wire instructions provided by Seller in such request) on the date requested by Seller, which date shall be no earlier than three (3) Business Days following Seller's delivery of a modified Confirmation for the applicable Transaction in accordance with the following sentence. In connection with any funding of a Future Funding Advance or any increase to the Market Value of a Purchased Asset pursuant to this Section 3 (u) , Buyer and Seller shall modify the existing Confirmation for the applicable Transaction to set forth the new Maximum Purchase Price, Purchase Price Percentage and outstanding Purchase Price for such Purchased Asset and any other necessary modifications to the terms set forth on the existing Confirmation.

4. MARGIN MAINTENANCE

If, on any Business Day, Buyer determines that the aggregate outstanding Purchase Price of all Purchased Assets exceeds the aggregate Maximum Purchase Price for all Purchased Assets (a " Margin Deficit "), then Buyer may by notice to Seller in writing (each, a " Margin Notice ") require Seller to cure such Margin Deficit, within three (3) Business Day after receipt of Buyer's

notice to Seller, by either delivering to Buyer (i) cash or (ii) additional collateral acceptable to Buyer in its sole and absolute discretion (including without limitation, Eligible Assets pursuant to the terms of this Agreement), in each case in an amount sufficient to reduce the aggregate outstanding Purchase Price for all Purchased Assets to an amount less than the aggregate Maximum Purchase Price for all Purchased Assets as determined by Buyer after giving effect to the delivery of cash or additional collateral by Seller to Buyer pursuant to this Section 4 . Any cash delivered to Buyer pursuant to this Section 4 shall be applied by Buyer to reduce the outstanding Purchase Price of the Purchased Asset(s) causing the Margin Deficit.

In no case shall Buyer's forbearance from delivering a Margin Notice to Seller at any time there is a Margin Deficit be deemed to waive such Margin Deficit or in any way limit, estop or impair Buyer's right to deliver a Margin Notice 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 are cumulative and in addition to, and not in lieu of, any other rights of Buyer under the Transaction Documents or Requirements of Law.

5. INCOME PAYMENTS AND PRINCIPAL PAYMENTS

(a) The Cash Management Account shall be established by Seller at Depository concurrently with the execution and delivery of this Agreement by Seller and Buyer. Buyer shall have sole dominion and control over the Cash Management Account. All Available Income in respect of the Purchased Assets received by the Servicer shall be deposited directly into the Cash Management Account in accordance with the terms of the Servicing Agreement. All such amounts transferred into the Cash Management Account shall be remitted by Depository in accordance with the applicable provisions of Sections 5(c), 5(d), 5(e) and 14(b)(iii) of this Agreement. Buyer covenants that it shall only give Depository instructions in accordance with the applicable provisions of Sections 5(c), 5(d), 5(e) and 14(b)(iii) of this Agreement.

(b) With respect to each Purchased Asset, Seller shall deliver to each Mortgagor, issuer of a participation interest and servicer (including the Servicer pursuant to the Servicing Agreement) of a Purchased Asset an irrevocable redirection letter (the " Redirection Letter ") in the form attached as Exhibit X to this Agreement, with simultaneous copies to Servicer and Buyer, instructing the Mortgagor, issuer or servicer, as applicable, to pay all amounts payable under the related Purchased Asset to the Cash Management Account. If a Mortgagor, issuer, servicer or other obligor forwards any Income with respect to a Purchased Asset to Seller or to any of its Affiliates rather than directly to the Cash Management Account, Seller shall (i) deliver an additional Redirection Letter to such Person, with a simultaneous copy to the Servicer and the Buyer, and make other commercially reasonable efforts to cause such Person to forward such amounts directly to the Cash Management Account, (ii) hold such amounts in trust for the benefit of Buyer and (iii) immediately deposit such amounts in the Cash Management Account.

(c) So long as no Event of Default shall have occurred and be continuing, all Available Income on deposit in the Cash Management Account in respect of the Purchased Assets during each Collection Period and on deposit in the Cash Management Account on the Remittance Date shall be applied by Depository on the related Remittance Date in the following order of priority, and all unscheduled Principal Payments in excess of $1,000,000 on deposit in the Cash Management Account at any time shall be applied by Depository on the second (2 nd) Business Day immediately following the date any such unscheduled Principal Payment was deposited in the Cash Management Account in the following order of priority:

(i) *first* , to remit to (a) Custodian an amount equal to any accrued and unpaid custodial fees and expenses and (b) Depository and Servicer an amount equal to the depository fee and the Unpaid Qualified Servicing Expenses, if any, respectively, due and payable on such Remittance Date;

(ii) *second* , to remit to Buyer an amount equal to the Price Differential which has accrued and is outstanding in respect of all Purchased Assets as of such Remittance Date (it being acknowledged that this remittance shall not be applicable in connection with the application of any Principal Payments related to principal prepayments in part);

(iii) *third* , to remit to Buyer and Seller, pro rata, on account of the Purchase Price of the Purchased Assets in respect of which a Principal Payment (or principal portion of net sales proceeds) has been received, based on the then current Purchase Price Percentage for such Purchased Assets;

(iv) *fourth* , to remit to Buyer an amount equal to any unpaid fees, expenses and indemnity amounts due from Seller under the Transaction Documents; and

(v) *fifth* , to remit to Seller the remainder, if any.

(d) Notwithstanding Section 5(c) above, after the second (2 nd) anniversary of the Initial Facility Termination Date, so long as no Event of Default shall have occurred and be continuing and the facility has not been terminated, all Available Income on deposit in the Cash Management Account in respect of the Purchased Assets during each Collection Period and on deposit in the Cash Management Account on the Remittance Date shall be applied by Depository on the related Remittance Date in the following order of priority, and all unscheduled Principal Payments in excess of $1,000,000 on deposit in the Cash Management Account shall be applied by Depository on the second (2 nd) Business Day immediately following the date any such unscheduled Principal Payment was deposited in the Cash Management Account in the following order of priority:

(i) *first* , to remit to (a) Custodian an amount equal to any accrued and unpaid custodial fees and expenses and (b) Depository and Servicer an amount equal to the depository fee and the Unpaid Qualified Servicing Expenses, if any, respectively, due and payable on such Remittance Date;

(ii) *second* , to remit to Buyer an amount equal to the Price Differential which has accrued and is outstanding in respect of all Purchased Assets as of such Remittance Date (it being acknowledged that this remittance shall not be applicable in connection with the application of any Principal Payments related to principal prepayments in part);

(iii) *third,* to remit to Buyer and Seller, pro rata, on account of the Purchase Price of the Purchased Assets in respect of which a Principal Payment (or principal portion of net sales proceeds) has been received, based on the then current Purchase Price Percentage for such Purchased Assets; provided , that if the application of such payment to Seller would cause the Concentration Limit to be exceeded, Buyer shall receive an additional amount equal to the lesser of (a) fifty percent (50)% of the amount that would otherwise be distributed to Seller pursuant to this clause *third* or (b) an amount equal to the amount required so that after giving effect to such payment the Concentration Limit is not exceeded;

(iv) *fourth* , to remit to Buyer an amount equal to any unpaid fees, expenses and indemnity amounts due from Seller under the Transaction Documents; and

(v) *fifth* , to remit to Seller the remainder, if any.

(e) Prior to the application of funds pursuant to Section 5(d)(iii) , and so long as no monetary Default, material non-monetary Default or Event of Default is continuing and Guarantor is maintaining its status as a publicly traded REIT, Seller shall be entitled upon written request to Buyer to receive the amount of funds not to exceed (a) (i) the sum of (A) ninety percent (90%) of the "real estate investment trust taxable income," within the meaning of Section 857(b)(2) of the Code and (B) ninety percent (90%) of the excess of the "net income from foreclosure property" within the meaning of Section 857(b)(4)(A) of the Code, *minus* (ii) any "excess noncash income," as determined under Section 857(e) of the Code, in each case calculated with respect to amounts recognized by the Guarantor in respect of the Purchased Assets for U.S. federal income tax purposes, as certified by the Seller to the Buyer in a written notice setting forth, to Buyer's reasonable satisfaction, the calculation thereof; *minus* (b) any distributions previously made to Seller pursuant to Section 5(d) . For the avoidance of doubt, the foregoing amount will be calculated without regard to Guarantor's ability to declare a consent dividend pursuant to Section 565 of the Code.

(f) If an Event of Default shall have occurred and be continuing, and in the event Buyer has not elected to exercise the remedy of a "sale" or "deemed sale" in accordance with Section 14(b)(iii) herein, all Available Income received by Buyer, Servicer or Depository in respect of the Purchased Assets during each Collection Period and on deposit in the Cash Management Account shall be applied by Depository on the Business Day next following the Business Day on which such funds are deposited in the Cash Management Account in the following order of priority:

(i) *first* , to remit to (a) Custodian an amount equal to any accrued and unpaid custodial fees and expenses and (b) Depository and Servicer an amount equal to the depository fee and the Unpaid Qualified Servicing Expenses, if any, respectively, due and payable as of such Business Day;

(ii) *second* , to remit to Buyer an amount equal to the Price Differential which has accrued and is outstanding in respect of all Purchased Assets as of such Business Day;

(iii) *third* , to make a payment to Buyer on account of the Repurchase Price of the Purchased Assets until the Repurchase Price for all Purchased Assets has been reduced to zero;

(iv) *fourth* , to remit to Buyer an amount equal to any unpaid fees, expenses and indemnity amounts due from Seller under the Transaction Documents; and

(v) *fifth* , to remit to Seller the remainder, if any.

(g) Notwithstanding anything herein to the contrary, on each Remittance Date Seller shall pay to Buyer the accrued and unpaid Price Differential and pay to Custodian, Depository and Servicer their fees and expenses (to the extent then due and payable), in each case, regardless of whether there are sufficient funds in the Cash Management Account on such Remittance Date.

(h) All Underlying Purchased Asset Reserves must be held and applied by Servicer in accordance with Section 29 hereof, the Servicing Agreement and the applicable Purchased Asset Documents.

6. SECURITY INTEREST

(a) Buyer and Seller intend that all Transactions hereunder be sales to Buyer of the Purchased Assets and not loans from Buyer to Seller secured by the Purchased Assets. However, in the event any such Transaction is deemed to be a loan, Seller hereby pledges all of its right, title, and interest in, to and under and grants a first priority lien on, and security interest in, all of its right, title, and interest in the following property, whether now owned or hereafter acquired, now existing or hereafter created and wherever located to Buyer to secure the payment and performance of all other amounts or obligations owing to Buyer pursuant to this Agreement and the other Transaction Documents:

(i) the Purchased Assets, Purchased Asset Documents, Servicing Agreements, Servicing Records, Servicing Rights, insurance relating to the Purchased Assets, Underlying Purchased Asset Reserves, and collection and escrow accounts relating to the Purchased Assets;

(ii) the Cash Management Account and all financial assets (including, without limitation, all security entitlements with respect to all financial assets) from time to time on deposit in the Cash Management Account;

(iii) all “general intangibles”, “accounts”, “chattel paper” and “instruments” as defined in the UCC relating to or constituting any or all of the foregoing; and

(iv) all replacements, substitutions or distributions on or proceeds, payments, Income and profits of, and records (but excluding any financial models or other proprietary information) and files relating to any and all of any of the foregoing.

(b) For purposes of the grant of the security interest pursuant to Section 6 of this Agreement, this Agreement shall be deemed to constitute a security agreement under the New York Uniform Commercial Code (the " UCC "). Buyer shall have all of the rights and may exercise all of the remedies of a secured creditor under the UCC and the other laws of the State of New York. In furtherance of the foregoing, (a) Buyer, at Seller's sole cost and expense, shall cause to be filed in such locations as may be necessary to perfect and maintain perfection and priority of the security interest granted hereby, UCC financing statements and continuation statements (collectively, the " Filings ") and shall endeavor to forward copies of such Filings to Seller upon completion thereof, and (b) Seller shall from time to time take such further actions as may be reasonably requested by Buyer to maintain and continue the perfection and priority of the security interest granted hereby. Seller hereby irrevocably authorizes Buyer at any time and from time to time to file such Filings and amendments thereto that (1) indicate the Collateral (i) as "all assets of the debtor" or such other super-generic description thereof having similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or the Uniform Commercial Code as in effect in any other applicable jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (2) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Seller is an organization, the type of organization and any organization identification number issued to Seller.

(c) Buyer's security interest in a Purchased Asset or the Collateral as a whole, shall terminate only upon (i) in the case of an individual Purchased Asset, the repurchase thereof in accordance with the terms of this Agreement and (ii) in the case of the Collateral as a whole, the repayment in full of the Repurchase Price and satisfaction of the Repurchase Obligations. Upon such payment of the Repurchase Price and satisfaction of the Repurchase Obligations, Buyer shall release its security interest in the Collateral, deliver to Seller such UCC termination statements and other release documents as may be commercially reasonable in order to terminate the Filings, and return the Purchased Assets and all Purchased Asset Documents (or approve the return by the Custodian, as applicable) to Seller or Seller's designee, in each case at Seller's sole cost and expense.

(d) Seller hereby pledges to Buyer as security for the performance by Seller of its obligations under the Transactions and the Transaction Documents and hereby grants to Buyer a first priority security interest in all of Seller's right, title and interest in and to the Cash Management Account and all amounts and property from time to time on deposit therein and all replacements, substitutions or distributions on or proceeds, payments and profits of, and records and files relating to, the Cash Management Account.

(e) Buyer and Seller agree that the grant of a security interest under this Section 6 shall not constitute or result in the creation or assumption by Buyer of any Assumed Obligations or other obligation of Seller or any other Person in connection with any Purchased Asset, or any

Mortgagor Hedging Transaction whether or not Buyer exercises any right with respect thereto. Prior to Buyer's exercise of remedies pursuant to Section 14(b)(iii) or (iv) of this Agreement upon the occurrence and during the continuance of an Event of Default, Seller shall remain liable under the Purchased Assets, each Mortgagor Hedging Transaction and the Purchased Asset Documents to perform all of the Assumed Obligations thereunder to the same extent as if the Transaction Documents had not been executed. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, upon Buyer's exercise of remedies pursuant to Section 14(b)(iii) or (iv) of this Agreement following an Event of Default, Buyer will simultaneously assume the Assumed Obligations without further act or deed.

7. PAYMENT, TRANSFER AND CUSTODY

(a) On the Purchase Date for each Transaction, (a) ownership of and title to the Purchased Assets and all rights thereto shall be transferred to and vest in the Buyer against the simultaneous transfer of the Purchase Price to Seller or its designee pursuant to wiring instructions specified by Seller in the Confirmation relating to such Transaction 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 Assumed Obligations) in and to such Purchased Asset, together with all related Servicing Rights. 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.

(b) On or before each Purchase Date, Seller shall deliver or cause to be delivered to Buyer the Custodial Delivery Certificate or, if Seller shall cause a Bailee to deliver to Buyer a Bailee Letter and Bailee Trust Receipt in connection with such Purchased Asset, then Seller shall deliver such Bailee Letter and Bailee Trust Receipt to Buyer on or before such Purchase Date and deliver or cause to be delivered such Custodial Delivery Certificate to Buyer by the third (3rd) Business Day after the related Purchase Date. In connection with each sale, transfer, conveyance and assignment of a Purchased Asset, on or prior to each Purchase Date with respect to such Purchased Asset, Seller shall deliver or cause to be delivered and released to Custodian or Bailee, as applicable, the following documents (collectively, the " Purchased Asset File ") pertaining to each of the Purchased Assets identified in the Custodial Delivery Certificate delivered therewith; provided , that Seller shall deliver a certificate of an Authorized Representative of Seller certifying that any copies of documents delivered represent true and correct copies of the originals of such documents; provided , further that to the extent copies of documents are delivered on the Purchase Date for a Purchased Asset, Seller will deliver to Custodian originals of such Purchased Asset Documents that are in Seller's or Bailee's possession within ten (10) Business Days of the Purchase Date for the related Purchased Asset and will thereafter use commercially reasonable discretion to obtain and deliver to Custodian originals of such Purchased Asset Documents:

(i) The original executed Mortgage Note, A-Note, Mezzanine Note or participation certificate, as applicable (and, if applicable, one or more original allonges or endorsements thereto) bearing all intervening

endorsements, endorsed "Pay to the order of _____ without recourse" and signed in the name of the Seller (in the event that the Purchased Asset was acquired by Seller or an Affiliate of Seller in a merger, the signature must be in the following form: "[Seller]/[Affiliate of Seller], successor by merger to [name of predecessor]"; or in the event that the Purchased Asset was acquired or originated by Seller or an Affiliate of Seller while doing business under another name, the signature must be in the following form: "[Seller]/[Affiliate of Seller], formerly known as [previous name]").

(ii) An original or copy of any guarantee executed in connection with the Mortgage Note.

(iii) The original Mortgage with evidence of recording thereon, or a copy thereof together with an officer's certificate of Seller certifying that such copy represents a true and correct copy of the original and, that such original has been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located.

(iv) The originals of all assumption, modification, consolidation or extension agreements with evidence of recording thereon, or copies thereof together with an officer's certificate of Seller certifying that such copies represent true and correct copies of the originals and, that such originals have been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located.

(v) The original Assignment of Mortgage in blank for each Purchased Asset, in form and substance acceptable for recording and acceptable to Buyer and signed in the name of the Seller (in the event that the Purchased Asset was acquired by Seller or an Affiliate of Seller in a merger, the signature must be in the following form: "[Seller]/[Affiliate of Seller], successor by merger to [name of predecessor]"; or in the event that the Purchased Asset was acquired or originated by Seller or an Affiliate of Seller while doing business under another name, the signature must be in the following form: "[Seller]/[Affiliate of Seller], formerly known as [previous name]").

(vi) The originals of all intervening assignments of mortgage (if any) with evidence of recording thereon, or copies thereof together with an officer's certificate of Seller certifying that such copies represent true and correct copies of the originals and, that such originals have been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located.

(vii) An original or copy of the loan agreement executed in connection with the Purchased Asset.

(viii) An original or copy of the attorney's opinion of title and abstract of title or the original mortgagee title insurance policy, or if the original mortgagee title insurance policy has not been issued, a copy of the signed pro forma mortgagee title insurance policy or irrevocable marked commitment to issue the mortgagee title insurance policy.

(ix) An original or copy of any security agreement, chattel mortgage or equivalent document executed in connection with the Purchased Asset (if any).

(x) The original assignment of assignment of leases and rents in blank for each Purchased Asset, in form and substance otherwise acceptable to Buyer and signed in the name of the Seller (in the event that the Purchased Asset was acquired by Seller or an Affiliate of Seller in a merger, the signature must be in the following form: "[Seller]/[Affiliate of Seller], successor by merger to [name of predecessor]"; or in the event that the Purchased Asset was acquired or originated by Seller or an Affiliate of Seller while doing business under another name, the signature must be in the following form: "[Seller]/[Affiliate of Seller], formerly known as [previous name]"), together with evidence of recording thereon, or copies thereof together with an officer's certificate of Seller certifying that such copies represent true and correct copies of the original and, that such originals have been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located.

(xi) The originals of any assignments of leases and rents, together with all intervening assignments of assignment of leases and rents, if any, with evidence of recording thereon, or copies thereof together with an officer's certificate of Seller certifying that such copies represent true and correct copies of the originals and, that such originals have been submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located (if any).

(xii) A copy of the UCC financing statements, certified as true and correct by Seller, and all necessary UCC continuation statements with evidence of filing thereon or copies thereof certified by Seller that such financing statements have been sent for filing, and UCC assignments in blank, which UCC assignments shall be in form and substance acceptable for filing in the applicable jurisdictions.

(xiii) An original or copy of the environmental indemnity agreement or similar guaranty or indemnity (if any).

(xiv) An original omnibus assignment in blank of all other agreements and instruments relating to the Purchased Asset, executed by Seller.

(xv) A disbursement letter or settlement statement from the Mortgagor to the original mortgagee (if any and if received by Seller).

(xvi) Mortgagor's certificate or title affidavit (if any and if received by Seller).

(xvii) A copy of a Survey (if any).

(xviii) An original or copy of the Mortgagor's opinion of counsel, and, if applicable any opinion of counsel to any underlying guarantors (if any).

(xix) A copy of any management agreements and assignment, conditional assignment or subordination of management agreements, assignment of permits, assignment of contracts and assignment of other material agreements (if any).

(xx) An original or copy of any assignment of Mortgagor Hedging Documents (if any) (and a copy of all Mortgagor Hedging Documents (if any)).

(xxi) The original of all letters of credit issued and outstanding as security for such Purchased Asset (if any), with any modifications, amendments or endorsements necessary to permit Buyer to draw upon them when and if it is contractually permitted to do so pursuant to this Agreement (if any).

(xxii) Copies or originals of all other material letters, agreements, instruments and certificates relating to the Purchased Asset, including without limitation intercreditor agreements, co-lender agreements, participation agreements, administrative agreements, junior debt documents, A-Notes, Mezzanine Notes and participation certificates, if any.

(c) From time to time, Seller shall forward to Custodian additional original documents, including but not limited to the original of all letters of credit issued after the Purchase Date for a Purchased Asset, delivered to Seller (or in Seller's control) or additional documents evidencing any assumption, modification, consolidation or extension of a Purchased Asset approved in accordance with the terms of this Agreement, and upon receipt of any such other documents, Custodian shall hold such other documents on behalf of Buyer as Buyer shall request pursuant to the Custodial Agreement. With respect to any documents which have been delivered or are being delivered to recording offices for recording and have not been returned to Seller in time to permit their delivery hereunder at the time required, in lieu of delivering such original documents, Seller shall deliver to Custodian a true copy thereof with an officer's certificate certifying that such copy is a true, correct and complete copy of the original, which has been transmitted for recordation. Seller shall deliver such original documents to Custodian promptly when they are received. With respect to all of the Purchased Assets delivered by Seller to Buyer or its designee (including the Custodian), Seller shall execute an omnibus power of attorney substantially in the form of Exhibit V attached hereto irrevocably appointing Buyer its attorney-in-fact with full power during the occurrence and continuance of an Event of Default and, subject to the following sentence, during the occurrence and continuance of a monetary Default or material non-monetary Default. If a monetary Default or a material non-monetary Default has occurred and is continuing and Buyer has requested in writing that Seller take or

cause to be taken any action that Buyer deems reasonably necessary to preserve Buyer's ability to enforce upon the Purchased Assets as and when permitted pursuant to Section 14(b) hereof (which writing shall include a statement that Buyer will exercise its power of attorney if Seller fails to take or cause to be taken such action requested by Buyer), and Seller has not complied with any such request promptly following receipt thereof, then Buyer may exercise its power of attorney during the existence and continuation of any such monetary Default or material non-monetary Default, as the case may be, as Buyer deems reasonably necessary to preserve Buyer's ability to enforce upon the Purchased Assets as and when permitted pursuant to Section 14(b) hereof. The power of attorney may be used to (i) complete and record any Assignment of Mortgage and assignment of Assignment of Leases, (ii) complete the endorsement of any Mortgage Note, Mezzanine Note, A-Note or participation certificate, as applicable, and (iii) take such other steps as may be reasonably necessary or desirable to enforce Buyer's rights against any Purchased Assets and the related Purchased Asset Files and the Servicing Records. Buyer shall deposit the Purchased Asset Files representing the Purchased Assets, or direct that the Purchased Asset Files be deposited directly, with Custodian to be held by the Custodian on behalf of Buyer. The Purchased Asset Files shall be maintained in accordance with the Custodial Agreement. Any Purchased Asset Files not delivered to Buyer or its designee (including Custodian) are and shall be held in trust by Seller or its designee for the benefit of Buyer as the owner thereof. Seller or its designee shall maintain a copy of the Purchased Asset File. The possession of the Purchased Asset File by Seller or its designee is at the will of Buyer for the sole purpose of servicing the related Purchased Asset, and such retention and possession by Seller or its designee is in a custodial capacity only. The books and records (including, without limitation, any computer records or tapes) of Seller or its designee shall be marked appropriately to reflect clearly the sale of the related Purchased Asset to Buyer. Seller or its designee (including Custodian) shall release its custody of the Purchased Asset Files only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Assets, is in connection with a repurchase of any Purchased Asset by Seller or as otherwise required by law.

(d) For each Purchased Asset pursuant to which a Bailee Letter and Bailee Trust Receipt was delivered, no later than three (3) Business Days following the related Purchase Date, Seller shall deliver or cause to be delivered and released to Custodian, all of the documents described in Section 7(b) of this Agreement for such Purchased Asset. Seller and Buyer hereby agree that if Seller fails to deliver or cause to be delivered to Custodian all the documents comprising the Purchased Asset File for a Purchased Asset within three (3) Business Days of the related Purchase Date, such third (3rd) Business Day after the related Purchase Date shall be the Repurchase Date with respect to such Purchased Asset and Seller shall repurchase such Purchased Asset on such date at the Repurchase Price.

(e) Subject to automatic revocation upon the occurrence and during the continuation of an Event of Default as set forth below, and subject to the terms of this Agreement (including Sections 11(g), 12(u) and 29 of this Agreement), the Servicing Agreement and the other Transaction Documents, Buyer hereby appoints and authorizes Seller to act as Buyer's agent for purposes relating to the "Lender" or, in the case of any Senior Interest, "Participant", under the Purchased Asset Documents and to take such actions on Buyer's behalf under the Purchased Asset Documents and to exercise such powers and perform such duties as are necessary under the Purchased Asset Documents to administer the Purchased Assets (including, without

limitation, (i) entering into amendments, modifications and waivers to, under or in connection with the Purchased Asset Documents, (ii) releasing and otherwise dealing with any collateral for such Purchased Asset, (iii) receiving all notices and deliveries delivered by the obligor (s) under the Purchased Asset Documents, (iv) consenting to or approving any matter which requires "Lender's" or, in the case of any Senior Interest, "Participant's", consent or approval under the Purchased Asset Documents, (v) administering all matters related to additional advances to be provided under any Purchased Asset Document, including, if applicable, making out of its own funds, any additional advances pursuant to the terms of the related Purchased Asset Documents, (vi) enforcement and related remedies under the Purchased Asset Documents and (vii) exercising all voting, consent and corporate rights with respect to the Purchased Assets), together with such powers as are reasonably incidental thereto; provided , that Seller shall not effectuate any Significant Purchased Asset Modification without Buyer's prior written consent thereto, which consent may be granted or withheld in Buyer's commercially reasonable discretion in the case of clause (A) of the definition of Significant Purchased Asset Modification, and in Buyer's sole and absolute discretion in the case of clause (B) of the definition of Significant Purchased Asset Modification; provided, further that Seller shall not take any action adverse to or materially inconsistent with the interests of the "Lender" or, in the case of any Senior Interest, "Participant", under the Purchased Asset Documents. Upon the occurrence of and during the continuance of an Event of Default, Seller's power and authority to act as Buyer's agent and to take actions with respect to the Purchased Assets on behalf of Buyer or otherwise pursuant to this Section 7(e) shall automatically terminate and be revoked.

8. SALE, TRANSFER, HYPOTHECATION OR PLEDGE OF PURCHASED ASSETS

(a) Title to all Purchased Assets shall pass to Buyer on the applicable Purchase Date, and Buyer shall have free and unrestricted use of all Purchased Assets, subject, however, to the terms of this Agreement and the Purchased Asset Documents. Nothing in this Agreement nor any other Transaction Document shall preclude Buyer or its designee from engaging in repurchase transactions with the Purchased Assets or otherwise selling, pledging, repledging, transferring, hypothecating, or rehypothecating the Purchased Assets, all on terms that Buyer may determine in its discretion; provided , that (i) Buyer shall retain control and authority over its rights and obligations under the Transaction Documents and/or under any Transaction, (ii) any such sale, pledge, repledge, transfer, hypothecation or rehypothecation shall be to an Eligible Assignee and shall not be to a Prohibited Transferee, (iii) no such transaction shall affect the obligations of Buyer to transfer the Purchased Assets to Seller on the applicable Repurchase Date (or Early Repurchase Date or Early Facility Termination Date, as applicable) free and clear of any pledge, Lien, security interest, encumbrance, charge or other adverse claim and (iv) Seller shall have no liability for any costs incurred by Buyer in connection with any such transaction.

(b) Nothing contained in this Agreement or any other Transaction Document shall obligate Buyer to segregate any Purchased Assets delivered to Buyer by Seller. Notwithstanding anything to the contrary in this Agreement or any other Transaction Document, no Purchased Asset Documents shall remain in the custody of Seller or an Affiliate of Seller other than pursuant to the terms of the Custodial Agreement.

9. RECOURSE

Seller hereby acknowledges that all obligations of Seller hereunder are recourse obligations of Seller.

10. REPRESENTATIONS AND WARRANTIES

(a) Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal, (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf, (iv) it has obtained all authorizations of any Governmental Authority required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance or rule applicable to it or its organizational documents or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction, Buyer and Seller shall each be deemed to repeat all the foregoing representations and warranties made by it.

(b) In addition to the representations and warranties in S ection 10(a) above, Seller represents and warrants to Buyer that as of the Closing Date, as of each Purchase Date for the purchase of any Purchased Assets by Buyer from Seller and as of each date any Transaction is outstanding hereunder:

(i) Organization . Seller is duly formed, validly existing and in good standing under the laws and regulations of the state of Seller's formation and is duly licensed, qualified, and in good standing in every state where such licensing or qualification is necessary for the transaction of Seller's business, except where failure to so qualify or hold a license would not be reasonably likely to have a Material Adverse Change. Seller has the power to own and hold the assets it purports to own and hold, and to carry on its business as now being conducted and proposed to be conducted, and has the power to execute, deliver, and perform its obligations under this Agreement and the other Transaction Documents.

(ii) Due Execution; Enforceability . The Transaction Documents have been duly executed and delivered by Seller, for good and valuable consideration. The Transaction Documents constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms subject to bankruptcy, insolvency, and other limitations on creditors' rights generally and to equitable principles.

(iii) Non-Contravention; Consents . None of the execution and delivery of the Transaction Documents, the consummation by Seller of the transactions contemplated by the Transaction Documents (or any of them), nor compliance by Seller with the terms, conditions and provisions of the Transaction Documents (or any of them) will conflict with or result in a breach of any of the terms, conditions or provisions of (i) the

organizational documents of Seller, (ii) any material contractual obligation to which Seller is now a party or the rights under which have been assigned to Seller or the obligations under which have been assumed by Seller or to which the assets of Seller are subject or constitute a default thereunder, or result thereunder in the creation or imposition of any Lien upon any of the assets of Seller, other than pursuant to the Transaction Documents, (iii) any judgment or order, writ, injunction, decree or demand of any court applicable to Seller, or (iv) any applicable Requirements of Law, in the case of clauses (ii)-(iv) above, to the extent that such conflict or breach would have a Material Adverse Change. Seller has all material licenses, permits and other consents from Governmental Authorities necessary to acquire, own and sell the Purchased Assets and for the performance of its obligations under the Transaction Documents.

(iv) Litigation; Requirements of Law . Except as otherwise disclosed in writing to Buyer, there is no action, suit, proceeding, investigation, or arbitration pending or, to the Knowledge of Seller, threatened against Seller, Pledgor, Guarantor or any Originator or any of their respective assets which could reasonably be expected to result in any Material Adverse Change. Seller is in compliance in all material respects with all Requirements of Law and neither Seller nor Guarantor is in default in any material respect with respect to any judgment, order, writ, injunction, decree, rule or regulation of any arbitrator or Governmental Authority.

(v) No Broker . Seller has not dealt with any broker, investment banker, agent, or other Person (other than Buyer or an Affiliate of Buyer) who may be entitled to any commission or compensation in connection with the sale of Purchased Assets pursuant to any of the Transaction Documents.

(vi) Good Title to Purchased Assets . Immediately prior to the purchase of any Purchased Asset by Buyer from Seller, Seller owned such Purchased Asset free and clear of any lien, encumbrance or impediment to transfer (including any "adverse claim" as defined in Section 8-102(a)(1) of the UCC), and Seller is the record and beneficial owner of and has good and marketable title to and the right to sell and transfer such Purchased Asset to Buyer and, upon transfer of such Purchased Asset to Buyer, Buyer shall be the owner of such Purchased Asset free of any adverse claim, subject to the rights of Seller pursuant to the terms of this Agreement and the other Transaction Documents. If contrary to the intention of the parties hereto, any Transaction is characterized as a secured financing of the related Purchased Assets, the provisions of this Agreement are effective to create in favor of Buyer a valid security interest in all right, title and interest of Seller in, to and under the Collateral related to such Purchased Assets to the extent such security interest can be perfected by filing or by delivery to and possession by Custodian, and Buyer shall have a valid, perfected first priority security interest in such Purchased Assets.

(vii) No Default . No Event of Default or, to Seller's Knowledge, no Default (unless disclosed to Buyer in writing) has occurred and is continuing under or with respect to the Transaction Documents.

(viii) Representations and Warranties Regarding the Purchased Assets; Delivery of Purchased Asset File . Each Purchased Asset sold hereunder, conforms to the representations and warranties set forth in Exhibit VI, Exhibit VII , or Exhibit VIII, as applicable, except as disclosed to Buyer in an Approved Exceptions Report. It is understood and agreed that the representations and warranties set forth in Exhibit VI, Exhibit VII , or Exhibit VIII , as applicable, as modified by any Approved Exception Report, if any, shall survive delivery of the respective Purchased Asset File to Buyer or its designee (including Custodian) to the extent permitted by applicable law. With respect to each Purchased Asset, the Mortgage Note, the Mortgage, the Assignment of Mortgage and any other documents required to be delivered under this Agreement and the Custodial Agreement for such Purchased Asset have been delivered or shall be delivered in accordance with Section 7(c) to Buyer or Custodian on its behalf. Seller or its designee is in possession of a complete, true and accurate Purchased Asset File with respect to each Purchased Asset, except for such documents the originals of which have been delivered to Custodian and except as disclosed to and approved by Buyer in writing.

(ix) Adequate Capitalization; No Fraudulent Transfer . Seller has, as of the Purchase Date and as of the date of any Future Funding Advance or Margin Advance hereunder, 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. Seller is not insolvent nor will Seller be made insolvent by virtue of Seller's execution of or performance under any of the Transaction Documents within the meaning of the Insolvency Laws of any jurisdiction relevant to any such determination in respect of Seller. Seller has not entered into any Transaction Document or any Transaction pursuant thereto in contemplation of insolvency or with intent to hinder, delay or defraud any creditor.

(x) Consents . No consent, approval or other action of, or filing by Seller with, any Governmental Authority or any other Person is required to authorize, or is otherwise required in connection with, the execution, delivery and performance of any of the Transaction Documents (other than consents, approvals and filings that have been obtained or made, as applicable).

(xi) Ownership . The direct, and to the extent depicted, the indirect, ownership interests in Seller and Guarantor are as set forth on the organizational chart attached hereto as Exhibit IX .

(xii) Organizational Documents . Seller has delivered or caused to be delivered to Buyer certified copies of the organizational documents of Seller, Pledgor, Guarantor and, prior to entering into any Transaction involving a Purchased Asset transferred to Seller by an Originator, the applicable Originator, together with all amendments thereto, if any.

(xiii) No Encumbrances . Subject to the terms of this Agreement, there are (i) no outstanding rights, options, warrants or agreements on the part of Seller for a purchase, sale or issuance, in connection with the Purchased Assets, and (ii) no agreements on the part of Seller to issue, sell or distribute the Purchased Assets.

(xiv) Federal Regulations . Seller is not required to register as an "investment company" under the Investment Company Act of 1940, as amended.

(xv) Taxes . Seller has filed or caused to be filed all required federal income tax returns which to the Knowledge of Seller would be delinquent if they had not been filed on or before the date hereof and has paid all Taxes shown to be due and payable on or before the date hereof on such returns or on any assessments made against it or any of its property and all other Taxes, fees or other charges imposed on it and any of its assets by any Governmental Authority except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP; no Tax liens have been filed against any of Seller's assets and, to Seller's Knowledge, no claims are being asserted with respect to any such Taxes, fees or other charges.

(xvi) ERISA . Seller does not have any Plans or any ERISA Affiliates and makes no contributions to any Plans or any Multiemployer Plans.

(xvii) Judgments/Bankruptcy . Except as disclosed in writing to Buyer, there are no judgments against Seller, Pledgor, Guarantor or, in connection with any Purchased Asset acquired by Seller from an Originator, and that remains subject to a Transaction, the applicable Originator, in each case, unsatisfied of record or docketed in any court located in the United States of America and no Insolvency Event has ever occurred with respect to Seller, Guarantor or, in connection with any Purchased Asset acquired by Seller from an Originator and that remains subject to a Transaction, the applicable Originator.

(xviii) Full and Accurate Disclosure . No information contained in the Transaction Documents or any written statement furnished to Buyer by or on behalf of Seller or Guarantor contains any untrue statement of a material fact or, to Seller's Knowledge, omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

(xix) Financial Information . All financial data concerning Seller that has been delivered by or on behalf of Seller to Buyer is true, complete and correct in all material respects and has been prepared in accordance with GAAP. Since the delivery of such data, except as otherwise disclosed in writing to Buyer, there has been no change in the financial position of Seller, or in the results of operations of Seller, which change is reasonably likely to result in a Material Adverse Change.

(xx) Payment Instructions . On or before the Purchase Date for each Purchased Asset, Seller has instructed the related Mortgagor, borrower or other obligor, as applicable, in writing to pay all amounts due to Seller under such Purchased Asset to the Cash Management Account.

(xxi) Notice Address; Jurisdiction of Organization . On the date of this Agreement, Seller's address for notices is specified in Annex I hereto. Seller's jurisdiction of formation is Delaware. The location where Seller keeps its books and records, including all computer tapes and records relating to the Collateral, is Seller's address for notices specified in Annex I hereto.

(xxii) Prohibited Person . None of the funds or other assets of Seller, Pledgor, Guarantor or Originator constitute property of, or are, to Seller's Knowledge, beneficially owned, directly or indirectly, by a Prohibited Person with the result that the investment in Seller, Pledgor, Guarantor or Originator, as applicable (whether directly or indirectly), is prohibited by law or the entering into this Agreement by Buyer is in violation of law; (b) to Seller's Knowledge, no Prohibited Person has any interest of any nature whatsoever in Seller, Pledgor, Guarantor or Originator, as applicable, with the result that the investment in Seller, Pledgor, Guarantor or Originator, as applicable (whether directly or indirectly), is prohibited by law or the entering into this Agreement is in violation of law; (c) to Seller's Knowledge, none of the funds of Seller, Pledgor, Guarantor or Originator, as applicable, have been derived from any unlawful activity with the result that the investment in Seller, Pledgor, Guarantor or Originator, as applicable (whether directly or indirectly), is prohibited by law or the entering into this Agreement is in violation of law; (d) to Seller's Knowledge, none of Seller, Pledgor, Guarantor or Originator has conducted or will conduct any business or has engaged or will engage in any transaction dealing (whether directly or indirectly) with any Prohibited Person; and (e) none of Seller, Pledgor, Guarantor or Originator is a Prohibited Person or has been convicted of a felony or a crime which if prosecuted under the laws of the United States of America would be a felony.

11. NEGATIVE COVENANTS OF SELLER

On and as of the Closing Date and each Purchase Date and until this Agreement is no longer in force with respect to any Transaction, Seller shall not and shall not permit any Affiliate of Seller to without the prior written consent of Buyer:

(a) take any action which would directly or indirectly impair or adversely affect Buyer's title to the Purchased Assets;

(b) transfer, assign, convey, grant, bargain, sell, set over, deliver or otherwise dispose of, or pledge or hypothecate, directly or indirectly, any interest in any Purchased Asset to any Person other than Buyer, or engage in repurchase transactions or similar transactions with respect to any Purchased Asset with any Person other than Buyer;

(c) change Seller's name or its jurisdiction of organization from the jurisdiction referred to in Section 10(b)(xxi) unless it shall have provided Buyer twenty (20) days' prior written notice of such change;

(d) create, incur or permit to exist any Lien in or on any Purchased Asset, except for Permitted Liens;

(e) create, incur or permit to exist any Lien (other than Permitted Liens) in or on any of the other Collateral subject to the security interest granted by Seller pursuant to Section 6 of this Agreement;

(f) modify in any material respect or terminate any of the organizational documents of Seller;

(g) consent or assent to any Significant Purchased Asset Modification to any Purchased Asset without Buyer's prior written consent, which consent may be granted or withheld, in Buyer's commercially reasonable discretion in the case of clause (A) of the definition of Significant Purchased Asset Modification, and in Buyer's sole and absolute discretion in the case of clause (B) of the definition of Significant Purchased Asset Modification;

(h) admit any additional members in Seller, or permit the respective sole member of Seller to assign or transfer all or any portion of its membership interests in Seller;

(i) take any action, file any Tax return, or make any election inconsistent with the treatment of Seller, for purposes of federal, state and local income taxes, as a disregarded entity that is not separate from its member, including making an election under Section 301.7701-3(a) of the Treasury Regulations to be treated as an association taxable as a corporation for federal income tax purposes;

(j) after the occurrence and during the continuation of any Default or any Event of Default, make any distribution, payment on account of, or set apart assets for, a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of any Capital Stock of Seller, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Seller; or

(k) send a Redirection Letter, instruction letter or otherwise instruct any Mortgagor, issuer of a participation interest, servicer (including the Servicer pursuant to the Servicing Agreement), borrower, participant or any other obligor, as applicable, to make any payment on such Purchased Asset to any account other than the Cash Management Account.

12. AFFIRMATIVE COVENANTS OF SELLER

(a) Seller shall promptly notify Buyer if, to Seller's Knowledge and in Seller's commercially reasonable judgment any Material Adverse Change shall have occurred; provided , however , that such notice shall not relieve Seller of its other obligations under this Agreement and Seller's failure to deliver any such notice shall not result in a Default or give rise to an Event of Default unless the failure of Seller to give such notice was due to Seller's bad faith or willful misconduct.

(b) Seller shall provide Buyer with copies of such documents as Buyer may reasonably request evidencing the truthfulness of the representations set forth in Section 10 .

(c) Seller (1) shall defend the right, title and interest of Buyer in and to the Collateral against, and take such other action as is necessary to remove, all Liens (other than Permitted Liens), security interests, claims and demands of all Persons (other than security interests by or through Buyer) and (2) shall, at Buyer's request, take all action necessary to ensure that Buyer will have a first priority security interest in the Purchased Assets in the event such Transactions are recharacterized as secured financings.

(d) Seller shall notify Buyer of the occurrence of any Default or Event of Default or breach of any representation or warranty, including any MTM Representation, in each case of which Seller has Knowledge as soon as possible but in no event later than two (2) Business Days after Seller obtains Knowledge of such event.

(e) Seller shall cause each Mortgagor Hedging Transaction to be pledged to Buyer as Collateral hereunder.

(f) Seller shall promptly (and in any event not later than two (2) Business Days following receipt) deliver or cause Servicer to deliver to Buyer (i) any notice of the occurrence of an event of default under any Purchased Asset Document, (ii) notice and a copy of each material modification of any Purchased Asset Documents consented to in writing by Seller, including such modifications which do not constitute a Significant Purchased Asset Modification, and (iii) any other information with respect to any Purchased Asset as may be reasonably requested by Buyer from time to time.

(g) Seller will permit Buyer or its designated representative to inspect Seller's records with respect to the Collateral and the conduct and operation of its business related thereto upon reasonable prior written notice from Buyer or its designated representative, at such reasonable times and with reasonable frequency, and to make copies of extracts of any and all thereof, subject to the terms of Section 16 and any other confidentiality agreement between Buyer and Seller.

(h) At any time upon the reasonable request of Buyer, at the sole expense of Seller, Seller will promptly and duly execute and deliver to Buyer such further instruments and documents and take such further actions as Buyer may request for the purposes of obtaining or preserving the full benefits of this Agreement including the first priority security interest granted hereunder and of the rights and powers herein granted (including, among other things, filing such UCC financing statements as Buyer may request). If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note, other instrument or chattel paper, such note, instrument or chattel paper shall be immediately delivered to Buyer, duly endorsed in a manner satisfactory to Buyer, to be held as Collateral pursuant to this Agreement, and the documents delivered in connection herewith.

(i) Seller (or Servicer on its behalf) shall provide Buyer with the following financial and reporting information:

(i) Within forty-five (45) days after the last day of each of the first 3 calendar quarters in any fiscal year, Guarantor's consolidated and unaudited statements of operations for such quarter and statements of assets, liabilities and net assets as of the end of such quarter, in each case presented fairly in accordance with GAAP and accompanied by an officer's certificate in the form of Exhibit IV hereto;

(ii) Within ninety (90) days after the last day of its fiscal year, Guarantor's consolidated and audited statements of operations, statements of cash flows and statements of changes in net assets for such year and statements of assets, liabilities and net assets as of the end of such year, in each case presented fairly in accordance with GAAP and accompanied by an officer's certificate in the form of Exhibit IV hereto;

(iii) Within forty-five (45) days after the last day of each calendar quarter in any fiscal year, any and all property level financial information that is in the possession of Seller or any Affiliate of Seller (including without limitation operating statements and occupancy reports), together with a report by Seller or Servicer summarizing the property performance made available to Seller with respect to each Purchased Asset (or, with respect to a portfolio of Purchased Assets, a consolidated summary of performance of the entire portfolio), which report shall set forth the net operating income, debt yield calculation, debt service coverage ratio, occupancy, RevPAR (for Hotel Purchased Assets) and sales/square footage (for retail properties) with respect to each Purchased Asset;] provided , however , that if the property level financial information is not required to be delivered to Seller within 30 days after the last day of each calendar quarter in any fiscal year, Seller shall deliver such reports to Buyer within seven (7) Business Days following Seller's receipt thereof.

(iv) Within fifteen (15) calendar days following Buyer's request (not to be made more than once per calendar year with respect to any Purchased Asset), at Buyer's sole cost and expense (so long as no Event of Default or monetary or material non-monetary Default has occurred and is continuing) or at Seller's sole cost and expense (if an Event of Default or monetary or material non-monetary Default has occurred and is continuing), engage an Independent Appraiser to conduct a new Appraisal with respect to the Mortgaged Property relating to any Purchased Asset, and deliver such new Appraisal promptly following Seller's receipt of a final version of the same; provided , that if such new Appraisal indicates a material reduction in the value of the Mortgaged Property from the value stated in any immediately preceding Appraisal delivered by Seller to Buyer with respect to such Mortgaged Property, then Seller shall promptly reimburse Buyer for the cost of such new Appraisal; and

(v) Seller shall promptly notify Buyer (and in any event, within two (2) Business Days) of the prohibition of Guarantor from making new investments in Eligible Assets accordance with the Guarantor's governing documents.

(j) Seller shall at all times comply in all material respects with Requirements of Law having jurisdiction over Seller or any of its assets and Seller shall do or cause to be done all things reasonably necessary to preserve and maintain in full force and effect its legal existence, and all licenses material to its business.

(k) Seller shall and shall cause Guarantor to at all times keep proper books and records of accounts in which true and correct entries shall be made of its transactions in accordance with GAAP and set aside on its books from its earnings for each fiscal year all such proper reserves in accordance with GAAP.

(l) Seller shall observe, perform and satisfy all the terms, provisions, covenants and conditions required to be observed, performed or satisfied by it, and shall pay when due all costs, fees and expenses required to be paid by it, under the Transaction Documents. Seller shall pay and discharge all Taxes, levies, liens and other charges, if any, on its assets and on the Collateral that, in each case, in any manner would create any Lien upon the Collateral, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP.

(m) Seller shall advise Buyer in writing of any change in Seller's name or organizational structure or the places where the books and records pertaining to the Purchased Assets are held not less than fifteen (15) Business Days prior to taking any such action.

(n) Seller will maintain records with respect to the Collateral and the conduct and operation of its business with no less a degree of prudence than if the Collateral were held by Seller for its own account and will furnish Buyer, upon reasonable request by Buyer or its designated representative, with information reasonably obtainable by Seller with respect to the Collateral and the conduct and operation of its business.

(o) Seller shall provide Buyer with reasonable access to any operating statements, any occupancy status and any other property level information, with respect to the Mortgaged Properties, plus any such additional reports as Buyer may reasonably request.

(p) Seller covenants and agrees that none of Seller, Pledgor or Guarantor will Knowingly: (i) conduct any business, nor engage in any transaction or dealing, with any Prohibited Person, including, but not limited to, the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person; or (ii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order 13224 issued on September 24, 2001. Seller further covenants and agrees to deliver (from time to time) to Buyer any such certification or other evidence as may be requested by Buyer in its sole and absolute discretion, confirming that none of Seller, Pledgor or Guarantor has to its Knowledge engaged in any business, transaction or dealings with a Prohibited Person, including, but not limited to, the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Prohibited Person.

(q) Seller shall notify Buyer promptly (and in any event, within five (5) Business Days) of the occurrence of any event that is reasonably likely to result in a Change of Control.

(r) Seller shall deliver to Buyer an opinion of counsel in form and substance reasonably satisfactory to Buyer with respect to any Eligible Asset transferred to Seller from an Affiliate of Seller or purchased for consideration other than cash that such transfer or purchase by Seller constitutes a true sale of such Eligible Asset to Seller.

(s) Seller shall pay to Buyer all fees and other amounts as and when due as set forth in this Agreement, the Fee Letter and the other Transaction Documents, including, without limitation, (i) the Commitment Fee, which shall be due and payable by Seller on the Closing Date; (ii) the Extension Fee, which shall be due and payable by Seller on each date the Seller extends the Facility Termination Date and (iii) the Funding Fee, which shall be due and payable by Seller on the related Purchase Date for a Purchased Asset.

(t) Seller shall enforce a Mortgagor’s obligation to extend, renew or replace a Mortgagor Hedging Transaction with respect to a Purchased Asset on or prior to the maturity date for such Mortgagor Hedging Transaction such that at all times such Purchased Asset is subject to a legal, valid and binding Mortgagor Hedging Transaction.

(u) Seller agrees to the following with respect to any Purchased Asset for which an event of default has occurred and is continuing under the related Purchased Asset Documents or the Purchased Asset is otherwise subject to a forbearance or other restructuring agreement:

(i) Seller shall cooperate and consult with Buyer in connection with the development of any strategic plans or making of any material decision with respect to the resolution of such Purchased Asset, keep Buyer

informed on an ongoing basis of the developments in any such resolution process, including delivering to Buyer (i) copies of any notices or material correspondence between the Buyer and the Mortgagor or other lenders or participants under such Purchased Asset, and (ii) copies of all filings in any litigation or other proceeding, and copies of any and all amendments, waivers or modifications with respect to such Purchased Asset;

(ii) Seller acknowledges that unless otherwise agreed to by Seller and Buyer, any such foreclosure or other proceeding shall be pursued by Servicer (or any special servicer appointed pursuant to Section 29(a) of this Agreement) pursuant to the Servicing Agreement and, if reasonably necessary to pursue any such resolution and enforce the rights of lender or participant, under the related Purchased Asset Documents, Seller and Buyer may determine to complete and record assignment documents and allonges described in Section 7(e) of this Agreement with respect to such Purchased Asset Documents in order to pursue such resolution; and

(iii) if such event of default gives rise to the right of lender or participant under the related Purchased Asset to foreclose upon or direct or consent to the foreclosure upon the related Mortgaged Property or Capital Stock pledged as collateral security for a Mezzanine Loan, as applicable, and Seller, in its commercially reasonable judgment, has determined that there is no longer a reasonable possibility of a workout or other resolution with the applicable Mortgagor and that the foreclosure of the related Mortgaged Property or Capital Stock is inevitable or imminent (whether by a foreclosure sale pursuant to a judgment of foreclosure, a non-judicial foreclosure, a deed-in-lieu of foreclosure or other available methods of taking title to the Mortgaged Property or Capital Stock), then, promptly following such determination by Seller, Seller shall repurchase the applicable Purchased Asset from Buyer. Without limiting the foregoing, Seller shall repurchase a Purchased Asset pursuant to Section 3.1(d)(i) before Seller or Servicer or any third party servicer in the case of an A-Note, Mezzanine Loan or Participation Interest completes any foreclosure or power of sale proceeding or accepts a deed-in-lieu of foreclosure of a Purchased Asset or otherwise converts a Purchased Asset to REO property.

(v) Seller shall provide Buyer notice of the commencement of, settlement of or material judgment in any litigation, action, suit, arbitration, investigation or other legal or arbitral proceedings before any Governmental Authority (including any foreclosure proceeding) that (i) affects Seller, Guarantors, Pledgor, any Purchased Asset, the Pledged Collateral or any underlying Mortgaged Property, (ii) questions or challenges the validity or enforceability of any Transaction Document, any Transaction, Purchased Asset or Purchased Asset Document, or (iii) individually or in the aggregate, if adversely determined, could reasonably be likely to have a Material Adverse Change.

13. SPECIAL PURPOSE ENTITY

Seller hereby represents and warrants to Buyer, and covenants with Buyer, that as of the date hereof and so long as any of the Transaction Documents shall remain in effect:

(a) It was formed solely for the purpose of (i) originating, acquiring, owning, holding, administering, financing, servicing, managing, enforcing and disposing, directly and subject to this Agreement, the Purchased Assets and assets being offered as New Assets pursuant to this Agreement, and any incidental property relating to the foregoing, (ii) engaging in the Transactions and (iii) performing its obligations under the Transaction Documents.

(b) It is and intends to remain solvent and it has paid and will pay its debts and liabilities (including employment and overhead expenses) from its own assets as the same shall become due.

(c) It has complied and will comply in all material respects with the provisions of its certificate of formation and its limited liability company agreement.

(d) It has done or caused to be done and will, to the extent under its control, do all things necessary to materially comply with all limited liability company formalities and to preserve its existence.

(e) It has maintained and will maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates, its members and any other Person, and it will file its own Tax returns, if any, which are required by law (except to the extent consolidation is required or permitted under GAAP or has been elected or is mandatory under the Code or the Tax law of any State (in the case of Tax returns) or is required as a matter of law), provided, however, that Seller's assets may be included in a consolidated financial statements and Tax returns of Guarantor; provided , further , that, (i) an appropriate notation shall be made on such consolidated financial statement to indicate the separateness of Seller from Guarantor and to indicate that Seller's assets and liabilities are not available to satisfy the debts and other obligations of Guarantor or any other Person and (ii) such assets shall also be listed on Seller's own separate balance sheet.

(f) It has been, is and will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other Person (including any Affiliate), shall correct any Known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, shall not identify itself as a division or part of any of its Affiliates, shall maintain and utilize separate stationery, invoices and checks, and shall pay to any Affiliate that incurs costs for office space and administrative services that it uses, the amount of such costs allocable to its use of such office space and administrative services.

(g) It has not owned and will not own any property or any other assets other than the Collateral, cash, interests in hedges and Eligible Assets that are to be offered as Purchased Assets or that have been repurchased.

(h) It has not engaged and will not engage in any business other than the origination, acquisition, ownership, hedging, administering, financing, servicing, management, enforcement and disposition of the Collateral and any asset being offered as a New Asset, all in accordance with the applicable provisions of the Transaction Documents and Seller's organizational documents.

(i) It has not entered into, and will not enter into, any contract or agreement with any of its Affiliates, except upon terms and conditions that are substantially similar to those that would be available on an arm's-length basis with Persons other than an Affiliate.

(j) It has not incurred and will not incur any Indebtedness or obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (A) obligations under the Transaction Documents, (B) Assumed Obligations, and (C) unsecured trade payables in the ordinary course of its business which are either (i) no more than ninety (90) days past due or (ii) to the extent that any trade payables are more than ninety (90) days past due, such trade payables do not exceed $250,000 and are being contested in good faith and for which adequate reserves are maintained.

(k) It has not made and will not make any loans or advances (other than Eligible Assets) to any other Person, and shall not acquire obligations or securities of any member or any Affiliate of any member or any other Person (other than in connection with the acquisition of the Eligible Assets or as otherwise expressly permitted by the Transaction Documents).

(l) It will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; provided, that the foregoing shall not require any member, partner or shareholder of Seller to make any additional capital contributions to Seller.

(m) It shall not seek its dissolution, liquidation or winding up, in whole or in part, or suffer any Change of Control, consolidation or merger.

(n) It will not commingle its funds and other assets with those of any of its Affiliates or any other Person.

(o) It has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any of its Affiliates or any other Person.

(p) It has not held and will not hold itself out to be responsible for the debts or obligations of any other Person.

(q) It shall not take any of the following actions without the affirmative vote of the Independent Director: (i) permit its members to dissolve or liquidate Seller, in whole or in part; (ii) consolidate or merge with or into any other entity or convey or transfer all or substantially all of its properties and assets to any entity (except in the ordinary course and following a repurchase of any Purchased Asset being so conveyed or transferred), or (iii) institute, consent to, or take any action in furtherance of or that would result in, an Insolvency Event with respect to Seller.

(r) It has no liabilities, contingent or otherwise, other than those normal and incidental to the purposes and business of Seller as described in this Section 13 .

(s) It has not and shall not maintain any employees but shall be permitted to utilize employees of its Affiliates pursuant to arm's length terms.

(t) It shall at all times maintain at least one (1) Independent Director whose identity has been made known to Buyer and shall give written notice to Buyer of any resignation, withdrawal, discharge or replacement of such Independent Director. For so long as any of the Repurchase Obligations are outstanding, Seller shall not take any of the actions contemplated by Section 13(q) above without the affirmative vote of such Independent Director.

14. EVENTS OF DEFAULT; REMEDIES

(a) The occurrence of any of the following events shall be an Event of Default hereunder (each, an " Event of Default "):

(i) Seller fails to repurchase any Purchased Asset within three (3) Business Days of the related Repurchase Date; provided that an Event of Default will be deemed immediately to occur if Seller fails to repurchase a Purchased Asset pursuant to Section 12(u) of this Agreement;

(ii) Seller fails to make any payments required under Section 5 hereof within one (1) Business Day of the date such payment is due and payable (including, without limitation, in the event the Income or other amounts paid or distributed on or in respect of the Purchased Assets is insufficient to make such payment and Seller does not make such payment or cause such payment to be made) (except that failure to pay Custodian, Depository and Servicer their fees and expenses and failure to pay Buyer the accrued and unpaid Price Differential shall not be an Event of Default by Seller if sufficient Income, other than Principal Payments and the principal portion of net sale proceeds, is on deposit in the Cash Management Account and Depository fails to remit such funds to Buyer);

(iii) Seller fails to make any payments required under Section 4 hereof within three (3) Business Days of the date such payment is due and payable;

(iv) an Insolvency Event occurs with respect to Seller, Guarantor or Pledgor;

(v) any Person described within the definition of Knowledge admits in an external written communication to a third party that Seller is not able to, or intends not to, perform any of its Repurchase Obligations;

(vi) either (A) the Transaction Documents shall for any reason not cause, or shall cease to cause, Buyer to be the owner free of any adverse claim (other than the rights of Seller pursuant to this Agreement) of any of the Purchased Assets, or (B) if a Transaction is recharacterized as a secured financing, the Transaction Documents with respect to any Transaction shall for any reason cease to create a valid first priority security interest in favor of Buyer in any of the Purchased Assets;

(vii) failure of Seller to make any other payment owing to Buyer which has become due, whether by acceleration or otherwise under the terms of this Agreement which failure is not remedied within the applicable period (in the case of a failure pursuant to Section 4) or ten (10) Business Days (in the case of any other such failure);

(viii) any governmental, regulatory, or self-regulatory authority shall have taken any action to remove, restrict, suspend or terminate the rights, privileges, or operations of Seller, Pledgor or Guarantor, which removal, suspension, restriction or termination results in a Material Adverse Change;

(ix) a Change of Control shall have occurred;

(x) any representation or warranty (other than representations and warranties set forth in Exhibit VI , Exhibit VII and Exhibit VIII) made by Seller, Guarantor or Pledgor or their respective Affiliates in any Transaction Document or any document or certificate delivered pursuant thereto shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated and such breach has not been cured within ten (10) days; provided , however , that an Event of Default will be deemed immediately to occur if the representations and warranties made by Seller in Section 10(b)(xxii) of this Agreement shall have been incorrect or untrue in any respect when made or repeated or deemed to have been made or repeated;

(xi) Guarantor shall fail to comply with any of the financial covenants set forth in the Guaranty or shall have defaulted or failed to perform any obligation contained in the Guaranty;

(xii) a final non-appealable judgment by any competent court in the United States of America for the payment of money in an amount greater than $250,000 (in the case of Seller or Pledgor) or $50,000,000 (in the case of Guarantor) shall have been rendered against Seller, Pledgor or Guarantor, and remained undischarged or unpaid for a period of sixty (60) days, during which period execution of such judgment is not effectively stayed by bonding over or other means acceptable to Buyer;

(xiii) Guarantor shall have defaulted or failed to perform under any Indebtedness to which it is a party, which default (A) involves the failure to pay a monetary obligation in excess of $50,000,000, or (B) permits the acceleration of the maturity of such Indebtedness in an amount in excess of $50,000,000; provided , however , that any such default, failure to perform or breach shall not constitute an Event of Default if Guarantor cures such default, failure to perform or breach, as the case may be, within the grace period, if any, provided under the applicable agreement;

(xiv) if Seller or Guarantor shall breach or fail to perform any of the terms, covenants, obligations or conditions of this Agreement or any other Transaction Document, other than as specifically otherwise referred to in this definition of "Event of Default", and such breach or failure to perform is not remedied within ten (10) Business Days after notice thereof to Seller by Buyer, or its successors or assigns; provided , however , that if such default is susceptible of cure but cannot reasonably be cured within such ten (10) Business Day period and, provided , further that Seller or Guarantor, as the case may be, shall have commenced to cure such default within such ten (10) Business Day period and thereafter diligently and expeditiously proceeds to cure the same, such ten (10) Business Day period shall be extended for such time as is reasonably necessary for Seller or Guarantor, as the case may be, in the exercise of due diligence, to cure such default, and in no event shall such cure period exceed thirty (30) days from receipt of notice of Default; provided , further that notwithstanding the foregoing, (A) if Seller shall fail to comply with Section 11(b) or 12 (p) of this Agreement, an immediate Event of Default shall be deemed to occur with no permitted cure period, (B) if Seller shall fail to comply with Section 11(g) of this Agreement, or Seller or Servicer at the direction of Seller consents or assents to any Significant Purchased Asset Modification in breach of any other provision of this Agreement, and any such failure is not cured by Seller within one (1) Business Day an immediate Event of Default shall be deemed to occur, and (C) if Seller should fail to comply with Section 11(g) of this Agreement and fails to repurchase the related Purchased Asset pursuant to Section 3(d)(i) of this Agreement within three (3) Business Days of such failure, an immediate Event of Default shall be deemed to occur;

(xv) any Transaction Document, any material remedy of Buyer or any Indemnified Party under any Transaction Document or the perfection or priority of any Lien granted under any Transaction Document is declared null and void or ceases to be the valid, legal or enforceable obligation of Seller or Guarantor;

(xvi) any Purchased Asset Document, security interest granted thereunder or any material remedy of Buyer or any Indemnified Party under any Purchased Asset Document ceases to be legal, valid or enforceable, or any Lien granted under the Purchased Asset Documents or securing any Purchased Asset ceases to be a perfected first priority Lien, and in each such instance Seller fails to repurchase the related Purchased Asset within three (3) Business Days pursuant to Section 3(d)(i) of this Agreement; or

(xvii) Seller ceases to be a "special purpose entity" or at any time violates any of the requirements set forth in Section 13 and any such breach is not cured by Seller within five (5) Business Days following notice thereof from Buyer.

(b) If an Event of Default shall occur and be continuing, the following rights and remedies shall be available to Buyer:

(i) At the option of Buyer, exercised by written notice to Seller (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Insolvency Event with respect to Seller, Pledgor or Guarantor), the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (the date on which such option is exercised or deemed to have been exercised being referred to hereinafter as the " Accelerated Repurchase Date ").

(ii) If Buyer exercises or is deemed to have exercised the option referred to in Section 14(b)(i) of this Agreement:

(A) Seller's obligations hereunder to repurchase all Purchased Assets shall become immediately due and payable on and as of the Accelerated Repurchase Date;

(B) to the extent permitted by applicable law, the Repurchase Price with respect to each Transaction (determined as of the Accelerated Repurchase Date) shall be increased by the aggregate amount obtained by daily application of, on a 360 day per year basis for the actual number of days during the period from and including the Accelerated Repurchase Date to but excluding the date of payment of the Repurchase Price (as so increased), (x) the Pricing Rate for such Transaction *times* (y) the Repurchase Price for such Transaction;

(C) Custodian shall, upon the request of Buyer, deliver to Buyer all instruments, certificates and other documents then held by Custodian relating to the Purchased Assets; and

(D) Buyer may terminate this Agreement.

(iii) Buyer may in accordance with Requirements of Law (A) immediately sell, on a servicing released basis, at a public or private sale in a commercially reasonable manner and at such price or prices as Buyer may reasonably deem satisfactory any or all Purchased Assets or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Assets, to give Seller credit for such Purchased Assets in an amount equal to the Market Value of such Purchased Assets against the aggregate unpaid Repurchase Price for such Purchased Assets and any other amounts owing by Seller under the Transaction Documents. The proceeds of any disposition of Purchased Assets effected pursuant to Section 14(b)(iii)(A) herein shall be

applied, (v) *first* , to the actual out-of pocket costs and expenses incurred by Buyer in connection with the Event of Default; (w) *second* , to actual damages incurred or suffered by Buyer in connection with the Event of Default; (x) *third,* to any unpaid fees, expenses, and indemnity amounts owed to Buyer and any Indemnified Party; (y) *fourth* , to the Repurchase Price (as reduced by the foregoing applications) and any other outstanding Repurchase Obligations; and (z) *fifth* , to return any excess to Seller. For the avoidance of doubt, upon a sale or deemed sale in accordance with this Section 14(b)(iii) Buyer has no further obligation to remit Available Income pursuant to the provisions of Section 5 of this Agreement.

(iv) The parties acknowledge and agree that (1) the Purchased Assets subject to the Transactions hereunder are not instruments traded in a recognized market, and, in the absence of a generally recognized source for prices or bid or offer quotations for any Purchased Assets, Buyer may establish the source therefor in its sole discretion and (2) all prices, bids and offers shall be determined together with accrued Income (except to the extent contrary to market practice with respect to the relevant Purchased Assets). The parties recognize that it may not be possible to purchase or sell all Purchased Assets on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for such Purchased Assets may not be liquid at such time. In view of the nature of the Purchased Assets, the parties agree that liquidation of a Transaction or the Purchased Assets does not require a public purchase or sale and that a good faith private purchase or sale shall be deemed to have been made in a commercially reasonable manner. Accordingly, Buyer may elect, in its sole discretion, the time and manner of liquidating any Purchased Assets, and nothing contained herein shall (A) obligate Buyer to liquidate any Purchased Assets on the occurrence and during the continuance of an Event of Default or to liquidate all Purchased Assets in the same manner or on the same Business Day or (B) constitute a waiver of any right or remedy of Buyer under the Transaction Documents.

(v) Seller shall be liable to Buyer for (A) 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 (iii) , (B) the amount of all 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, and (C) any other actual loss, damage, out-of-pocket cost or expense directly arising or resulting from the occurrence of an Event of Default.

(vi) Buyer shall have, in addition to its rights and remedies under the Transaction Documents, all of the rights and remedies provided by applicable federal, state, foreign, and local laws (including, without limitation, if the Transactions are characterized as secured financings, the rights and remedies of a secured party under the UCC of the State of New

York, to the extent that the UCC is applicable, and the right to offset any mutual debt and claim), in equity, and under any of the Transaction Documents. Without limiting the generality of the foregoing, Buyer shall be entitled to set-off the proceeds of the liquidation of the Purchased Assets against all of Seller's obligations to Buyer under this Agreement, whether or not such obligations are then due, without prejudice to Buyer's right to recover any deficiency.

(vii) Subject to the notice and grace periods set forth herein, Buyer may exercise any or all of the remedies available to Buyer immediately upon the occurrence of an Event of Default and at any time during the continuance thereof. All rights and remedies arising under the Transaction Documents, as amended from time to time, are cumulative and not exclusive of any other rights or remedies which Buyer may have.

(viii) Buyer may enforce its rights and remedies hereunder without prior judicial process or hearing, and Seller hereby expressly waives any defenses Seller might otherwise have to require Buyer to enforce its rights by judicial process. Seller also waives any defense Seller might otherwise have arising from the use of nonjudicial process, disposition of any or all Purchased Assets, or from any other election of remedies. Seller recognizes that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's length.

(ix) Buyer may, without prior notice to Seller, set off any sum or obligation (whether or not arising under this Agreement, whether matured or unmatured, whether or not contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by Seller to Buyer or any Affiliate of Buyer against any sum or obligation (whether or not arising under this Agreement, whether matured or unmatured, whether or not contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by Buyer or any Affiliate of Buyer to Seller. Buyer will give notice to the other party of any set-off effected under this Section 14(b)(ix) . If a sum or obligation is unascertained, Buyer may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 14(b)(ix) shall be effective to create a charge or other security interest. This Section 14(b)(ix) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other rights to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(x) Seller shall, within two (2) Business Days following Buyer's written request, execute and deliver to Buyer such documents, instruments, certificates, assignments and other writings, and do such other acts as Buyer may reasonably request for the purposes of assuring, perfecting and evidencing Buyer's ownership of the Purchased Assets, including, without limitation: (i) forwarding to buyer or Buyer's designee (including, if applicable, Custodian), any payments Seller or any of its Affiliates receives on account of the Purchased Assets, in each case promptly upon receipt thereof; (ii) to the extent not already contained in the Purchased Asset File, delivering to Buyer or such designee any certificates, instruments, documents, notices or files evidencing or relating to the Purchased Assets which are in Seller's possession or under its control; (iii) to the extent not already contained in the Purchased Asset File, delivering to Buyer underwriting summaries, credit memos, asset summaries, status reports or similar documents relating to the Purchased Assets and in Seller's possession or under its control.

(xi) Seller hereby appoints Buyer as attorney-in-fact of Seller for the purpose of carrying out the provisions of this Agreement and taking any action and executing or endorsing any instruments that Buyer may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest and shall terminate upon payment and satisfaction in full of the Repurchase Obligations.

15. SINGLE AGREEMENT

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set-off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

16. CONFIDENTIALITY

All information regarding the terms set forth in any of the Transaction Documents and/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, (b) to the extent requested by any regulatory authority or required by Requirements of Law, (c) to the extent required to be included in the financial statements of either party or an Affiliate thereof, (d) to the extent required to exercise any rights or remedies under the Transaction Documents,

Purchased Assets, the Purchased Asset Documents 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 16 , (g) to the extent required in connection with any litigation between the parties in connection with any Transaction Document; provided , that no such disclosure made with respect to any Transaction Documents shall include a copy of such Transaction Document to the extent that a summary would suffice, but if it is necessary for a copy of any Transaction Document to be disclosed, all pricing and other economic terms set forth therein shall be redacted before disclosure to the extent such disclosure can be satisfied by a redacted copy of such Transaction Document.

17. NOTICES AND OTHER COMMUNICATIONS

Unless otherwise expressly provided in this Agreement, all notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, (d) by telecopier (with answerback acknowledged) provided that such telecopied notice must also be delivered by one of the means set forth in (a), (b) or (c) above, or (e) by email with confirmation of delivery, provided that such email notice must also be delivered by one of the means set forth in (a), (b) or (c) if the notice relates to a notice to extend the Facility Termination Date in accordance with Section 3(e) of this Agreement, in each case, to the address specified in Annex I hereto or at such other address and person as shall be designated from time to time by any party hereto, as the case may be, in a written notice to the other parties hereto in the manner provided for in this Section 17 . A notice shall be deemed to have been given: (v) in the case of hand delivery, at the time of delivery, (w) in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day, (x) in the case of expedited prepaid delivery upon the first attempted delivery on a Business Day, or (y) in the case of telecopier, upon receipt of answerback confirmation, provided that such telecopied notice was also delivered as required in this Section 17 , and (z) in the case of email, upon written or oral confirmation of delivery (other than by an automatic computer generated response). A party receiving a notice which does not comply with the technical requirements for notice under this Section 17 may elect to waive any deficiencies and treat the notice as having been properly given.

18. ENTIRE AGREEMENT; SEVERABILITY

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. 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.

19. ASSIGNABILITY

(a) The rights and obligations of Seller under the Transaction Documents and under any Transaction shall not be assigned by Seller without the prior written consent of Buyer.

(b) Buyer may at no cost or expense to Seller assign or sell its rights and obligations under the Transaction Documents and/or under any Transaction or may issue one or more participation interests with respect to any or all of the Transactions to (i) any Affiliate of Buyer without the consent of or notice to Seller or (ii) to any Eligible Assignee without the consent of but after prior notice to Seller; provided , that Buyer shall retain control and authority over its rights and obligations under the Transaction Documents and/or under any Transaction, and with respect to any assignment by Buyer of Buyer's rights and obligations under the Transaction Documents or any participation, Seller shall not be obligated to deal directly with any party other than Buyer in connection with such Transactions. Seller shall at no cost or expense to Seller shall reasonably cooperate with Buyer in connection with any assignment or participation. Each assignee shall be entitled to the benefits of Section 3 (subject to the requirements and limitations therein, including the requirements under Section 3(p) (it being understood that the documentation required under Section 3(p) shall be delivered to the participating Buyer)) and Section 27 ; *provided , however* , that any such assignee or participant shall not be entitled to receive any greater payment under Section 3 than its participating Buyer would have been entitled to receive.

(c) Buyer, acting solely for this purpose as an agent of Seller, shall maintain, either at its offices or electronically, a record of each assignment, participation, or sale and a register for the recordation of the names and addresses of the assignees and participants that become parties hereto and, with respect to each assignee and participant, the aggregate assigned or participated Purchase Price and applicable Price Differential (the " Register "). The entries in the Register shall be conclusive absent manifest error, and notwithstanding anything to the contrary in this Agreement, Seller, Buyer and the assignees and participants shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as the beneficial owner of the interests in the Transactions, Purchased Assets or in any other interests under this Agreement for all purposes of this Agreement. The parties intend that any interest in or with respect to the Transactions, Purchased Assets or in any other interests under this Agreement are treated as being issued and maintained in registered form for applicable U.S. federal income tax purposes (including, without limitations under Section 5f.103-1(c) of the United States Treasury Regulations) and the provisions of this Agreement shall be construed in a manner that give effect to such intent. If Buyer transfers or sells its entire interest in the Transaction Documents and does not hold legal title, the transferee shall be responsible for the continued maintenance of the Register and all further reporting under this Section 19(c) .

(d) Subject to the foregoing, the Transaction Documents and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. Nothing in the Transaction Documents, express or implied, shall give to any Person, other than the parties to the Transaction Documents and their respective registered successors and assigns, any benefit or any legal or equitable right, power, remedy or claim under the Transaction Documents.

20. GOVERNING LAW

This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof except for Section 5-1401 and 5-1402 of the General Obligations Law of the State of New York.

21. NO WAIVERS, ETC.

No express or implied waiver of any Event of Default by Buyer shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by Buyer shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to Section 4 hereof will not constitute a waiver of any right to do so at a later date.

22. USE OF EMPLOYEE PLAN ASSETS

(a) If assets of an employee benefit plan subject to Title I of ERISA or Section 4975 of the Code are intended to be used by either party hereto (the " Plan Party ") in the Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or Section 4975 of the Code or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.

(b) Subject to the last sentence of subparagraph (a) of this Section 22 , any such Transaction shall proceed only if the Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.

23. INTENT

(a) The parties intend (i) for each Transaction to qualify for the safe harbor treatment provided by the Bankruptcy Code and for Buyer to be entitled to all of the rights, benefits and protections afforded to Persons under the Bankruptcy Code with respect to a "repurchase agreement" as defined in Section 101(47) of the Bankruptcy Code and a "securities contract" as defined in Section 741(7) of the Bankruptcy Code and that payments and transfers under this Agreement constitute transfers made by, to or for the benefit of a financial institution, financial participant or repo participant within the meaning of Section 546(e) or 546(f) of the Bankruptcy Code, (ii) the Guaranty constitutes a security agreement or arrangement or other credit enhancement within the meaning of Section 101 of the Code related to a "securities contract" as defined in Section 741(7)(A)(xi) of the Bankruptcy Code and a "repurchase agreement" as that term is defined in Section 101(47)(A)(v) of the Bankruptcy Code, (iii) the grant of a security interest set forth in Sections 6 and 29(b) hereof to secure the rights of Buyer hereunder also constitutes a "repurchase agreement" as contemplated by Section 101(47)(A)(v) of the Bankruptcy Code and a "securities contract" as contemplated by Section 741(7)(A)(xi) of the Bankruptcy Code, and (iv) that either party (for so long as such party is a "financial institution," "financial participant," "repo participant," "master netting participant" or other entity listed in Section 546, 555, 559, 362(b)(6) or 362(b)(7) of the Bankruptcy Code) shall be entitled to the "safe harbor" benefits and protections afforded under the Bankruptcy Code with respect to a "repurchase agreement," "securities contract" and a "master netting agreement," including without limitation (A) the rights, set forth in Section 14 and in Sections 555, 559 and 561 of the Bankruptcy Code, to liquidate the Purchased Assets and terminate this Agreement, and (B) the

right to offset or net out as set forth in Section 14 and in Sections 362(b)(6), 362(b)(7), 362(b)(27), 362(o) and 546 of the Bankruptcy Code. The parties further intend that this Agreement constitutes a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code with respect to each Transaction so constituting a "repurchase agreement" or "securities contract".

(b) It is understood that either party's right to accelerate or terminate this Agreement or to liquidate Purchased Assets delivered to it in connection with any Transaction hereunder or to exercise any other remedies pursuant to Section 14 hereof is a contractual right to liquidate such Transaction as described in Sections 555, 559 and 561 of the Bankruptcy Code.

(c) The parties agree and acknowledge that if a party hereto 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).

(d) It is understood 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 hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation", respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

(e) The parties agree and acknowledge that (i) the security interest granted to Buyer in the Pledge and Security Agreement is granted to Buyer to induce Buyer to enter into this Agreement and (ii) such security interest and the Guaranty relate to the Transactions as part of an integrated, simultaneously-closing suite of secured financial contracts.

(f) In light of the intent set forth above in this Section 23 , Seller agrees that, from time to time upon the written request of Buyer, Seller will execute and deliver any supplements, modifications, addendums or other documents as may be necessary or desirable, in Buyer's sole discretion, in order to cause this Agreement and the Transactions contemplated hereby to qualify for, comply with the provisions of, or otherwise satisfy, maintain or preserve the criteria for safe harbor treatment under the Bankruptcy Code for "repurchase agreements", "securities contracts" and "master netting agreements"; provided , however , that Buyer's failure to request, or Buyer's or Seller's failure to execute, such supplements, modifications, addendums or other documents does not in any way alter or otherwise change the intention of the parties hereto that this Agreement and the Transactions hereunder constitute "repurchase agreements", "securities contracts" and/or a "master netting agreement" as such terms are defined in the Bankruptcy Code.

(g) Seller and Buyer acknowledge that it is their intent solely for purposes of U.S. federal, state and local income and franchise taxes to treat each Transaction as indebtedness of Seller that is secured by the Purchased Assets and that Seller is, and so long as no Event of Default has occurred and is continuing, will continue to be treated as the owner of the Purchased Assets for such purposes.

24. DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

The parties acknowledge that they have been advised that:

(a) in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission (" SEC ") under Section 15 of the Securities Exchange Act of 1934 (" 1934 Act "), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 (" SIPA ") do not protect the other party with respect to any Transaction hereunder;

(b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and

(c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

25. CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

(a) Each party irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Agreement or any Transaction Document or relating in any way to this Agreement or any Transaction under this Agreement or any Transaction Document and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

(b) To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Agreement or relating in any way to this Agreement or any Transaction under this Agreement.

(c) The parties hereby irrevocably consent to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified herein. 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 25 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.

(d) 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 AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY INSTRUMENT OR DOCUMENT DELIVERED HEREUNDER OR THEREUNDER.

26. NO RELIANCE

Each of Buyer and Seller hereby acknowledges, represents and warrants to the other that, in connection with the negotiation of, the entering into, and the performance under, the Transaction Documents and each Transaction thereunder:

(a) It is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the other party to the Transaction Documents, other than the representations expressly set forth in the Transaction Documents;

(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 upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon 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 Transaction Documents and each Transaction thereunder and is capable of assuming and willing to assume (financially and otherwise) those risks;

(d) It is entering into the Transaction Documents and each Transaction thereunder for the purposes of managing its borrowings or investments or hedging its underlying assets or liabilities and not for purposes of speculation; and

(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 Transaction Documents or any Transaction thereunder.

27. INDEMNITY

Seller hereby agrees to indemnify Buyer, Buyer's Affiliates and each of Buyer's and its Affiliates' officers, directors, employees and agents (each, an " Indemnified Party " and together " Indemnified Parties ") from and against any and all liabilities, obligations, actual out-of-pocket losses, actual out-of-pocket damages, actual out-of-pocket penalties, actions, judgments, suits, actual out-of-pocket Taxes (other than Indemnified Taxes or Excluded Taxes, which are governed by Section 3 of this Agreement), actual out-of-pocket fees, actual out-of-pocket costs, actual out-of-pocket expenses (including, without limitation, reasonable attorneys' fees and disbursements of outside counsel) or disbursements (all of the foregoing, collectively

" Indemnified Amounts ") which may at any time (including, without limitation, such time as this Agreement shall no longer be in effect and the Transactions shall have been repaid in full) be imposed on or asserted against any Indemnified Party in any way whatsoever arising out of or in connection with, or relating to, this Agreement or any Transactions hereunder or any action taken or omitted to be taken by any Indemnified Party under or in connection with any of the foregoing; provided , that Seller shall not be liable for Indemnified Amounts resulting from the gross negligence or willful misconduct of any Indemnified Party. Without limiting the generality of the foregoing, Seller agrees to hold Buyer harmless from and indemnify Buyer against all Indemnified Amounts with respect to all Purchased Assets relating to or arising out of any violation or alleged violation of any Environmental Law, rule or regulation or any consumer credit laws, including without limitation ERISA, the Truth in Lending Act and/or the Real Estate Settlement Procedures Act, that, in each case, results from anything other than Buyer's gross negligence or willful misconduct. In any suit, proceeding or action brought by Buyer in connection with any Purchased Asset for any sum owing thereunder, or to enforce any provisions of any Purchased Asset, Seller will save, indemnify and hold Buyer harmless from and against all actual out-of-pocket expenses (including, without limitation, reasonable attorneys' fees of outside counsel), loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by Seller of any obligation thereunder or arising out of any other agreement, Indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from Seller. Seller agrees to reimburse Buyer as and when billed by Buyer for all of Buyer's reasonable costs and expenses incurred in connection with the enforcement or the preservation of Buyer's rights under this Agreement or any Transaction contemplated hereby, including, without limitation, the reasonable fees and disbursements of its outside counsel. Without prejudice to the survival of any other agreement of Seller hereunder, the agreements and obligations of Seller contained in this Section 27 shall survive the termination of this Agreement and the other Transaction Documents.

28. DUE DILIGENCE

Seller acknowledges that, at reasonable times and upon reasonable notice, Buyer has the right to perform continuing due diligence reviews with respect to the Purchased Assets, for purposes of verifying compliance with the representations, warranties and specifications made hereunder, or otherwise, and Seller agrees that upon reasonable prior notice to Seller, Buyer or its authorized representatives will be permitted during normal business hours to examine, inspect, and make copies and extracts of, the Purchased Asset Files, Servicing Records and any and all documents, records, agreements, instruments or information relating to such Purchased Assets in the possession or under the control of Seller, Servicer or subservicer and/or Custodian. Seller also shall make available to Buyer a knowledgeable financial or accounting officer for the purpose of answering questions respecting the Purchased Asset Files and the Purchased Assets. Without limiting the generality of the foregoing, Seller acknowledges that Buyer may enter into Transactions with Seller based solely upon the information provided by Seller to Buyer and the representations, warranties and covenants contained herein, and that Buyer, at its option, has the right at any time to conduct a partial or complete due diligence review on some or all Purchased Assets. Buyer may underwrite such Purchased Assets itself or engage a third party underwriter to perform such underwriting. Seller agrees to reasonably cooperate with Buyer and any third party underwriter in connection with such underwriting, including, but not limited to, providing

Buyer and any third party underwriter with access to any and all documents, records, agreements, instruments or information relating to such Purchased Assets in the possession, or under the control, of Seller. Seller shall reimburse Buyer for all out-of-pocket costs incurred in performing due diligence for each prospective Purchased Asset, including, without limitation, third party desk reviews of environmental and engineering reports and fees and disbursements of Buyer's counsel relating to Buyer's review of any Purchased Asset.

29. SERVICING

(a) Seller and Buyer agree that Buyer is the owner of all Servicing Rights with respect to the Purchased Assets. Servicer shall service the Purchased Assets for the benefit of Buyer and its assigns in accordance with Accepted Servicing Practices. Buyer shall have the right to hire or otherwise engage any Person to service or sub-service all or part of the Purchased Assets. Contemporaneously with the execution of this Agreement on the Closing Date, Buyer and Seller will enter into, and cause Servicer to enter into the Servicing Agreement pursuant to which Servicer will act as the Servicer thereunder and acknowledge Buyer's interest in the related Purchased Assets and its rights to sell such Purchased Assets on a servicing-released basis and to terminate the term of such Servicer with respect to any Purchased Assets sold by Buyer upon the occurrence and during the continuance of an Event of Default.

(b) Seller agrees that Buyer is the owner of all servicing records, including but not limited to the Servicing Agreement any and all other servicing agreements, files, documents, records, data bases, computer tapes, copies of computer tapes, proof of insurance coverage, insurance policies, appraisals, other closing documentation, payment history records, and any other records relating to or evidencing the servicing of Purchased Assets (collectively, the " Servicing Records ") so long as the Purchased Assets are subject to this Agreement. Seller covenants to safeguard such Servicing Records (if any are in Seller's possession) and to deliver them promptly to Buyer or its designee (including Custodian) at Buyer's request.

(c) Seller shall not and shall not direct Servicer to (i) make any Significant Purchased Asset Modification without the prior written consent of Buyer, which consent is in Buyer's commercially reasonable discretion in the case of clause (A) of the definition of Significant Purchased Asset Modification, and in Buyer's sole and absolute discretion in the case of clause (B) of the definition of Significant Purchased Asset Modification, or (ii) take any action which would result in a violation of the obligations of any Person under the Servicing Agreement, this Agreement or any other Transaction Document, or which would otherwise be inconsistent with the rights of Buyer under the Transaction Documents. Buyer, as owner of the Purchased Assets, shall own all related servicing and voting rights and, as owner, shall appoint the servicer with respect to the Purchased Assets; provided , that (x) Buyer hereby grants Seller an interim license to direct Servicer pursuant to the Servicing Agreement, so long as no Event of Default has occurred and is continuing; provided , however , that Seller shall not give any direction or take any action or fail to 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 consent to be given or withheld by Buyer in its sole discretion and (y) so long as no Event of Default has occurred and is continuing, Buyer shall at any time and from time to time upon written direction of Seller, terminate the Servicing Agreement, appoint a successor Servicer selected by Seller consistent with the definition of "Servicer" in accordance with the time periods and applicable provisions thereof and enter into a replacement Servicing Agreement with Seller and such successor Servicer. Such revocable option is not evidence of any ownership or other interest or right of Seller in any Purchased Asset.

(d) Upon the occurrence and during the continuance of an Event of Default, Buyer may, in its sole discretion, (i) subject to Section 14 hereof sell its rights to the Purchased Assets on a servicing-released basis and/or (ii) terminate any Servicer or any sub-servicer of the Purchased Assets with or without cause, in each case without payment of any termination fee. Seller shall cause Servicer to cooperate with Buyer in effecting such termination and transferring all authority to service such Purchased Asset to the successor servicer, including requiring Servicer to (i) promptly transfer all data in its possession relating to the Purchased Assets to the successor servicer in such electronic format as the successor servicer may reasonably request, (ii) promptly transfer to the successor servicer, Buyer or Buyer's designee, the Purchased Asset File and all other files, records, correspondence and documents in its possession relating to the Purchased Assets and (iii) use commercially reasonable efforts to cooperate and coordinate with the successor servicer and/or Buyer to comply with any applicable so-called "goodbye" letter requirements or other applicable requirements of the Real Estate Settlement Procedures Act or other applicable legal or regulatory requirement associated with the transfer of the servicing of the applicable Purchased Assets. Seller agrees that if Seller or any Servicer fails to cooperate with Buyer or any successor servicer in effecting the termination of such Servicer as servicer of any Purchased Asset or the transfer of all authority to service such Purchased Asset to such successor servicer in accordance with the terms hereof and the Servicing Agreement, Buyer will be irreparably harmed and entitled to injunctive relief.

(e) If Servicer is an Affiliate of Seller or Guarantor, the payment of servicing fees shall be subordinate to payment of amounts outstanding under any Transaction and this Agreement.

(f) Unless otherwise consented to in writing by Buyer, in its sole and absolute discretion, any Servicing Agreement will provide that such Servicing Agreement shall be automatically terminated on the 30 th day following the date of such Servicing Agreement; provided that, upon prior written notice of the Buyer, the then current termination date of such Servicing Agreement may be extended for one or more additional 30 day periods.

30. MISCELLANEOUS

(a) All rights, remedies and powers of Buyer hereunder and in connection herewith are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all other rights, remedies and powers of Buyer whether under law, equity or agreement. In addition to the rights and remedies granted to it in this Agreement, to the extent this Agreement is determined to create a security interest, Buyer shall have all rights and remedies of a secured party under the UCC.

(b) This Agreement and each other Transaction Document 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. Signature pages delivered by email (in PDF format) or facsimile shall be binding with the same force and effect as original signature pages.

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

(d) Without limiting the rights and remedies of Buyer under the Transaction Documents, Seller shall pay Buyer's reasonable actual out-of-pocket costs and expenses, including reasonable fees and expenses of outside accountants, attorneys and advisors, incurred in connection with the preparation, negotiation, execution and consummation of and any amendment, supplement or modification to, the Transaction Documents and the Transactions thereunder. Seller agrees to pay Buyer all costs and expenses (including reasonable expenses of outside counsel) of any subsequent enforcement of any of the provisions hereof, or of the performance by Buyer of any obligations of Seller in respect of the Purchased Assets, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of the Collateral and for the custody, care or preservation of the Collateral (including insurance costs) and defending or asserting rights and claims of Buyer in respect thereof, by litigation or otherwise. In addition, Seller agrees to pay Buyer on demand all reasonable costs and expenses (including reasonable expenses of outside counsel) incurred in connection with the maintenance of the Cash Management Account and registering the Collateral in the name of Buyer or its nominee. All such expenses shall be recourse obligations of Seller to Buyer under this Agreement.

(e) Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or be invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

(f) The parties acknowledge and agree that although they intend to treat each Transaction as a sale of the Purchased Assets, in the event that such sale shall be recharacterized as a secured financing, this Agreement shall also serve as a security agreement with respect to Buyer's rights in the Collateral. In order to secure and to provide for the prompt and unconditional repayment of the Repurchase Price and the performance of its obligations under this Agreement, Seller hereby pledges to Buyer and hereby grants to Buyer a first priority security interest in all of its rights, title and interest in and to the Purchased Assets. Seller hereby covenants to file all UCC financing statements required by Buyer in order to perfect its security interest created hereby in such rights and obligations granted above, it being agreed that Seller shall pay any and all fees required to file such financing statements.

(g) This Agreement, the Fee Letter and each Confirmation contains a final and complete integration of all prior expressions by the parties with respect to the subject matter hereof and thereof and shall constitute the entire agreement among the parties with respect to such subject matter, superseding all prior oral or written understandings.

(h) The parties understand that this Agreement is a legally binding agreement that may affect such party's rights. Each party represents to the other that it has received legal advice from counsel of its choice regarding the meaning and legal significance of this Agreement and that it is satisfied with its legal counsel and the advice received from it.

(i) Should any provision of this Agreement require judicial interpretation, it is agreed that a court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any Person by reason of the rule of construction that a document is to be construed more strictly against the Person who itself or through its agent prepared the same, it being agreed that all parties have participated in the preparation of this Agreement.

(j) Buyer and Seller agree that neither party shall assert any claims against the other or against any Affiliate of the other for special, indirect, consequential or punitive damages under this Agreement, any Transaction Document or any Transaction, all such damages and claims being hereby irrevocably waived; provided that this section shall not prevent Buyer from making a claim for indemnity against Seller or Guarantor pursuant to and to the extent available under Section 27 of this Agreement for any such special, indirect, consequential or punitive damages awarded to any third party in any action, suit, judgment or other proceeding against Buyer and relating to a Transaction Document or Purchased Asset.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day first written above.

SELLER:

PARLEX 7 FINCO, LLC

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director
Head of Capital Markets

BUYER:

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ Michael Hofheinz
Name: Michael Hofheinz
Title: Director

ANNEXES, EXHIBITS AND SCHEDULES

ANNEX I	Names and Addresses for Communications between Parties
ANNEX II	Wire Instructions of Buyer and Seller
EXHIBIT I-A	Form of Transaction Request
EXHIBIT I-B	Form of Confirmation
EXHIBIT II	Authorized Representatives of Seller
EXHIBIT III	Underwriting/Due Diligence Checklist
EXHIBIT IV	Form of Compliance Certificate
EXHIBIT V	Form of Power of Attorney
EXHIBIT VI	Representations and Warranties Regarding Individual Purchased Assets
EXHIBIT VII	Representations and Warranties Regarding Senior Interests
EXHIBIT VIII	Representations and Warranties Regarding Mezzanine Loans
EXHIBIT IX	Organizational Chart
EXHIBIT X	Form of Redirection Letter
EXHIBIT XI	Form of Bailee Letter
SCHEDULE I	Prohibited Transferees

ANNEX I

Names and Addresses for Communications Between Parties

Buyer:

Metropolitan Life Insurance Company
MetLife Real Estate Investments
10 Park Avenue
Morristown, New Jersey 07960
Attention: Michael Hofheinz
Telephone: (973) 355-4133
Telecopy: (973) 355-4420
Email: mhofheinz@metlife.com

With copies to:

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Brett Ulrich
Telephone: (973) 355-4721
Telecopy: (973) 355-4420
Email: bulrich@metlife.com

and

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Tirsa Lisboa
Telephone: (973) 355-4301
Telecopy: (973) 355-4420
Email: tlisboa@metlife.com

and for purposes of notices delivered pursuant to Section 3(t) and Section(u) herein

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Jiawei Ding
Telephone: (973) 355-4769
Telecopy: (973) 355-4420
Email: jding1@metlife.com

Seller:

PARLEX 7 FINCO, LLC
c/o Blackstone Mortgage Trust, Inc.
345 Park Avenue
New York, New York 10154
Attention: Douglas Armer
Telephone: (212) 583-5000

Email: BXMTMetLifeRepo@blackstone.com

With copies to:

ROPES & GRAY LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Attention: David C. Djaha
Telephone: (212) 841-0489
Telecopy: (646) 728-2936
Email: david.djaha@ropesgray.com

ANNEX II

Wire Instructions of Buyer and Seller

Buyer:

Bank:	Wells Fargo Bank, N.A.
ABA #:	ABA 121000248
Account Number:	2000011241995
Beneficiary:	MetLife
Ref:	MetLife Loan # 960702628

Seller:

Bank:	Bank of America
ABA #:	026009593
Account Number:	483024227101
Account Name:	Blackstone Mortgage Trust, Inc.
Contact:	Julia Salvata (212) 655-0248

EXHIBIT I-A

TRANSACTION REQUEST

Ladies and Gentlemen:

Pursuant to Section 3(a) of that certain Master Repurchase Agreement, dated as of June 27, 2014 (as amended, restated, supplemented or otherwise modified through the date hereof, the " Agreement "), between Metropolitan Life Insurance Company (" Buyer ") and PARLEX 7 FINCO, LLC (" Seller "), Seller hereby requests that Buyer enter into a Transaction with respect to the Eligible Assets set forth on Schedule 1 attached hereto, upon the proposed terms set forth below. Capitalized terms used herein without definition have the meanings given in the Agreement.

Proposed Purchase Date:	[_____]
Proposed Eligible Assets:	[_____], as further identified on attached Schedule 1
Aggregate Principal Amount of Proposed Eligible Assets	[_____]
Proposed Purchase Price Percentage:	[ ]%
Proposed Purchase Price:	[_____]
Proposed Maximum Purchase Price Percentage:	[ ]%
Proposed Maximum Purchase Price:	[_____]
Purchased Asset Appraised Value:	As identified on attached Schedule 2
Maximum Purchase Price Loan to Value:	As identified on attached Schedule 2
Pricing Rate:	One month LIBOR plus [ ]%
Table Funding Requested:	[YES][NO]
Future Funding Amount (if applicable):	[_____]
[Seller's Account:]	[_____]

Name and address for communications:

Buyer:

Metropolitan Life Insurance Company
MetLife Real Estate Investments
10 Park Avenue
Morristown, New Jersey 07960
Attention: Michael Hofheinz
Telephone: (973) 355-4133
Telecopy: (973) 355-4420
Email: mhofheinz@metlife.com

With copies to:

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Brett Ulrich
Telephone: (973) 355-4721
Telecopy: (973) 355-4420
Email: bulrich@metlife.com

and

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Tirsa Lisboa
Telephone: (973) 355-4301
Telecopy: (973) 355-4420
Email: tlisboa@metlife.com

Seller:

PARLEX 7 FINCO, LLC
c/o Blackstone Mortgage Trust, Inc.
345 Park Avenue
New York, New York 10154
Attention: Douglas Armer
Telephone: (212) 583-5000
Email: BXMTMetLifeRepo@blackstone.com

With copies to:

ROPES & GRAY LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Attention: David C. Djaha
Telephone: (212) 841-0489
Telecopy: (646) 728-2936
Email: david.djaha@ropesgray.com

Exhibit I-A-3

SELLER:

PARLEX 7 FINCO, LLC

By: _____

Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

Exhibit I-A-4

Schedule 1 to Transaction Request

Eligible Assets: $[_____]

Schedule 2 to Transaction Request

Purchased Asset Maximum Purchase Price:	[_____]
As adjusted for senior interest or *pari passu* interest:	[_____]
Purchased Asset Appraised Value:	[_____]
Maximum Purchase Price Loan to Value:	[_____]%

EXHIBIT I-B

FORM OF CONFIRMATION

Ladies and Gentlemen:

Metropolitan Life Insurance Company, is pleased to deliver our written **CONFIRMATION** of our agreement to enter into the Transaction pursuant to which Metropolitan Life Insurance Company shall purchase from you the Purchased Assets identified on Schedule 1 attached hereto, pursuant to the terms of that certain Master Repurchase Agreement, dated as of June 27, 2014 (as amended, restated, supplemented or otherwise modified through the date hereof, the " Agreement "), between Metropolitan Life Insurance Company (" Buyer ") and Parlex 7 Finco, LLC (" Seller "). Capitalized terms used herein without definition have the meanings given in the Agreement.

Purchase Date:	[_____]
Purchased Assets:	[_____], as identified on attached Schedule 1
Aggregate Principal Amount of Purchased Assets:	As identified on attached Schedule 1
Repurchase Date:	[_____], as it may be extended pursuant to Section 3 (d)(iv) of the Agreement
Purchase Price Percentage:	[____]%
Maximum Purchase Price Percentage:	[____]%
Purchase Price:	[_____]
Maximum Purchase Price as of Purchase Date:	[_____]
Funding Fee:	[_____]
Purchased Asset Market Value:	[_____]
Purchased Asset Appraised Value:	[_____]
Maximum Purchase Price Loan to Value:	[_____]
Pricing Rate:	One month LIBOR plus [ ]%
Future Funding Amount (if applicable):	[_____]
Type of Funding:	[Table/Non-table]
Wiring Instructions:	[See Schedule 3]

Name and address for communications:

Buyer:

Metropolitan Life Insurance Company
MetLife Real Estate Investments
10 Park Avenue
Morristown, New Jersey 07960
Attention: Michael Hofheinz
Telephone: (973) 355-4133
Telecopy: (973) 355-4420
Email: mhofheinz@metlife.com

With copies to:

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Brett Ulrich
Telephone: (973) 355-4721
Telecopy: (973) 355-4420
Email: bulrich@metlife.com

and

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Tirsa Lisboa
Telephone: (973) 355-4301
Telecopy: (973) 355-4420
Email: tlisboa@metlife.com

Seller:

PARLEX 7 FINCO, LLC
c/o Blackstone Mortgage Trust, Inc.
345 Park Avenue
New York, New York 10154
Attention: Douglas Armer
Telephone: (212) 583-5000
Email: BXMTMetLifeRepo@blackstone.com

With copies to:

ROPES & GRAY LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Attention: David C. Djaha
Telephone: (212) 841-0489
Telecopy: (646) 728-2936
Email: david.djaha@ropesgray.com

METROPOLITAN LIFE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

AGREED AND ACKNOWLEDGED:

SELLER:

PARLEX 7 FINCO, LLC

By: _____
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

[By: _____
Name:
Title:] [1]

[1] If wire instructions are to an account other than Seller's account described on Annex II to the Agreement, the Confirmation shall be signed by two (2) Responsible Officers of Seller.

Schedule 1 to Confirmation

Purchased Assets: [_____]

Schedule 2 to Confirmation

Purchased Asset Maximum Purchase Price:	[_____]
As adjusted for senior interest or *pari passu* interest:	[_____]
Purchased Asset Appraised Value:	[_____]
Maximum Purchase Price Loan to Value:	[_____]%

Schedule 3 to Confirmation

Wiring Instructions:

Bank:	Bank of America
ABA #:	026009593
Account Number:	483024227101
Account Name:	Blackstone Mortgage Trust, Inc.
Contact:	Julia Salvata (212) 655-0248

EXHIBIT II

AUTHORIZED REPRESENTATIVES OF SELLER

[TO BE INSERTED INTO FINAL PDF]

Name	Specimen Signature

UNDERWRITING/DUE DILIGENCE CHECKLIST

Item

LOAN DOCUMENTS:

1. Loan Agreement
   - Schedules and Exhibits
     (1) Index of Other Definitions
     (2) Required Repairs
     (3) Exceptions to Reps and Warranties
     (4) Organization of Borrower
     (5) Definition of SPBRE
     (6) [Others]
2. [Mortgage Note] [A-Note] [Mezzanine Note] [1]
3. [Mortgage] [Deed of Trust]
4. UCC Financing Statements
   - _____SOS (State of formation of borrower)
   - _____County (County where property is located)
   - Collateral Description
5. Assignments of Leases and Rents
6. Assignments of Agreements, Licenses, Permits and Contracts
7. Consent and Subordination Agreement from Manager
8. Clearing Account Agreement
9. Notices to Tenants re Payment to Clearing Account
10. [Notices to Credit Card Companies re payment to clearing account] [2]
11. Deposit Account Agreement
12. Guaranty of Recourse Obligations
13. Assignment and Acknowledgement of Interest Rate Protection Agreement
14. Interest Rate Protection Agreement
15. [Contribution Agreement] [3]
16. Sources and Uses of Funds for Current Financing (if not included in Seller's final internal investment committee memorandum)
17. Investment Package/Offering Memorandum
18. Existing Debt Information
19. [Co-Lender Agreement] [4]
19. [Participation Agreement] [5]

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1 Applicable for A-Notes.
2 To the extent applicable to a Hotel property.
3 To the extent applicable to a multi-borrower loan.
4 Applicable for A-Notes.
5 Applicable for Senior Interests.

19. [Participation Certificate] [6]

[MEZZANINE LOAN DOCUMENTS]: [7]

19. Mezzanine Loan Agreement
20. Mezzanine Loan Promissory Note
21. Pledge and Security Agreement
22. Membership Certificate
23. Equity Interest Power (in blank)
24. Acknowledgment of Pledge
25. UCC Financing Statement (re: Pledge)
    - ____SOS
    - Collateral Description
26. Subordinate Deposit Account Agreement
27. Guaranty of Recourse Obligations
28. Consent of Manager
29. Assignment and Acknowledgement of Interest Rate Protection Agreement
30. Interest Rate Protection Agreement

[HOTEL DOCUMENTS]: [8]

31. Franchise Agreement/Property Improvement Plan
32. Comfort Letter
33. Credit Card Company Servicer Agreements [9]
34. Liquor License
35. Hospitality or Hotel Operator's Licenses

[GROUND LEASE DOCUMENTS]: [10]

36. Ground Lessor Estoppel Certificate
37. Ground Lease Amendment
38. Certified Copy of Ground Lease
39. Notice to Ground Lessor re: Leasehold Mortgage

ORGANIZATIONAL DOCUMENTS: [11]

40. Certificate of Borrower GP/MM as to:
    (a) [Operating] [Limited Partnership] Agreement of Borrower
    (b) Certificate of [Limited Partnership] [Formation] of Borrower
    (c) Certificates of Good Standing for Borrower and Borrower GP/MM

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6 Applicable for Senior Interests.
7 To the extent applicable to an Eligible Asset that has a related Mezzanine Loan. Note that this Section is drafted assuming "Certificated" equity interests.
8 To the extent applicable to a Hotel property.
9 One from each credit card company.
10 To the extent applicable to a property subject to a Ground Lease.
11 To be modified to reflect borrower structure.

(d) Certificate of Qualification of Borrower to do business in state where Property is located

(e) [Certificate of Formation] [Articles of Incorporation] of Borrower GP/MM

(f) [Operating Agreement] [By-Laws] of GP/MM

(g) Resolutions of GP/MM

(h) Consent of all partners/members of Borrower (or Borrower GP/MM)

(i) Incumbency of Signing Officer(s)

41. [Certificate re: Recycled SPE] [12]

OPINIONS:

42. Opinion of Borrower's Counsel (New York law; formation/authority of Borrower/ Guarantor/Manager)
43. Opinion of Borrower's Counsel (local law)
44. Opinion of Borrower's Counsel (Substantive Non-consolidation)
45. Opinion of Interest Rate Cap Issuer
46. [Special Delaware Opinions:
    (a) Federal Law
    (b) DE Law] [13]

OTHER CLOSING DOCUMENTS:

47. Estoppels:
    (a) Tenants
    (b) [Other Persons with interests in the Property (e.g., REA)]
48. SNDA's
49. Copies of Leases (if applicable)
50. Lease Abstracts
51. Property Rent Roll (if applicable)
52. Certificate of Rent Roll & Lease Provision Form
53. Third Party Management Agreements

TITLE MATERIALS/CLOSING:

54. [Contract of Sale] [Payoff Letter from existing lender]
55. Title Report and Copies of Recorded Documents (and Title Update if Title Report is more than 3 months old)
56. Survey
57. [UCC Policy] [14]
58. [Mezz endorsement to Owner's policy] [15]

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12 To the extent Borrower (or Borrower's GP/MM) is an approved recycled entity.
13 To the extent Borrower (or Borrower's GP/MM) is a single member LLC.
14 To the extent applicable to an Eligible Asset that has a related Mezzanine Loan or an Eligible Asset that is a Mezzanine Loan.
15 To the extent applicable to an Eligible Asset that has a related Mezzanine Loan or an Eligible Asset that is a Mezzanine Loan.

59. PZR/Zoning Report
60. Permits/Certificates of Occupancy
61. Escrow letter with Title Company

    Exhibits

    (a) Wiring Instructions (Title Co.)

    (b) Documents to be Recorded

    (c) Pro Forma Lender's Policy

    (d) [UCC Policy] [16]

    (e) [Mezz endorsement to Owner's policy] [17]

    (f) Disbursement Schedule

62. Settlement Statement
63. [Closing Protection Letter] [18]

Miscellaneous:

64. Tenant Lease Abstracts
65. Redlines of Final Loan Documents against Seller's Form Loan Documents
66. T-12/YTD Operating Statements, to the extent collected
67. Historical Operating Statements (for prior three years), to the extent collected
68. Certificate of Historical Operating Statements
69. Current Year Budget (if not included in Seller's internal underwriting spreadsheet)
70. Financial Projections
71. Seller's final internal investment committee memorandum
72. Seller's internal underwriting spreadsheet
73. Status of Bankrupt Tenants (if not included in Seller's final internal investment committee memorandum)
74. Engineering Reports/Property Condition Assessments (and PCA Update if PCA is more than 12 months old; new complete PCA if PCA is more than 24 months old or if major change at Mortgaged Property since last full PCA)
75. Environmental Audits/ Environmental Site Assessment (and ESA Update if ESA is more than 6 months old; new complete ESA if ESA is more than 12 months old)
76. Evidence of Required Insurance Coverage, together with third party summary (if collected)

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16 To the extent applicable to an Eligible Asset that has a related Mezzanine Loan or an Eligible Asset that is a Mezzanine Loan.
17 To the extent applicable to an Eligible Asset that has a related Mezzanine Loan or an Eligible Asset that is a Mezzanine Loan.
18 To the extent escrow agent is an agency (and not the actual title company)

Item

77. Appraisal
78. Seismic Reports (if applicable)
79. O&M Plans (if applicable)
80. Property Condition Report
81. Real Estate Tax Bills
82. Personal Property Tax Bills (3 most recent years)
83. Federal Tax Returns (2 most recent years)
84. Audited or Reviewed Financial Statements (2 most recent years)
85. Most Recent Insurance Premium Notice
86. Site Plan/Floor Plans
87. Status of Leases Expiring within Next 12 Months
88. New/Recent Lease Proposals/LOIs (if not included in Seller's final internal investment committee memorandum)
89. Organizational Structure (org chart)
90. Credit Authorization Form
91. Individual Principal Litigation Certificate Form
92. Entity Principal Litigation Certificate Form
93. Borrowing Entity Litigation Certificate Form
94. Certification of Borrower Financial Statement Form
95. Current Borrower's Financial Statements
96. Such other information as may reasonably be requested by Buyer with respect to such Purchased Asset

EXHIBIT IV

FORM OF COMPLIANCE CERTIFICATE

Metropolitan Life Insurance Company
10 Park Avenue
Morristown, New Jersey 07962
Attention: Michael Hofheinz

Re: Master Repurchase Agreement (as amended, restated, supplemented or otherwise modified through the date hereof, the " Agreement "), dated as of June 27, 2014, by and between Parlex 7 Finco, LLC (" Seller ") and Metropolitan Life Insurance Company (" Buyer "). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Agreement.

Ladies and Gentlemen:

In accordance with the Agreement, the undersigned responsible officer of Guarantor (in his capacity as such and not in any personal capacity) hereby certifies to Buyer as follows:

(a) The undersigned is a duly elected Responsible Officer of Guarantor.

(b) The information and calculations furnished in Schedule 1 attached hereto, are true, correct and complete in all material respects as of the last day of the fiscal periods subject to the financial statements.

(c) Guarantor is in full compliance with the financial covenants set forth in Section 9 of the Guaranty as evidenced by the calculations attached hereto as Schedule 1 , which schedule is true, correct and complete with respect to the immediately preceding fiscal quarter.

(d) The financial statements, updates, reports and other materials referred to in Section 12(i)(i) or Section 12(i)(ii) of the Agreement, as applicable, which are delivered concurrently with the delivery of this Compliance Certificate (or, if none are required to be delivered as of the date of this Compliance Certificate, the financial statements most recently delivered pursuant to Section 12(i)(i) or Section 12(i)(ii) of the Agreement), to the best of my knowledge after due inquiry, fairly and accurately present in all material respects the consolidated financial condition and operations of Guarantor as of the date or with respect to the period therein specified, determined in accordance with GAAP.

(e) The undersigned has reviewed the terms of the Agreement and has made, or has caused to be made under my supervision, a detailed review of the transactions and financial condition of Seller and Guarantor during the accounting period covered by the financial statements attached (or most recently delivered to Buyer if none are attached).

(f) Except as set forth on Schedule 2 hereto, all representations and warranties, made by each of Seller and Guarantor in the Transaction Documents to which it is a party, as modified by any Approved Exception Report, are true and correct in all material respects (or, if any such representation or warranty is expressly stated to have been made as of a specified date, as of such specified date); provided , however , that the representations and warranties made by Seller in Section 10(b)(xxii) and in paragraph (55) of Exhibit VI , paragraph (57) of Exhibit VII , and paragraph (59) of Exhibit VIII , as applicable, hereof are true and correct in all respects; and

(g) To the best of my knowledge, each of Seller and Guarantor have observed or performed all of their covenants, duties and other agreements in all material respects, and satisfied in all material respects every condition, contained in the Agreement and the other Transaction Documents to be observed, performed or satisfied by them during the period since the delivery of the immediately preceding Compliance Certificate and I have no knowledge of the occurrence during such period, or present existence, of any Event of Default existing as of the date hereof or existed at any time during such period, except as follows:

The certifications provided herein shall not operate to make any representations other than those expressly stated herein.

Executed this _____day of _____, 20 __

Very truly yours,

BLACKSTONE MORTGAGE TRUST, INC.

By:_____
Name:
Title:

SCHEDULE 1 TO COMPLIANCE CERTIFICATE

SCHEDULE 2 TO COMPLIANCE CERTIFICATE

EXHIBIT V

FORM OF POWER OF ATTORNEY

Know All Men by These Presents, that Parlex 7 Finco, LLC (" Seller "), does hereby appoint Metropolitan Life Insurance Company (" Buyer "), its attorney-in-fact upon the occurrence and continuance of (A) a monetary Default or material non-monetary Default and (B) an Event of Default, to act in Seller's name, place and stead in any way which Seller could do with respect to (i) the completion and recordation of the Assignments of Mortgages and assignments of assignments of leases and rents, (ii) the completion and endorsement of any Mortgage Note, Mezzanine Note or participation certificate, as applicable, and (ii) the enforcement of Seller's rights under the Purchased Assets, the Purchased Asset Files and the Servicing Records purchased by Buyer pursuant to the Master Repurchase Agreement dated as of June 27, 2014 (as amended, restated, supplemented or otherwise modified through the date hereof, the " Repurchase Agreement "), between Buyer and Seller, and to take such other actions as may be necessary or desirable to enforce Buyer's rights against such Purchased Assets, the related Purchased Asset Files and the Servicing Records to the extent that Seller is permitted by law to act through an agent; provided , however , prior to exercising any authority pursuant to subclause (A) above, Buyer shall request in writing that Seller take or cause to be taken any action that Buyer deems reasonably necessary to preserve Buyer's ability to enforce upon the Purchased Assets as and when permitted pursuant to Section 14(b) of the Repurchase Agreement (which writing shall include a statement that Buyer will exercise its power of attorney if Seller fails to take or cause to be taken such action requested by Buyer), and if Seller has not complied with any such request promptly following receipt thereof, then Buyer may exercise its power of attorney during the existence and continuation of any such monetary Default or material non-monetary Default, as the case may be, as Buyer deems reasonably necessary to preserve Buyer's ability to enforce upon the Purchased Assets as and when permitted pursuant to Section 14(b) of the Repurchase Agreement. This Power of Attorney is a power coupled with an interest and shall be irrevocable except as expressly set forth below. This Power of Attorney should terminate upon the payment and satisfaction in full of the Repurchase Obligations. Capitalized terms used herein without definition shall have the meanings given in the Repurchase Agreement.

TO INDUCE ANY THIRD PARTY TO ACT HEREUNDER, SELLER HEREBY AGREES THAT ANY THIRD PARTY RECEIVING A DULY EXECUTED COPY OR FACSIMILE OF THIS INSTRUMENT MAY ACT HEREUNDER, AND THAT REVOCATION OR TERMINATION HEREOF SHALL BE INEFFECTIVE AS TO SUCH THIRD PARTY UNLESS AND UNTIL ACTUAL NOTICE OR KNOWLEDGE OF SUCH REVOCATION OR TERMINATION SHALL HAVE BEEN RECEIVED BY SUCH THIRD PARTY FROM BUYER, AND SELLER ON ITS OWN BEHALF, HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS ANY SUCH THIRD PARTY FROM AND AGAINST ANY AND ALL CLAIMS THAT MAY ARISE AGAINST SUCH THIRD PARTY BY REASON OF SUCH THIRD PARTY HAVING RELIED ON THE PROVISIONS OF THIS INSTRUMENT EXCEPT TO THE EXTENT THAT ANY SUCH CLAIMS ARISE AS A RESULT OF SUCH THIRD PARTY'S BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

IN WITNESS WHEREOF Seller has caused this Power of Attorney to be executed as of this ____day of _____, 20 ____.

PARLEX 7 FINCO, LLC

By:_____
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

EXHIBIT VI

REPRESENTATIONS AND WARRANTIES
REGARDING WHOLE LOAN PURCHASED ASSETS

[ATTACHED]

REPRESENTATIONS AND WARRANTIES
REGARDING SENIOR INTEREST PURCHASED ASSETS

[ATTACHED]

REPRESENTATIONS AND WARRANTIES
REGARDING MEZZANINE LOAN PURCHASED ASSETS

[ATTACHED]

ORGANIZATIONAL CHART

[**ATTACHED**]

EXHIBIT X

FORM OF REDIRECTION LETTER

[SELLER LETTERHEAD]

REDIRECTION LETTER

AS OF [ ], 201[ ]

Ladies and Gentlemen:

Please refer to: (a) that certain [Loan Agreement], dated [ ], 201[ ], by and between [ ] (the " Borrower "), as borrower, and Parlex 7 Finco, LLC, a Delaware limited liability company (the " Lender "), as lender; and (b) all documents securing or relating to that certain $[ ] loan made by the Lender to the Borrower on [ ], 20[ ] (the " Loan ").

You are advised as follows, effective as of the date of this letter.

Assignment of the Loan . The Lender has entered into a Master Repurchase Agreement, dated as of June 27, 2014 (as the same may be amended and/or restated from time to time, the " Repurchase Agreement "), with Metropolitan Life Insurance Company (" MetLife "), having an address at 10 Park Avenue, Morristown, New Jersey 07960, and has assigned its rights and interests in the Loan (and all of its rights and remedies in respect of the Loan) to MetLife, subject to the terms of the Repurchase Agreement. This assignment shall remain in effect unless and until MetLife has notified you otherwise in writing.

Direction of Funds . In connection with Lender's obligations under the Repurchase Agreement, Lender hereby directs Borrower to disburse, by wire transfer, any and all payments to be made under or in respect of the Loan to the following account, for the benefit of MetLife:

ABA [_____]
Account # [_____]
Attn: [_____]
Acct Name: "Midland Loan Services, a Division of PNC Bank, National Association on behalf of Parlex 7 Finco, LLC for the benefit of Metropolitan Life Insurance Company, as Repurchase Agreement Buyer and various borrowers"

This direction shall remain in effect unless and until MetLife has notified you otherwise in writing.

Modifications, Waivers, Etc . No modification, waiver, deferral, or release (in whole or in part) of any party's obligations in respect of this letter shall be effective without the prior written consent of MetLife .

Please acknowledge your acceptance of the terms and directions contained in this correspondence by executing a counterpart of this correspondence and returning it to the undersigned.

[Signature Page Follows]

Very truly yours,

PARLEX 7 FINCO, LLC

By:_____
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

Agreed and accepted this [_____] day of [_____], 201[__]

[_____]

By: _____
Name:
Title:

EXHIBIT XI

FORM OF BAILEE LETTER

BAILEE LETTER

PARLEX 7 FINCO, LLC
345 Park Avenue
New York, NY 10154

[_____], 20 __

Metropolitan Life Insurance Company
MetLife Real Estate Investments
10 Park Avenue
Morristown, New Jersey 07960
Attention: Michael Hofheinz

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Attn: David C. Djaha, Esq.

Ladies and Gentlemen:

Reference is made to that certain Master Repurchase Agreement, dated as of June 27, 2014 (as same has been modified, amended, or restated, from time to time, the " Repurchase Agreement ") between Parlex 7 Finco, LLC (" Seller ") and Metropolitan Life Insurance Company (" Buyer "). In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Buyer and Ropes & Gray LLP (the " **Bailee** ") hereby agree as follows:

Seller shall deliver to the Bailee in connection with any Purchased Assets delivered to the Bailee hereunder, the custodial delivery certificate (the " Custodial Delivery Certificate ") attached hereto as Attachment 1.

On or prior to the date indicated on the Custodial Delivery Certificate delivered by Seller (the " **Funding Date** "), Seller shall have delivered to the Bailee, as bailee for hire, the documents set forth on Exhibit B to Attachment 1 attached thereto (collectively, the " **Purchased Asset File** ") for each of the Purchased Assets (each a " **Purchased Asset** " and collectively, the " **Purchased Assets** ") listed in Exhibit A to Attachment 1 attached thereto. Bailee is not obligated to review and has not reviewed the accuracy of the Purchased Asset File, other than to take an inventory of such Purchased Asset File.

The Bailee shall issue and deliver to Buyer and U.S. Bank National Association (the " Custodian ") on or prior to the Funding Date by electronic mail (a) in the name of Buyer, an initial trust receipt and certification in the form of Attachment 2 attached hereto (the " **Bailee's Trust Receipt and Certification** ") which Bailee's Trust Receipt and Certification shall state that the Bailee has received the documents comprising the Purchased Asset File as set forth in the Custodial Delivery Certificate.

On the applicable Funding Date, in the event that Buyer fails to purchase from Seller the Purchased Assets identified in the related Custodial Delivery Certificate, Buyer shall deliver by electronic mail to the Bailee to the attention of David C. Djaha at david.djaha@ropesgray.com and Daniel L. Stanco at daniel.stanco@ropesgray.com , an authorization (the " **Electronic Authorization** ") to release the Purchased Asset Files with respect to the Purchased Assets identified therein to Seller. Upon receipt of such Electronic Authorization, the Bailee shall release the Purchased Asset Files to Seller in accordance with Seller's instructions.

Following the Funding Date and the funding of the Purchase Price, the Bailee shall forward the Purchased Asset Files to the Custodian at 1133 Rankin Street, Suite 100, St. Paul, Minnesota 55116, Attention: Commercial Review Team, by insured overnight courier for receipt by the Custodian no later than 1:00 p.m. on the third (3rd) Business Day following the applicable Funding Date (the " **Delivery Date** ").

From and after the applicable Funding Date until the time of receipt of the Electronic Authorization or the Delivery Date, as applicable, the Bailee (a) shall maintain continuous custody (and will forward in accordance with clause (e) above) and control of the related Purchased Asset Files as bailee for Buyer (excluding any period when the same are under the delivery process described in clause (e) above) and (b) is holding the related Purchased Assets as sole and exclusive bailee for Buyer unless and until otherwise instructed in writing by Buyer.

Seller agrees to indemnify and hold the Bailee and its partners, directors, officers, agents and employees harmless against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable attorneys fees, that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising out of this Bailee Letter or any action taken or not taken by it or them hereunder unless such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements (other than special, indirect, punitive or consequential damages, which shall in no event be paid by the Bailee) were imposed on, incurred by or asserted against the Bailee because of the breach by the Bailee of its obligations hereunder, which breach was caused by gross negligence or willful misconduct on the part of the Bailee or any of its partners, directors, officers, agents or employees. The foregoing indemnification shall survive any resignation or removal of the Bailee or the termination or assignment of this Bailee Letter.

Seller agrees to indemnify and hold Buyer and its respective affiliates and designees harmless against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including reasonable attorneys fees, that may be imposed on, incurred by, or asserted against it or them in any way relating to or arising out of a Custodial Delivery Failure (as defined in the Custodial Agreement) or the Bailee's negligence, lack of good faith or willful misconduct. The foregoing indemnification shall survive any termination or assignment of this Bailee Letter.

Seller hereby represents, warrants and covenants that the Bailee is not an affiliate of or otherwise controlled by Seller. Notwithstanding the foregoing, the parties hereby acknowledge that the Bailee hereunder may act as counsel to Seller in connection with a proposed transaction and Ropes & Gray LLP, has represented Seller in connection with negotiation, execution and delivery of the Repurchase Agreement.

The agreement set forth in this Bailee Letter may not be modified, amended or altered, except by written instrument, executed by all of the parties hereto.

This Bailee Letter may not be assigned by Seller or the Bailee without the prior written consent of Buyer.

For the purpose of facilitating the execution of this Bailee Letter as herein provided and for other purposes, this Bailee Letter may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and such counterparts shall constitute and be one and the same instrument. Electronically transmitted signature pages shall be binding to the same extent.

This Bailee Letter 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.

Capitalized terms used herein and defined herein shall have the meanings ascribed to them in the Repurchase Agreement.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

Very truly yours,

PARLEX 7 FINCO, LLC, Seller

By: _____
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

ACCEPTED AND AGREED:

ROPES & GRAY LLP, as Bailee

By: _____
Name: David C. Djaha
Title: Partner

ACCEPTED AND AGREED:

METROPOLITAN LIFE INSURANCE COMPANY, Buyer

By: _____
Name:
Title:

Attachment 1

CUSTODIAL DELIVERY CERTIFICATE

[See attached]

Attachment 2

FORM OF BAILEE'S TRUST RECEIPT AND CERTIFICATION

[_____], 201 __

Metropolitan Life Insurance Company
MetLife Real Estate Investments
10 Park Avenue
Morristown, New Jersey 07960
Attention: Michael Hofheinz

Bailee Letter, dated as of [_____], 201 __(the " **Bailee Letter** ") among Parlex 7 Finco, LLC (" **Seller** "), Metropolitan Life Insurance Company (" **Buyer** ") and Ropes & Gray LLP (" **Bailee** ")

Ladies and Gentlemen:

In accordance with the provisions of Paragraph (c) of the Bailee Letter, the undersigned, as Bailee, hereby certifies that as to each Purchased Asset described in the Purchased Asset Schedule (Exhibit A to Attachment 1 of the Bailee Letter), a copy of which is attached hereto, it has reviewed the Purchased Asset File (Exhibit B to Attachment 1 of the Bailee Letter) and has determined that all documents listed in the Purchased Asset File are in its possession.

Bailee hereby confirms that it is holding each such Purchased Asset File as agent and bailee for the exclusive use and benefit of Buyer pursuant to the terms of the Bailee Letter.

All initially capitalized terms used herein shall have the meanings ascribed to them in the Bailee Letter.

ROPES & GRAY LLP, BAILEE

By:_____
Name: David C. Djaha
Title: Partner

SCHEDULE 1

PROHIBITED TRANSFEREES

All Affiliates, successors and assigns of the entities listed on this Schedule I and such other Persons indicated by Sellers from time to time and approved by Buyer, such approval not to be unreasonably withheld, shall be Prohibited Transferees, as defined and used in this Agreement.

Angelo, Gordon & Co., L.P.
Annaly Capital Management, Inc.
Apollo Commercial Real Estate Finance, Inc.
Arbor Realty Trust Inc.
Ares Commercial Real Estate Corporation
Brookfield Investment Management Inc.
Cantor Fitzgerald & Co.
CapitalSource Inc.
Children's Investment Fund LP
Colony Financial, Inc.
CreXus Investment Corp.
Fortress Credit Corp.
Guggenheim Partners, LLC
H/2 Credit Manager LP
iStar Financial Inc.
Invesco Ltd.
KKR & Co. L.P.
Ladder Capital Securities LLC
LoanCore Capital, LLC
Lone Star U.S. Acquisitions, LLC
Macquarie Group Limited
Mesa West Capital, LLC
NCH Capital Inc.
Newcastle Investment Corp.
NorthStar Realty Finance Corp.
OZ Management LP
Pacific Investment Management Company LLC
RAIT Financial Trust
Redwood Trust Inc.
Rialto Capital Management, LLC
SL Green Realty Corp.
Square Mile Capital Management, LLC
Starwood Capital Group
Starwood Property Trust, Inc.
TPG Capital Management, L.P.
Winthrop Capital Management, LLC

Exhibit 10.4

GUARANTY

GUARANTY, dated as of June 27, 2014 (as amended, restated, supplemented, or otherwise modified from time to time, this " Guaranty "), made by BLACKSTONE MORTGAGE TRUST, INC., a Maryland corporation (the " Guarantor), in favor of METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation (" Buyer ").

RECITALS

Pursuant to that certain Master Repurchase Agreement, dated as of June 27, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the " Repurchase Agreement "), by and among Buyer and Parlex 7 Finco, LLC, a Delaware limited liability company (" Seller "), Seller has agreed to sell, from time to time, to Buyer certain Eligible Assets, as defined in the Repurchase Agreement (collectively, the " Purchased Assets "), upon the terms and subject to the conditions as set forth therein and the other Transaction Documents.

It is a condition precedent to Buyer purchasing the Purchased Assets pursuant to the Repurchase Agreement that Guarantor shall have executed and delivered this Guaranty with respect to the due and punctual payment and performance when due, whether at stated maturity, by acceleration or otherwise, of all of the following: (a) all payment obligations owing by Seller to Buyer under or in connection with the Repurchase Agreement and any other Transaction Documents; (b) all expenses, including, without limitation, reasonable attorneys' fees and disbursements, that are incurred by Buyer in the enforcement of any of the foregoing or any obligation of Guarantor under this Guaranty; and (c) any other Repurchase Obligations of Seller (collectively, the " Obligations ").

NOW, THEREFORE, in consideration of the foregoing premises, to induce Buyer to enter into the Repurchase Agreement and the other Transaction Documents and to enter into the transactions contemplated thereunder, Guarantor hereby agrees with Buyer, as follows:

1. Defined Terms . Unless otherwise defined herein, terms which are defined in the Repurchase Agreement and used herein are so used as so defined.

" 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.

" Cash Equivalents ": As of any date of determination, 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.

" 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.

" 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.

" 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.

" 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.

" Recharacterization Event ": The occurrence of either of the following events (a) any court determines that any Transfer was not a "true sale" or "true contribution" of such Purchased Asset or that any Purchased Asset is the property of Originator or (b) Originator or any Affiliate of Originator asserts or claims that any Transfer was not a "true sale" or "true contribution" of such Purchased Asset or that any Purchased Asset is the property of Originator.

" 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 with respect to customary nonrecourse carve-outs.

" 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.

" Total Assets ": With respect to any Person, on any date of determination, an amount equal to the aggregate book value of all assets owned by such Person and the proportionate share of such Person of all assets owned by Affiliates of such Person as consolidated in accordance with GAAP, less (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 expenses, all on or as of such date, and (d) the amount of nonrecourse Indebtedness owing pursuant to securitization transactions such as a REMIC securitization, a collateralized loan obligation transactions or other similar securitizations.

" Transfer ": Any transfer of Purchased Assets from an Originator to Seller.

2. Guaranty . (a) Subject to clause (b) of this Section 2 Guarantor hereby, unconditionally and irrevocably, guarantees to Buyer the prompt and complete payment and performance of the Obligations by Seller when due (whether at the stated maturity, by acceleration or otherwise), as the case may be.

(b) Notwithstanding anything in this Guaranty or in any other Transaction Document to the contrary and subject to clauses (c), (d), (e) and (g) below, the maximum liability of Guarantor under this Guaranty shall in no event exceed fifty percent (50%) of the then-current aggregate outstanding Repurchase Price of all Purchased Assets.

(c) Notwithstanding the foregoing, the limitation on recourse liability as set forth in clause (b) above SHALL BECOME NULL AND VOID and shall be of no further force and effect and the Obligations immediately shall become full recourse to Guarantor in the event of any of the following:

(i) a voluntary bankruptcy or insolvency proceeding is commenced by Seller or Guarantor under the Bankruptcy Code or any similar federal or state law; or

(ii) an involuntary bankruptcy or insolvency proceeding is commenced against Seller or Guarantor in connection with which Seller, Guarantor, or any Affiliate of any of the foregoing has or have colluded in any way with the creditors commencing or filing such proceeding.

(d) In addition to the foregoing and notwithstanding the limitation on recourse liability set forth in clause (b) above, Guarantor shall be liable for any and all actual out-of-pocket losses, costs, claims, expenses or other liabilities incurred by Buyer arising out of or attributable to the following items:

(i) fraud or intentional misrepresentation by Seller, Guarantor or any Affiliate of Seller or Guarantor in connection with the execution and the delivery of any Transaction Document, or any certificate, report, financial statement or other instrument or document furnished to Buyer at the time of the closing of the Repurchase Agreement or during the term of the Repurchase Agreement;

(ii) a Recharacterization Event;

(iii) any material breach of the separateness covenants set forth in Section 13 of the Repurchase Agreement;

(iv) any Change of Control;

(v) any material breach of any representations and warranties made by Seller, Pledgor, Guarantor or any Affiliate of Seller contained in any Transaction Document, including but not limited to any representations and warranties relating to Environmental Laws, or any indemnity for costs incurred in connection with the violation of any Environmental Law, the correction of any

environmental condition, or the removal of any substances, materials, wastes, pollutants or contaminants defined as hazardous or toxic or regulated under any applicable Environmental Law, in each case in any way affecting Seller's or any of its Affiliate's properties or any of the Purchased Assets; provided , that Guarantor shall have no liability under this clause (d)(v) with respect to breaches of representations or warranties relating to any Environmental Laws, violations of Environmental Laws or environmental conditions relating to conditions on any Mortgaged Property first arising on or after the date upon which Buyer enforces its remedies with respect to the related Purchased Asset pursuant to Section 14(b)(iii) or 14(b)(iv) of the Repurchase Agreement following an Event of Default; or

(vi) any failure of Seller to perform the Assumed Obligations relating to any Purchased Asset during the period that such Assumed Obligations are the obligations of Seller pursuant to Section 6(e) of the Repurchase Agreement (including, without limitation, any cost of defense, including reasonable attorneys' fees of outside counsel, incurred by Buyer in connection with any claim, action, litigation or other proceeding brought against Buyer by a Mortgagor as a result of such failure of Seller to perform the Assumed Obligations).

(e) Notwithstanding the limitation on recourse liability set forth in clause (b) above, Guarantor agrees to pay all actual out-of-pocket costs and expenses that Buyer incurs defending itself or asserting any rights in any litigation commenced by or against a Mortgagor, guarantor, participant or other obligor or lender under a Purchased Asset and arising out of or relating to any event of default by such Mortgagor, guarantor, participant or other obligor or lender under the related Purchased Asset Documents prior to Buyer enforcing its remedies with respect to the related Purchased Asset pursuant to Section 14(b)(iii) or 14(b)(iv) of the Repurchase Agreement.

(f) Nothing herein shall be deemed to be a waiver of any right which Buyer may have under Section 506(a), 506(b), 1111(b) or any other provision of the Bankruptcy Code to file a claim for the full amount of the indebtedness secured by the Repurchase Agreement or to require that all collateral shall continue to secure all of the indebtedness owing to Buyer in accordance with the Repurchase Agreement or any other Transaction Documents.

(g) Notwithstanding the limitation on recourse liability set forth in clause (b) above, Guarantor further agrees to pay all reasonable and documented out-of-pocket expenses (including, without limitation, all reasonable out-of-pocket fees and disbursements of outside counsel) which are actually incurred by Buyer in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Obligations and/or enforcing any rights with respect to, or collecting against, Guarantor under this Guaranty.

(h) No payment or payments made by Seller or any other Person or received or collected by Buyer from Seller or any other Person by virtue of any action or proceeding or any set-off or appropriation or application, at any time or from time to time, in

reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor under this Guaranty which shall, notwithstanding any such payment or payments, remain liable for the amount of the Obligations (subject to the limitations set forth in Section 2(b) hereof) until the Obligations are paid in full; provided, that this provision is not intended to allow Buyer to recover an amount greater than the amount of the Obligations (subject to the limitations set forth in Section 2(b) hereof).

(i) Guarantor agrees that whenever, at any time, or from time to time, Guarantor shall make any payment to Buyer on account of Guarantor's liability under this Guaranty, Guarantor will notify Buyer in writing that such payment is made under this Guaranty for such purpose.

3. Subrogation . Upon making any payment under this Guaranty, Guarantor shall be subrogated to the rights of Buyer against Seller and any collateral for any Obligations with respect to such payment; provided , that Guarantor shall not seek to enforce any right or receive any payment by way of subrogation until all amounts due and payable by Seller to Buyer under the Transaction Documents or any related documents have been paid in full; and provided , further, that such subrogation rights shall be subordinate in all respects to all amounts owing to Buyer under the Transaction Documents.

4. Amendments, etc. with Respect to the Obligations . Until the Obligations have been satisfied or paid in full, Guarantor shall remain obligated under this Guaranty notwithstanding that, without any reservation of rights against Guarantor, and without notice to or further assent by Guarantor, any demand for payment of any of the Obligations made by Buyer may be rescinded by Buyer and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Buyer, and any Transaction Document and any other document delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as Buyer may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by Buyer for the payment of the Obligations may be sold, exchanged, waived, surrendered or released in accordance with the Transaction Documents. Buyer shall have no obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Obligations or for this Guaranty or any property subject thereto. When making any demand under this Guaranty against Guarantor, Buyer may, but shall be under no obligation to, make a similar demand on Seller or any other guarantor, and any failure by Buyer to make any such demand or to collect any payments from Seller or any such other guarantor or any release of Seller or such other guarantor shall not relieve Guarantor of its Obligations or liabilities under this Guaranty, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of Buyer against Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

5. Guaranty Absolute and Unconditional . (a) Guarantor hereby agrees that its obligations under this Guaranty constitute a guarantee of payment when due and not of collection. Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by Buyer upon this Guaranty or

acceptance of this Guaranty; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guaranty; and all dealings between Seller or Guarantor, on the one hand, and Buyer, on the other hand, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. Guarantor waives promptness, diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Seller or Guarantor with respect to the Obligations. This Guaranty shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the validity, regularity or enforceability of any Transaction Document, any of the Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Buyer, (ii) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by Seller against Buyer, (iii) any requirement that Buyer exhaust any right to take any action against Seller or any other Person prior to or contemporaneously with proceeding to exercise any right against Guarantor under this Guaranty or (iv) any other circumstance whatsoever (with or without notice to or knowledge of Seller or Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of Seller for the Obligations or of Guarantor under this Guaranty, in bankruptcy or in any other instance (other than a defense of payment or performance). When pursuing its rights and remedies under this Guaranty against Guarantor, Buyer may, but shall be under no obligation, to pursue such rights and remedies that Buyer may have against Seller or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by Buyer to pursue such other rights or remedies or to collect any payments from Seller or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Seller or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve Guarantor of any liability under this Guaranty, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Buyer against Guarantor. This Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon Guarantor and its successors and assigns, and shall inure to the benefit of Buyer, and its successors and assigns, until all the Obligations and the obligations of Guarantor under this Guaranty shall have been satisfied by payment in full, notwithstanding that from time to time during the term of the Transaction Documents Seller may be free from any Obligations.

(b) Without limiting the generality of the foregoing, Guarantor hereby agrees, acknowledges, and represents and warrants to Buyer as follows:

(i) Guarantor hereby unconditionally and irrevocably waives any defense arising by reason of, and any and all right to assert against Buyer any claim or defense based upon, an election of remedies by Buyer which in any manner impairs, affects, reduces, releases, destroys and/or extinguishes Guarantor’s subrogation rights, rights to proceed against Seller, or any other guarantor for reimbursement or contribution, and/or any other rights of Guarantor to proceed against Seller or against any other guarantor, or against any other person or security.

(ii) Guarantor is presently informed of the financial condition of Seller and of all other circumstances which diligent inquiry would reveal and which bear

upon the risk of nonpayment of the Obligations. Guarantor hereby covenants that it will make its own investigation and will continue to keep itself informed about Seller's financial condition, the status of other guarantors, if any, of circumstances which bear upon the risk of nonpayment and that it will continue to rely upon sources other than Buyer for such information and will not rely upon Buyer for any such information. Absent a written request for such information by Guarantor to Buyer, Guarantor hereby waives the right, if any, to require Buyer to disclose to Guarantor any information which Buyer may now or hereafter acquire concerning such condition or circumstances including, but not limited to, the release of or revocation by any other guarantor.

(iii) Guarantor has independently reviewed the Transaction Documents and related agreements and has made an independent determination as to the validity and enforceability thereof, and in executing and delivering this Guaranty to Buyer, Guarantor is not in any manner relying upon any other Person's determination of the validity, and/or enforceability, and/or attachment, and/or perfection of any liens or security interests of any kind or nature granted by Seller or any other guarantor to Buyer, now or at any time and from time to time in the future.

6. Reinstatement . This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by Buyer upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Seller or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for Seller or any substantial part of Seller's property, or otherwise, all as though such payments had not been made.

7. Payments . Guarantor hereby agrees that the Obligations will be paid to Buyer without set-off or counterclaim in U.S. Dollars at the address specified in writing by Buyer.

8. Representations and Warranties . Guarantor represents and warrants that:

(a) Guarantor has the legal capacity and the legal right to execute and deliver this Guaranty and to perform Guarantor's obligations under this Guaranty;

(b) except those that have already been obtained, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other Person (including, without limitation, any creditor of Guarantor) is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty;

(c) this Guaranty has been duly authorized, executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought in proceedings in equity or at law);

(d) the execution, delivery and performance of this Guaranty by Guarantor will not violate any law, treaty, rule or regulation or determination of an arbitrator, a court or other governmental authority, applicable to or binding upon Guarantor or any of its property or to which Guarantor or any of its property is subject (" Requirement of Law "), or any provision of any security issued by Guarantor or of any agreement, instrument or other undertaking to which Guarantor is a party or by which it or any of its property is bound (" Contractual Obligation "), and will not result in or require the creation or imposition of any lien on any of the properties or revenues of Guarantor pursuant to any Requirement of Law or Contractual Obligation of Guarantor;

(e) except as disclosed in writing to Buyer, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to Guarantor's Knowledge, threatened by or against Guarantor or against any of Guarantor's properties or revenues with respect to this Guaranty or any of the transactions contemplated hereby, which litigation, investigation or proceeding could be reasonably likely to result in a Material Adverse Change with respect to Guarantor;

(f) except as disclosed in writing to Buyer, Guarantor has filed or caused to be filed all tax returns which are required to be filed and has paid all taxes shown to be due and payable on such returns or on any assessments made against Guarantor or any of Guarantor's property and all other taxes, fees or other charges imposed on Guarantor or any of Guarantor's property by any Governmental Authority (other than any such taxes, fees or charges the amount or validity of which are currently being contested in good faith by appropriate proceedings); no tax lien has been filed, and, to Guarantor's Knowledge, no claim is being asserted, with respect to any such tax, fee or other charge; and

(g) all financial data concerning Guarantor that has been delivered by or on behalf of Guarantor to Buyer present fairly the financial condition of Guarantor and has been prepared in accordance with GAAP to the extent applicable. Since the delivery of such data, except as otherwise disclosed in writing to Buyer, there has been no change in the financial position of Guarantor or in the results of operations of Guarantor, which change is reasonably likely to result in a Material Adverse Change with respect to Guarantor.

Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by Guarantor on the date hereof and on the date of each Transaction under the Repurchase Agreement, on and as of such date of the Transaction, as though made under this Guaranty on and as of such date.

9. Covenants . Guarantor shall maintain the following covenants at all times following the date hereof until the Obligations have been paid in full:

(a) Minimum Fixed Charge Coverage Ratio . The ratio of (i) Guarantor's EBITDA during the previous four (4) fiscal quarters to (ii) Guarantor's Fixed Charges during the same such previous four (4) fiscal quarters shall not be less than 1.40 to 1.00 as determined as soon as practicable after the end of each fiscal quarter, but in no event later than forty-five (45) days after the last day of the applicable fiscal quarter.

(b) Minimum Tangible Net Worth . Guarantor's Tangible Net Worth shall not fall below the sum of (i) Nine Hundred Seventy One Million Seven Hundred Thousand Dollars ($971,700,000.00) *plus* (ii) seventy-five percent (75%) of the net cash proceeds of any equity issuance by Guarantor that occurs on or after the date hereof.

(c) Minimum Cash Liquidity . Guarantor's Cash Liquidity shall not fall below the greater of (i) ten million dollars ($10,000,000) and (ii) five percent (5%) of Guarantor's Recourse Indebtedness.

(d) Maximum Indebtedness . The ratio, expressed as a percentage, the numerator of which shall equal Guarantor's and its Subsidiaries' Indebtedness and the denominator of which shall equal Guarantor's and its Subsidiaries Total Assets, shall not be greater than eighty-three and one-third percent (83.3333%).

10. Severability . Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. Paragraph Headings . The paragraph headings used in this Guaranty are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

12. No Waiver; Cumulative Remedies . Buyer shall not by any act (except by a written instrument pursuant to Section 14), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy under this Guaranty or to have acquiesced in any default or event of default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of Buyer, any right, power or privilege under this Guaranty shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege under this Guaranty shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Buyer of any right or remedy under this Guaranty on any one occasion shall not be construed as a bar to any right or remedy which Buyer would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

13. Waivers and Amendments; Successors and Assigns; Governing Law . None of the terms or provisions of this Guaranty may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Guarantor and Buyer; provided , that, subject to any limitations set forth in the Repurchase Agreement, any provision of this Guaranty may be waived by Buyer in a letter or agreement executed by Buyer or by facsimile or e-mail transmission from Buyer. This Guaranty shall be binding upon the heirs, personal representatives, successors and assigns of Guarantor and shall inure to the benefit of Buyer and

its successors and assigns. **THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF EXCEPT FOR SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK** .

14. Notices . Unless otherwise provided in this Guaranty, all notices, consents, approvals and requests required or permitted to be given to Guarantor under this Guaranty shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, or (d) by telecopier (with answerback acknowledged); provided, that such telecopied notice must also be delivered by one of the means set forth in (a), (b) or (c) above, to the address specified under its signature below or at such other address and person as shall be designated from time to time by Guarantor, in a written notice to Buyer in the manner provided for in Section 17 of the Repurchase Agreement. A notice shall be deemed to have been given: (a) in the case of hand delivery, at the time of delivery, (b) in the case of registered or certified mail, when delivered or first attempted delivery on a Business Day, (c) in the case of expedited prepaid delivery upon the first attempted delivery on a Business Day, or (d) in the case of telecopier, upon receipt of answerback confirmation; provided , that such telecopied notice was also delivered as required in this Section 14 . A party receiving a notice which does not comply with the technical requirements for notice under this Section 14 may elect to waive any deficiencies and treat the notice as having been properly given.

15. SUBMISSION TO JURISDICTION; WAIVERS . GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(A) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTY AND THE OTHER TRANSACTION DOCUMENTS TO WHICH GUARANTOR IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-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 GUARANTOR 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 GUARANTOR AT GUARANTOR'S ADDRESS SET FORTH UNDER GUARANTOR'S SIGNATURE BELOW OR AT SUCH OTHER ADDRESS OF WHICH BUYER SHALL HAVE BEEN NOTIFIED; AND

(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.

16. Integration . This Guaranty represents the agreement of Guarantor with respect to the subject matter hereof and there are no promises or representations by Buyer relative to the subject matter hereof not reflected herein.

17. Acknowledgments . Guarantor hereby acknowledges that:

(a) Guarantor has been advised by counsel in the negotiation, execution and delivery of this Guaranty and the related documents;

(b) Buyer has no fiduciary relationship to Guarantor, and the relationship between Buyer and Guarantor is solely that of surety and creditor;

(c) no joint venture exists between or among any of Buyer, Guarantor and any Seller; and

(d)(i) Guarantor is entering into this Guaranty to induce Buyer to enter into the Repurchase Agreement and (ii) this Guaranty relates to the Repurchase Agreement and the Transactions thereunder as part of an integrated, simultaneously-closing suite of secured financial contracts.

18. **WAIVERS OF JURY TRIAL . GUARANTOR HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTY OR ANY RELATED DOCUMENT AND FOR ANY COUNTERCLAIM HEREIN OR THEREIN.**

[SIGNATURES COMMENCE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Guaranty to be duly executed and delivered as of the date first above written.

BLACKSTONE MORTGAGE TRUST, INC., a Maryland corporation, as Guarantor

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

[Address for Notices Set Forth on Following Page]

Address for Notices :

Blackstone Mortgage Trust, Inc.
345 Park Avenue
New York, New York 10154
Attention: Douglas Armer
Telephone: (212) 583-5000
Email: BXMTMetLifeRepo@blackstone.com

With copies to:

ROPES & GRAY LLP
1211 Avenue of the Americas
New York, NY 10036-8704
Attention: David C. Djaha
Telephone: (212) 841-0489
Telecopy: (646) 728-2936
Email: david.djaha@ropesgray.com

AGREED AND ACCEPTED BY:

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ Michael Hofheinz
Name: Michael Hofheinz
Title: Director

Address for Notices :

Metropolitan Life Insurance
MetLife Real Estate Investments
10 Park Avenue
Morristown, New Jersey 07960
Attention: Michael Hofheinz
Telephone: (973) 355-4133
Telecopy: (973) 355-4420
Email: mhofheinz@metlife.com

With copies to:

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Brett Ulrich
Telephone: (973) 355-4721
Telecopy: (973) 355-4420
Email: bulrich@metlife.com

and

Metropolitan Life Insurance Company
MetLife Real Estate Investments / Capital Markets Group
10 Park Avenue
Morristown, New Jersey 07960
Attention: Tirsa Lisboa
Telephone: (973) 355-4301
Telecopy: (973) 355-4420
Email: tlisboa@metlife.com

Exhibit 31.1

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen D. Plavin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blackstone Mortgage Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2014

/s/ Stephen D. Plavin
Stephen D. Plavin
Chief Executive Officer

Exhibit 31.2

CERTIFICATION
PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul D. Quinlan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Blackstone Mortgage Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2014

/s/ Paul D. Quinlan
Paul D. Quinlan
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Blackstone Mortgage Trust, Inc. (the " Company ") on Form 10-Q for the period ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Stephen D. Plavin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen D. Plavin
Stephen D. Plavin
Chief Executive Officer
July 29, 2014

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Blackstone Mortgage Trust, Inc. (the " Company ") on Form 10-Q for the period ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Paul D. Quinlan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul D. Quinlan
Paul D. Quinlan
Chief Financial Officer
July 29, 2014

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.1

SECTION 13(r) DISCLOSURE

After Blackstone Mortgage Trust, Inc. ("BXMT") filed its Form 10-Q for the fiscal quarter ended March 31, 2014 with the Securities and Exchange Commission, The Blackstone Group L.P. ("Blackstone"), filed the disclosure reproduced below regarding Travelport Limited, which may be considered an affiliate of Blackstone, and therefore an affiliate of BXMT. BXMT did not independently verify or participate in the preparation of this disclosure.

Blackstone included the following disclosure in its Form 10-Q for the fiscal quarter ended March 31, 2014 :

Travelport Limited, which may be considered our affiliate, provided the disclosure reproduced below in connection with activities during the quarter ended March 31, 2014. We have not independently verified or participated in the preparation of this disclosure.

"As part of our global business in the travel industry, we provide certain passenger travel-related GDS and airline IT services to Iran Air. We also provide certain airline IT services to Iran Air Tours. All of these services are either exempt from applicable sanctions prohibitions pursuant to a statutory exemption permitting transactions ordinarily incident to travel or, to the extent not otherwise exempt, specifically licensed by the U.S. Office of Foreign Assets Control. Subject to any changes in the exempt/licensed status of such activities, we intend to continue these business activities, which are directly related to and promote the arrangement of travel for individuals."

Travelport has not provided us with gross revenues and net profits attributable to the activities described above.