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, 2015

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 21, 2015 was 93,230,131.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2015	December 31, 2014
Assets		
Cash and cash equivalents	$ 104,252	$ 51,810
Restricted cash	7,025	11,591
Loans receivable, net	10,131,323	4,428,500
Equity investments in unconsolidated subsidiaries	7,406	10,604
Accrued interest receivable, prepaid expenses, and other assets	216,055	86,016
Total Assets	$10,466,061	$ 4,588,521
Liabilities and Equity		
Accounts payable, accrued expenses, and other liabilities	$ 83,182	$ 61,013
Secured debt agreements	7,088,738	2,365,336
Loan participations sold	635,581	499,433
Convertible notes, net	163,073	161,853
Total Liabilities	7,970,574	3,087,635
Equity		
Class A common stock, $0.01 par value, 200,000,000 shares authorized, 93,229,986 and 58,269,889 shares issued and outstanding as of June 30, 2015 and December 31, 2014, respectively	932	583
Additional paid-in capital	3,063,429	2,027,404
Accumulated other comprehensive loss	(19,332)	(15,024)
Accumulated deficit	(561,905)	(547,592)
Total Blackstone Mortgage Trust, Inc. stockholders' equity	2,483,124	1,465,371
Non-controlling interests	12,363	35,515
Total Equity	2,495,487	1,500,886
Total Liabilities and Equity	$10,466,061	$ 4,588,521

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Income from loans and other investments				
Interest and related income	$ 80,481	$ 42,466	$ 143,889	$ 76,122
Less: Interest and related expenses	30,634	15,720	54,796	27,794
Income from loans and other investments, net	49,847	26,746	89,093	48,328
Other expenses				
Management and incentive fees	8,051	4,410	14,721	7,807
General and administrative expenses	15,698	15,356	23,359	18,554
Total other expenses	23,749	19,766	38,080	26,361
Unrealized gain on investments at fair value	4,714	7,163	22,190	5,824
Income from equity investments in unconsolidated subsidiaries	1,710	24,294	5,659	24,294
Income before income taxes	32,522	38,437	78,862	52,085
Income tax provision (benefit)	105	(2)	350	530
Net income	32,417	38,439	78,512	51,555
Net income attributable to non-controlling interests	(3,133)	(4,973)	(13,833)	(5,024)
Net income attributable to Blackstone Mortgage Trust, Inc.	$ 29,284	$ 33,466	$ 64,679	$ 46,531
Net income per share of common stock basic and diluted	$ 0.36	$ 0.70	$ 0.93	$ 1.08
Weighted-average shares of common stock outstanding, basic and diluted	80,940,535	47,977,813	69,820,061	43,000,242
Dividends declared per share of common stock	$ 0.52	$ 0.48	$ 1.04	$ 0.96

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income	$32,417	$38,439	$ 78,512	$51,555
Other comprehensive income:				
Unrealized gain (loss) on foreign currency remeasurement	15,732	1,894	(4,336)	1,930
Unrealized (loss) gain on derivative financial instruments	(3,308)	—	28	—
Comprehensive income	44,841	40,333	74,204	53,485
Comprehensive income attributable to non-controlling interests	(3,133)	(4,973)	(13,833)	(5,024)
Comprehensive income attributable to Blackstone Mortgage Trust, Inc.	$41,708	$35,360	$ 60,371	$48,461

See accompanying notes to consolidated financial statements.

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

	Blackstone Mortgage Trust, Inc.						
	Class A Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Stockholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2013	$ 295	$1,252,986	$ 798	$ (536,170)	$ 717,909	$ 38,841	$ 756,750
Shares of class A common stock issued, net	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	$ 484	$1,767,954	$ 2,728	$ (531,858)	$ 1,239,308	$ 42,717	$1,282,025
Balance at December 31, 2014	$ 583	$2,027,404	$ (15,024)	$ (547,592)	$ 1,465,371	$ 35,515	$1,500,886
Shares of class A common stock issued, net	349	1,029,208	—	—	1,029,557	—	1,029,557
Restricted class A common stock earned	—	6,504	—	—	6,504	—	6,504
Dividends reinvested	—	125	—	(118)	7	—	7
Deferred directors' compensation	—	188	—	—	188	—	188
Other comprehensive loss	—	—	(4,308)	—	(4,308)	—	(4,308)
Net income	—	—	—	64,679	64,679	13,833	78,512
Dividends declared on common stock	—	—	—	(78,874)	(78,874)	—	(78,874)
Distributions to non-controlling interests	—	—	—	—	—	(36,985)	(36,985)
Balance at June 30, 2015	$ 932	$3,063,429	$ (19,332)	$ (561,905)	$ 2,483,124	$ 12,363	$2,495,487

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30,	
	2015	2014
Cash flows from operating activities		
Net income	$ 78,512	$ 51,555
Adjustments to reconcile net income to net cash provided by operating activities		
Unrealized gain on investments at fair value	(22,190)	(5,824)
Income from equity investments in unconsolidated subsidiaries	(5,659)	(24,294)
Non-cash compensation expense	11,184	4,769
Distributions of income from unconsolidated subsidiaries	5,007	14,125
Amortization of deferred interest on loans	(12,198)	(7,702)
Amortization of deferred financing costs and premiums/discount on debt obligations	7,955	4,103
Changes in assets and liabilities, net		
Accrued interest receivable, prepaid expenses, and other assets	(56,703)	(5,236)
Accounts payable, accrued expenses, and other liabilities	443	2,513
Net cash provided by operating activities	6,351	34,009
Cash flows from investing activities		
Originations and fundings of loans receivable	(6,430,243)	(1,740,977)
Origination and exit fees received on loans receivable	16,373	21,751
Principal collections and proceeds from the sale of loans receivable and other assets	686,037	271,884
Decrease (increase) in restricted cash	4,566	(1,296)
Net cash used in investing activities	(5,723,267)	(1,448,638)
Cash flows from financing activities		
Borrowings under secured debt agreements	6,241,975	1,835,136
Repayments under secured debt agreements	(1,520,790)	(1,167,507)
Repayment of other liabilities	—	(20,794)
Proceeds from sales of loan participations	256,000	368,850
Repayment of loan participations	(124,164)	—
Payment of deferred financing costs	(17,712)	(10,510)
Payments under derivative financial instruments	1,062	—
Purchase of and distributions to non-controlling interests	(36,985)	(1,148)
Proceeds from issuance of class A common stock	1,029,557	510,845
Dividends paid on class A common stock	(60,695)	(32,129)
Net cash provided by financing activities	5,768,248	1,482,743
Net increase in cash and cash equivalents	51,332	68,114
Cash and cash equivalents at beginning of period	51,810	52,342
Effects of currency translation on cash and cash equivalents	1,110	—
Cash and cash equivalents at end of period	$ 104,252	$ 120,456
Supplemental disclosure of cash flows information		
Payments of interest	$ (43,558)	$ (21,522)
Payments of income taxes	$ (126)	$ (1,159)
Supplemental disclosure of non-cash investing and financing activities		
Dividends declared, not paid	$ (48,480)	$ (23,322)
Participations sold, net	$ 131,836	$ 368,850

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 originates and purchases senior loans collateralized by properties in North America 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The consolidated financial statements, including the notes thereto, are unaudited and exclude some of the disclosures required in audited financial statements. 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 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed with the Securities and Exchange Commission.

Basis of Presentation

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

One of our subsidiaries, 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 balance sheet and statement of cash flows to conform to the current period presentation.

Principles of Consolidation

We consolidate all entities that we control through either majority ownership or voting rights. In addition, we consolidate all VIEs of which we are considered the 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.

As of December 31, 2014, we no longer had any assets or liabilities on our consolidated balance sheet attributable to any consolidated VIEs.

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

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ 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, and discounts 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. In addition, for loans we originate, the related origination expenses are similarly deferred, however expenses related to loans acquired are included in general and administrative expenses as incurred.

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 originate and purchase 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 to us pursuant 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 risk factors of each loan, and assigns a risk rating based on a variety of factors, including, without limitation, loan-to-value ratio, or LTV, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship. Based on a 5-point scale, our loans are rated “1” through “5,” from less risk to greater risk, which ratings are defined as follows:

- **1 - Very Low Risk**
- **2 - Low Risk**
- **3 - Medium Risk**
- **4 - High Risk/Potential for Loss:** A loan that has a risk of realizing a principal loss.
- **5 - Impaired/Loss Likely:** A loan that has a very high risk of realizing a principal loss or has otherwise incurred a principal loss.

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

During the three months ended June 30, 2015, we acquired a portfolio of loans from General Electric Capital Corporation and certain of its affiliates for a total purchase price of $4.7 billion. We allocated the aggregate purchase price between each loan based on its fair value relative to the overall portfolio, which allocation resulted in purchase discounts or premiums determined on an asset-by-asset basis. Each loan will accrete from its allocated purchase price to its principal balance over the life of the loan, consistent with the other loans in our portfolio.

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.

Derivative Financial Instruments

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

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

On a quarterly basis, we also formally assess whether the derivative we designated in each hedging relationship is expected to be, and has been, highly effective in offsetting changes in the value or cash flows of the hedged items. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued. Changes in the fair value of the effective portion of our hedges are reflected in accumulated other comprehensive income (loss) on our consolidated financial statements. Changes in the fair value of the ineffective portion of our hedges are included in net income (loss). Amounts are reclassified out of accumulated other comprehensive income (loss) and into net income (loss) when the hedged item is either sold or substantially liquidated. To the extent a derivative does not qualify for hedge accounting and is deemed a freestanding derivative, the changes in its value are included in net income (loss).

Repurchase Agreements

We record investments financed with repurchase agreements 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 agreements are reported separately on our consolidated statements of operations.

Loan Participations Sold

Loan participations sold represent senior interests in certain loans that we sold, however, we present such loan participations sold as liabilities because these arrangements do not qualify as sales under GAAP. These participations are non-recourse and remain on our consolidated balance sheet until the loan is repaid. The gross presentation of loan participations sold does not impact stockholders' equity or net income.

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 ASC, 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 estimated 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 (through 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.

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.

Fair Value of Financial Instruments

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

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

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

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

The estimated value of each asset reported 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 reported 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 13. 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

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

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.

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

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

- Cash and cash equivalents: The carrying amount of cash on deposit and in money market funds approximates fair value.
- Restricted cash: The carrying amount of restricted cash approximates fair value.
- Loans receivable, net: The fair values for these loans were 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.
- Derivative financial instruments: The fair value of our foreign currency contracts and interest rates caps was valued using advice from a third party derivative specialist, based on contractual cash flows and observable inputs comprising foreign currency rates and credit spreads.
- Repurchase obligations: The fair values for these instruments were estimated based on the rate at which a similar credit facility would have currently priced.
- Convertible notes, net: The convertible notes are actively traded and their fair values were obtained using quoted market prices for these instruments.
- Loan participations sold: The fair value of these instruments were 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 11 for additional information.

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 as well as deferred stock units issued to certain members of our Board of Directors. Stock-based compensation expense is recognized for these awards in net income on a variable basis over the applicable vesting period of the awards, based on the value of our class A common stock. Refer to Note 12 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, including restricted class A common stock and deferred stock units, divided by the weighted-average number of shares of class A common stock, including restricted class A common stock and deferred stock units outstanding during the period. Our restricted class A common stock is considered a participating security, as defined by GAAP, and has been included in our Basic EPS under the two-class method as these restricted shares have the same rights as our other shares of class A common stock, including participating in any gains or losses.

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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, including restricted class A common stock and deferred stock units, divided by the weighted-average number of shares of class A common stock, including restricted class A common stock and deferred stock units. Refer to Note 9 for additional discussion of earnings per share.

Foreign Currency

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

Underwriting Commissions and Offering Costs

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

Segment Reporting

We previously operated our business through two segments, the Loan Origination segment and the CT Legacy Portfolio segment. In the first quarter of 2015, as a result of asset resolutions in our CT Legacy Portfolio, our Manager determined that the CT Legacy Portfolio segment was no longer a distinct and separately managed business. Accordingly, we no longer present segment reporting.

Recent Accounting Pronouncements

In April 2015, the FASB issued ASU 2015-03, “Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs,” or ASU 2015-03. ASU 2015-03 simplifies the presentation of debt issuance costs by amending the accounting guidance to require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability. The amendments presented in ASU 2015-03 are consistent with the accounting guidance related to debt discounts. ASU 2015-03 is effective for the first interim or annual period beginning after December 15, 2015. Early adoption is permitted, and we are currently assessing the impact of ASU 2015-03 on our consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02, “Consolidation (Topic 810): Amendments to the Consolidation Analysis,” or ASU 2015-02. ASU 2015-02 amends the guidance related to accounting for the consolidation of certain legal entities. The modifications made in ASU 2015-02 impact limited partnerships and similar legal entities, the evaluation of (i) fees paid to a decision maker or a service provider as a variable interest, (ii) fee arrangements, and (iii) related parties on the primary beneficiary determination. ASU 2015-02 is effective for the first interim or annual period beginning after December 15, 2015. We have elected early adoption of ASU 2015-02 and determined there to be no material impact on our consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, “Presentation of Financial Statements – Going Concern (Subtopic 2015-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern,” or ASU 2014-15. ASU 2014-15 introduces an explicit requirement for management to assess and provide certain disclosures if there is substantial doubt about an entity’s ability to continue as a going concern. ASU 2014-15 is effective for the annual period ending after December 15, 2016. We do not anticipate that the adoption of ASU 2014-15 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

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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, 2015. We have historically recorded our repurchase arrangements as secured borrowings and, accordingly, the adoption of ASU 2014-11 did not have a material impact on 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 2014-09 is effective for the first interim or annual period beginning after December 15, 2017, 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.

3. LOANS RECEIVABLE

During the second quarter of 2015, we completed the acquisition of a $4.9 billion portfolio of commercial mortgage loans secured by properties located in North America and Europe from General Electric Capital Corporation, or GE, and certain of its affiliates and joint venture partnerships. The purchase price for this GE portfolio was $4.7 billion and we assumed $202.1 million of unfunded commitments.

The following table details overall statistics for our loans receivable portfolio as of June 30, 2015 ($ in thousands):

	Floating Rate Loans	Fixed Rate Loans	Total
Number of loans	101	37	138
Principal balance	$ 8,009,046	$ 2,160,563	$10,169,609
Net book value	$ 7,969,227	$ 2,162,096	$10,131,323
Unfunded loan commitments [1]	$ 786,419	$ 4,735	$ 791,154
Weighted-average cash coupon [2]	L+4.21%	5.33%	4.72%
Weighted-average all-in yield [2]	L+4.59%	5.54%	5.06%
Weighted-average maximum maturity (years) [3]	3.5	2.9	3.4

(1) Unfunded commitments will primarily be funded to finance property improvements or lease-related expenditures by the borrowers. These future commitments will expire over the next four years.

(2) As of June 30, 2015, our floating rate loans were indexed to various benchmark rates, with 80% of floating rate loans indexed to USD LIBOR. In addition, $1.2 billion of our floating rate loans earned interest based on floors that are above the applicable index, with an average floor of 0.59%, as of June 30, 2015. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of both extension and exit fees. Coupon and all-in yield for the total portfolio assume applicable floating benchmark rates for weighted-average calculation.

(3) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date. As of June 30, 2015, 69% of our loans were subject to yield maintenance or other prepayment restrictions and 31% were open to repayment by the borrower without penalty.

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The following table details overall statistics for our loans receivable portfolio as of December 31, 2014 ($ in thousands):

	December 31, 2014
Number of loans	60
Principal balance	$ 4,462,897
Net book value	$ 4,428,500
Unfunded loan commitments [1]	$ 513,229
Weighted-average cash coupon [2]	L+4.36%
Weighted-average all-in yield [2]	L+4.81%
Weighted-average maximum maturity (years) [3]	3.9

(1) Unfunded commitments will primarily be funded to finance property improvements or lease-related expenditures by the borrowers. These future commitments will expire over the next four years.
(2) As of December 31, 2014, all of our loans were floating rate loans and were indexed to various benchmark rates, with 79% of floating rate loans indexed to USD LIBOR. In addition, 14% of our floating rate loans earned interest based on floors that are above the applicable index, with an average floor of 0.31%, as of December 31, 2014. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of both extension and exit fees.
(3) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date. As of December 31, 2014, 85% of our loans were subject to yield maintenance or other prepayment restrictions and 15% were open to repayment by the borrower without penalty.

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

	Principal Balance	Deferred Fees / Other Items [1]	Net Book Value
December 31, 2014	$ 4,462,897	$ (34,397)	$ 4,428,500
Loan purchases and fundings	6,430,243	—	6,430,243
Loan repayments and sales	(723,922)	—	(723,922)
Unrealized gain (loss) on foreign currency translation	391	286	677
Deferred fees and other items [1]	—	(16,373)	(16,373)
Amortization of fees and other items [1]	—	12,198	12,198
June 30, 2015	$10,169,609	$ (38,286)	$10,131,323

(1) Other items primarily consist of purchase discounts or premiums, exit fees, and deferred origination expenses.

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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, 2015		December 31, 2014	
Asset Type	Net Book Value	Percentage	Net Book Value	Percentage
Senior loans (1)	$ 9,977,017	98%	$4,340,586	98%
Subordinate loans (2)	154,306	2	87,914	2
	$10,131,323	100%	$4,428,500	100%

Property Type	Net Book Value	Percentage	Net Book Value	Percentage
Office	$ 4,088,256	40%	$1,878,605	42%
Hotel	2,231,682	22	1,267,486	29
Manufactured housing	1,415,800	14	—	—
Retail	773,034	8	270,812	6
Multifamily	472,867	5	426,094	10
Condominium	352,152	3	315,686	7
Other	797,532	8	269,817	6
	$10,131,323	100%	$4,428,500	100%

Geographic Location	Net Book Value	Percentage	Net Book Value	Percentage
United States				
Northeast	$ 2,275,132	22%	$1,383,258	31%
Southeast	1,952,500	19	657,484	15
West	1,293,416	13	628,275	14
Southwest	1,266,544	13	405,741	9
Midwest	607,835	6	335,406	8
Northwest	398,951	4	138,796	3
Subtotal	7,794,378	77	3,548,960	80
International				
United Kingdom	1,159,450	11	622,692	14
Canada	806,010	8	137,024	3
Germany	230,565	2	—	—
Spain	79,875	1	86,289	2
Netherlands	61,045	1	33,535	1
Subtotal	2,336,945	23	879,540	20
Total	$10,131,323	100%	$4,428,500	100%

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

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Loan Risk Ratings

As further 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 risk factors of each loan, and assigns a risk rating based on several factors. Factors considered in the assessment include, but are not limited to, risk of loss, current LTV, debt yield, collateral performance, structure, exit plan, and sponsorship. Loans are rated "1" (less risk) through "5" (greater risk), which ratings are defined in Note 2.

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

	June 30, 2015			December 31, 2014		
Risk Rating	Number of Loans	Principal Balance	Net Book Value	Number of Loans	Principal Balance	Net Book Value
1	9	$ 970,624	$ 963,451	5	$ 209,961	$ 209,112
2	87	6,626,108	6,601,541	44	3,339,972	3,313,906
3	42	2,572,877	2,566,331	11	912,964	905,482
4 - 5	—	—	—	—	—	—
	138	$10,169,609	$10,131,323	60	$4,462,897	$4,428,500

We do not have any loan impairments, nonaccrual loans, or loans in maturity default as of June 30, 2015 or December 31, 2014.

4. EQUITY INVESTMENTS IN UNCONSOLIDATED SUBSIDIARIES

As of June 30, 2015, 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 as follows ($ in thousands):

	CTOPI Carried Interest
Total as of December 31, 2014	$ 10,604
Distributions	(5,007)
Income allocation [(1)]	1,809
Total as of June 30, 2015	$ 7,406

(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, 2015, we had been allocated $7.4 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 or earned, pending distribution, and appropriate contingencies have been eliminated. During the six months ended June 30, 2015, we recognized $5.7 million of promote income from CTOPI in respect of our carried interest and recorded such amount as income in our consolidated statement of operations. This carried interest was either received in cash, or was earned and available in cash at CTOPI pending future distribution as of June 30, 2015.

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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. Approximately 68% of the pool is two-thirds vested as of June 30, 2015, with the remainder contingent on continued employment with an affiliate of our Manager and upon our receipt of promote distributions from CTOPI. The remaining 32% of the pool is fully vested as a result of an acceleration event. During the six months ended June 30, 2015, we accrued $2.5 million under the CTOPI incentive plan, which amount was recognized as a component of general and administrative expenses in our consolidated statement of operations.

5. SECURED DEBT AGREEMENTS

As of June 30, 2015, our secured financings included revolving repurchase facilities, the GE portfolio acquisition facility, and asset-specific repurchase agreements. The following table details our secured debt agreements ($ in thousands):

	Secured Debt Agreements Borrowings Outstanding	
	June 30, 2015	December 31, 2014
Revolving repurchase facilities	$ 2,636,822	$ 2,040,783
GE portfolio acquisition facility	4,038,165	—
Asset-specific repurchase agreements	413,751	324,553
	$ 7,088,738	$ 2,365,336

Revolving Repurchase Facilities

During the six months ended June 30, 2015, we increased the maximum facility size of three of our revolving repurchase facilities, providing an additional $762.5 million of credit capacity. The following table details our revolving repurchase facilities as of June 30, 2015 ($ in thousands):

Lender	Maximum Facility Size [1]	Collateral Assets [2]	Repurchase Borrowings		
			Potential	Outstanding	Available [3]
Bank of America	$ 750,000	$ 815,125	$ 642,169	$ 606,535	$ 35,634
JP Morgan [4]	753,348	832,222	653,830	566,063	87,767
Wells Fargo	1,000,000	887,926	689,679	549,858	139,821
MetLife	750,000	556,409	433,445	364,153	69,292
Citibank	500,000	575,506	439,239	362,562	76,677
Morgan Stanley [5]	393,450	243,383	190,850	187,651	3,199
	$ 4,146,798	$3,910,571	$3,049,212	$2,636,822	$ 412,390

(1) Maximum facility size represents the total amount of borrowings in each repurchase agreement, however these borrowings are only available to us once sufficient collateral assets have been pledged under each facility at the discretion of the lender.
(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 ($240.8 million) facility, and $262.5 million related solely to a specific asset with a repurchase date of January 9, 2018.
(5) The Morgan Stanley maximum facility size represents a £250.0 million ($393.5 million) facility.

The weighted-average outstanding balance of our revolving repurchase facilities was $2.2 billion for the six months ended June 30, 2015. As of June 30, 2015, we had aggregate borrowings of $2.6 billion outstanding under our revolving repurchase facilities, with a weighted-average cash coupon of LIBOR plus 1.83% per annum and a weighted-average all-in cost of credit, including associated fees and expenses, of LIBOR plus 2.05% per annum. As of June 30, 2015, outstanding borrowings under these facilities had a weighted-average maturity, excluding extension options and term-out provisions, of 1.7 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.

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The following table outlines the key terms of our revolving repurchase facilities:

Lender	Rate [1][2]	Guarantee [1][3]	Advance Rate [1]	Margin Call [4]	Term/Maturity
Bank of America	L+1.69%	50%	79.5%	Collateral marks only	May 21, 2019 [5]
JP Morgan	L+1.81%	25%	80.3%	Collateral marks only	Term matched [6][7]
Wells Fargo	L+1.80%	25%	79.2%	Collateral marks only	Term matched [6]
MetLife	L+1.80%	50%	77.9%	Collateral marks only	February 24, 2021 [8]
Citibank	L+1.93%	25%	76.7%	Collateral marks only	Term matched [6]
Morgan Stanley	L+2.34%	25%	78.4%	Collateral marks only	March 3, 2017

(1) Represents a weighted-average based on collateral assets pledged and borrowings outstanding as of June 30, 2015.
(2) Represents weighted-average cash coupon on borrowings outstanding as of June 30, 2015. As of June 30, 2015, our floating rate loans and related liabilities were indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate.
(3) Other than amounts guaranteed based on specific collateral asset types, borrowings under our revolving repurchase facilities are not recourse to us.
(4) Margin call provisions under our revolving repurchase facilities do not permit valuation adjustments based on capital markets activity, and are limited to collateral-specific credit marks.
(5) Includes two one-year extension options which may be exercised at our sole discretion.
(6) These revolving repurchase facilities have various availability periods during which new advances can be made and which are generally subject to each lender's discretion. Maturity dates for advances outstanding are tied to the term of each respective collateral asset.
(7) Borrowings denominated in British pound sterling under this facility mature on January 7, 2018.
(8) Includes five one-year extension options which may be exercised at our sole discretion.

GE Portfolio Acquisition Facility

During the second quarter of 2015, concurrently with our acquisition of the GE loan portfolio, we entered into an agreement with Wells Fargo to provide us with $4.2 billion of financing secured by the portfolio. Of this amount, an aggregate of $4.0 billion was advanced at closings that were completed in stages during the quarter, and an additional $162.0 million is available to finance future loan fundings. The GE portfolio acquisition facility is non-revolving and consists of a single master repurchase agreement providing for both (i) asset-specific borrowings for each collateral asset as well as (ii) a sequential pay advance feature.

Asset-Specific Borrowings

The asset-specific borrowings under the GE portfolio acquisition facility were advanced at a weighted average rate of 80% of our purchase price of the collateral assets and will be repaid pro rata from collateral asset repayment proceeds. The asset-specific borrowings are currency matched to the collateral assets and accrue interest at a rate equal to the sum of (i) the applicable base rate plus (ii) a margin of 1.75%, which will increase to 1.80% and 1.85% in year four and year five, respectively. As of June 30, 2015, those borrowings were denominated in U.S. Dollars, Canadian Dollars, British Pounds Sterling, and Euros. The asset-specific borrowings are term matched to the underlying collateral assets with an outside maturity date of May 20, 2020, which may be extended pursuant to two one-year extension options. We guarantee obligations under the GE portfolio acquisition facility in an amount equal to the greater of (i) 25% of outstanding asset-specific borrowings, and (ii) $250.0 million. As of June 30, 2015, we had outstanding asset-specific borrowings of $3.8 billion under the GE portfolio acquisition facility.

Sequential Pay Advance

The GE portfolio acquisition facility also includes a sequential pay advance feature that provides $237.2 million of borrowings, representing an additional 5% advance against each collateral asset pledged under the facility. Borrowings under the sequential pay advance accrue interest at a rate equal to the sum of (i) 30-day LIBOR plus (ii) a margin of 3.10%. The sequential pay advance is denominated in U.S. Dollars and will be repaid from collateral loan principal repayments, after repayment of the related asset-specific borrowing. The sequential pay advances each have a maturity date that is one year from the date of funding, and we guarantee 100% of outstanding borrowings of the sequential pay advance. As of June 30, 2015, we had outstanding sequential pay advance borrowings of $236.7 million under the GE portfolio acquisition facility.

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Asset-Specific Repurchase Agreements

During the six months ended June 30, 2015, we entered into one asset-specific repurchase agreement providing an additional $103.1 million of credit capacity. The following table details statistics for our asset-specific repurchase agreements ($ in thousands):

	June 30, 2015		December 31, 2014	
	Repurchase Agreements	Collateral Assets	Repurchase Agreements	Collateral Assets
Number of loans	4	5	3	4
Principal balance	$ 413,751	$548,837	$ 324,553	$429,197
Weighted-average cash coupon (1)	L+2.75%	L+5.21%	L+2.68%	L+5.07%
Weighted-average cost / all-in yield (1)	L+3.19%	L+5.70%	L+3.16%	L+5.53%

(1) As of June 30, 2015, our floating rate loans and related liabilities were indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate. In addition to cash coupon, cost / all-in yield includes the amortization of deferred origination fees / financing costs.

The weighted-average outstanding balance of our asset-specific repurchase agreements was $375.5 million for the six months ended June 30, 2015.

Debt Covenants

Each of the guarantees related to our secured debt 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 $1.9 billion as of June 30, 2015 plus 75% of the net cash proceeds of future equity issuances subsequent to June 30, 2015; (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, 2015 and December 31, 2014, we were in compliance with these covenants.

6. LOAN PARTICIPATIONS SOLD

The financing of a loan by the non-recourse sale of a senior interest in the loan through a participation agreement does not qualify as a sale under GAAP. Therefore, in the instance of such sales, we present the whole loan as an asset and the loan participation sold as a liability on our consolidated balance sheet until the loan is repaid. The gross presentation of loan participations sold does not impact stockholders' equity or net income.

During the six months ended June 30, 2015, we sold one senior loan participation, providing an additional $256.0 million of credit capacity. The following table details statistics for our loan participations sold ($ in thousands):

	June 30, 2015		December 31, 2014	
	Participations Sold	Underlying Loans	Participations Sold	Underlying Loans
Number of loans	4	4	4	4
Principal balance	$ 635,581	$786,511	$ 499,433	$635,701
Weighted-average cash coupon (1)	L+2.39%	L+4.03%	L+2.51%	L+4.10%
Weighted-average all-in cost / yield (1)	L+2.64%	L+4.26%	L+2.71%	L+4.71%

(1) As of June 30, 2015, our floating rate loans and related liabilities were indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate. In addition to cash coupon, all-in cost / yield includes the amortization of deferred origination fees / financing costs.

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7. 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.

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 Convertible Notes were not convertible as of June 30, 2015. The conversion rate was 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, 2015, the conversion option value was zero based on the price of our class A common stock of $27.82. In addition, 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 $13.2 million discount upon issuance of the Convertible Notes, including $4.1 million of initial issuance costs, based on the implied value of the conversion option and an assumed 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. During the six months ended June 30, 2015, we incurred total interest on our convertible notes of $5.8 million, of which $4.5 million related to cash coupon and $1.3 million related to the amortization of discount and certain issuance costs. During the six months ended June 30, 2014, we incurred total interest on our convertible notes of $5.7 million, of which $4.5 million related to cash coupon and $1.2 million related to the amortization of discount and certain issuance costs. As of June 30, 2015, the Convertible Notes were carried on our consolidated balance sheet at $163.1 million, net of an unamortized discount of $9.4 million. Refer to Note 2 for additional discussion of our accounting policies for the Convertible Notes.

8. DERIVATIVE FINANCIAL INSTRUMENTS

Risk Management Objective of Using Derivatives

We use derivative financial instruments, which include interest rate caps and may also include interest rate swaps, options, floors and other interest rate derivative contracts, to hedge all or a portion of the interest rate risk associated with our borrowings. In addition, certain of our foreign operations expose us to fluctuations of foreign interest rates and exchange rates. These fluctuations may impact the value of our cash receipts and payments in terms of our functional currency, the U.S. Dollar. We enter into derivative financial instruments to protect the value or fix the amount of certain obligations in terms of the U.S. Dollar.

The principal objective of such arrangements is to minimize the risks and/or costs associated with our operating and financing structure as well as to hedge specific transactions. We do not intend to utilize derivatives for speculative or other purposes. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, we only enter into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which we and our affiliates may also have other financial relationships. We do not anticipate that any of the counterparties will fail to meet their obligations.

Cash Flow Hedges of Interest Rate Risk

Our objective in using interest rate derivatives is to add stability to interest expense and to manage our exposure to interest rate movements. In addition, we may be required by our lenders to enter into certain derivative contracts related to our credit facilities. To accomplish this objective, we primarily use interest rate caps. Interest rate caps designated as cash flow hedges involve the receipt of variable-rate amounts if interest rates rise above a certain level in exchange for an up-front premium.

The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in accumulated other comprehensive income and is subsequently reclassified into earnings in the period that the hedged transaction affects earnings. During the six months ended June 30, 2015, such derivatives were used to hedge the variable cash flows associated

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with floating rate debt. The ineffective portion of the change in fair value of such derivatives is recognized directly in earnings. During the six months ended June 30, 2015, we recorded no hedge ineffectiveness in our consolidated statement of operations.

Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on our floating rate debt. During the twelve months following June 30, 2015, we estimate that an additional $131,000 will be reclassified from other comprehensive income as an increase to interest expense.

As of June 30, 2015, we had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (notional amount in thousands):

Interest Rate Derivatives	Number of Instruments	Notional Amount	Strike	Index	Wtd. Avg. Maturity (Years)
Interest Rate Caps	26	$ 1,097,632	2%	USD LIBOR	1.8
Interest Rate Caps	11	C$ 550,589	2%	CDOR	1.7
Interest Rate Caps	1	€ 152,710	2%	EURIBOR	1.5
Interest Rate Caps	1	£ 15,142	2%	GBP LIBOR	1.8

Net Investment Hedges of Foreign Currency Risk

We have made investments in foreign entities which expose us to fluctuations between the U.S. Dollar and the foreign currency of the investment. Currently, we use derivative financial instruments to manage, or hedge, the variability in the carrying value of certain of our net investments in consolidated, foreign currency-denominated subsidiaries caused by the fluctuations in foreign currency exchange rates. For derivatives that are designated and qualify as a hedge of our net investment in a foreign currency, the gain or loss on such derivatives is reported in other comprehensive income as part of the cumulative translation adjustment to the extent it is effective. Any ineffective portion of a net investment hedge is recognized in our consolidated statement of operations. For derivatives that are not designated as hedging instruments, gains or losses are recognized in our consolidated statement of operations during the current period.

As of June 30, 2015, we had the following outstanding foreign exchange derivatives that were designated as net investment hedges of foreign currency risk (notional amount in thousands):

Foreign Currency Derivatives	Number of Instruments	Notional Amount
Sell CAD Forward	2	C$ 204,261
Sell GBP Forward	2	£ 64,000
Sell EUR Forward	2	€ 51,000

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Non-designated Hedges

Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements and other identified risks, but do not meet the strict hedge accounting requirements of ASC 815 – "Derivatives and Hedging." Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. During both the three and six months ended June 30, 2015, we recorded losses of $11,000 related to non-designated hedges.

As of June 30, 2015, we had the following outstanding non-designated hedges (notional amount in thousands):

Interest Rate Derivatives	Number of Instruments	Notional Amount
Interest Rate Caps	2	$42,240
Interest Rate Caps	1	£ 619

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

	Fair Value of Derivatives in an Asset Position as of [1]		Fair Value of Derivatives in a Liability Position as of [2]	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Derivatives designated as hedging instruments:				
Interest rate caps	$ 919	$ —	$ —	$ —
Foreign exchange contracts	1,672	1,138	2,506	—
Total derivatives designated as hedging instruments	$ 2,591	$ 1,138	$ 2,506	$ —

(1) Included in accrued interest receivable, prepaid expenses, and other assets in our consolidated balance sheet.
(2) Included in accounts payable, accrued expenses, and other liabilities in our consolidated balance sheet.

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The following table presents the effect of our derivative financial instruments on our consolidated statement of operations for the three and six months ended June 30, 2015 ($ in thousands):

Derivatives in Hedging Relationships	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion) [1] Three Months Ended June 30, 2015	Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion) [1] Six Months Ended June 30, 2015	Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion) Three Months Ended June 30, 2015	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion) Six Months Ended June 30, 2015
Cash Flow Hedges					
Interest rate caps	$ 823	$ 823	Interest Expense	$ —	$ —
Net Investment Hedges					
Foreign exchange contracts	2,485	(851)	Gain (Loss) on Sale of Subsidiary	—	—
Total	$ 3,308	$ (28)		$ —	$ —

(1) During the six months ended June 30, 2015, we received net cash settlements of $2.8 million on our foreign currency forward contracts. Those amounts are included as a component of Other Comprehensive Income on our consolidated balance sheet.

Credit-Risk Related Contingent Features

We have entered into agreements with certain of our derivative counterparties that contain provisions where if we were to default on any of our indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, we may also be declared in default on our derivative obligations. In addition, certain of our agreements with our derivative counterparties require that we post collateral to secure net liability positions. As of June 30, 2015, we were in a net asset position of $921,964 with one of our derivative counterparties and a net liability position of $1.3 million with another of our derivative counterparties.

9. EQUITY

Stock and Stock Equivalents

Authorized Capital

As of June 30, 2015, we had the authority to issue up to 300,000,000 shares of stock, consisting of 200,000,000 shares of class A common stock and 100,000,000 shares of preferred stock. Subject to applicable NYSE listing requirements, our board of directors is authorized to cause us to issue additional shares of authorized stock without stockholder approval. In addition, to the extent not issued, currently authorized stock may be reclassified between class A common stock and preferred stock. We do not have any shares of preferred stock issued and outstanding as of June 30, 2015.

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.

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The following table details our issuance of class A common stock during the six months ended June 30, 2015 ($ in thousands, except share and per share data):

	Class A Common Stock Offerings			2015 Total / Wtd. Avg.
	April 2015	May 2015 [3]	June 2015	
Shares issued	23,000,000	280,025	11,500,000	34,780,025
Share issue price [1]	$ 29.75	$ 29.97	$ 29.42	$ 29.64
Net proceeds [2]	$ 683,727	$ 7,895	$ 337,935	$ 1,029,557

(1) Represents price per share paid by the underwriters or sales agents, as applicable, after underwriting or sales discounts and commissions.
(2) Net proceeds represents proceeds received from the underwriters less applicable transaction costs.
(3) Issuance represents 280,025 shares issued over a five-day period in May 2015 under our at-the-market program, with a weighted average issue price of $29.97, and generating net proceeds of $7.9 million after allocable expenses.

We also issue restricted class A common stock under our stock-based incentive plans. Refer to Note 12 for additional discussion of these long-term incentive plans. In addition to our class A common stock, we also issue deferred stock units to certain members of our board of directors 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.

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

	Six Months Ended June 30,	
Common Stock Outstanding [1]	2015	2014
Beginning balance	58,388,808	29,602,884
Issuance of class A common stock	34,780,298	18,975,001
Issuance of restricted class A common stock, net	179,799	—
Issuance of deferred stock units	10,665	10,009
Ending balance	93,359,570	48,587,894

(1) Deferred stock units held by members of our board of directors totalled 129,584 and 106,188 as of June 30, 2015 and 2014, respectively.

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, 2015, we issued 273 shares of class A common stock under the dividend reinvestment component and did not issue shares under the direct stock purchase plan component. As of June 30, 2015, a total of 9,999,721 shares of class A common stock remain available for issuance under the dividend reinvestment and direct stock purchase plan.

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 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, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the six months ended June 30, 2015, we sold 280,025 shares of class A common stock under the ATM Agreements, with net proceeds totaling $7.9 million. As of June 30, 2015, sales of our class A common stock with an aggregate sales price of $188.6 million remain available for issuance under the ATM Agreements.

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Dividends

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

On June 30, 2015, we declared a dividend of $0.52 per share, or $48.5 million, which was paid on July 15, 2015, to stockholders of record as of June 30, 2015. During the six months ended June 30, 2015, we declared aggregate dividends of $1.04 per share, or $78.9 million. During the six months ended June 30, 2014, we declared aggregate dividends of $0.96 per share, or $42.1 million.

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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income [1]	$ 29,284	$ 33,466	$ 64,679	$ 46,531
Weighted-average shares outstanding, basic and diluted	80,940,535	47,977,813	69,820,061	43,000,242
Per share amount, basic and diluted	$ 0.36	$ 0.70	$ 0.93	$ 1.08

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

Other Balance Sheet Items

Accumulated Other Comprehensive Loss

As of June 30, 2015, total accumulated other comprehensive loss was $19.3 million, primarily representing (i) $20.5 million of cumulative currency translation adjustment on assets and liabilities denominated in foreign currencies and (ii) an offsetting $1.2 million gain related to changes in the fair value of derivative instruments. As of December 31, 2014, total accumulated other comprehensive loss was $15.0 million, primarily representing the cumulative currency translation adjustment on assets and liabilities denominated in a foreign currency.

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. As of June 30, 2015, CT Legacy Partners' total equity was $21.2 million, of which $8.8 million was owned by Blackstone Mortgage Trust, Inc., and $12.4 million was allocated to non-controlling interests.

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10. OTHER EXPENSES

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

Management and Incentive Fees

Pursuant to our management agreement, our Manager earns a base management fee in an amount 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 and (ii) the net income (loss) related to our legacy portfolio.

During the six months ended June 30, 2015 and 2014, we incurred $13.5 million and $7.8 million of management fees payable to our Manager, respectively. During the six months ended June 30, 2015, we incurred $1.2 million of incentive fees payable to our Manager. We did not incur any incentive fees payable to our Manager during the six months ended June 30, 2014.

General and Administrative Expenses

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Professional services	$ 777	$ 648	$ 1,476	$ 1,098
Operating and other costs	554	469	1,112	1,031
GE transaction costs	9,013	—	9,213	—
Subtotal	10,344	1,117	11,801	2,129
Non-cash and CT Legacy Portfolio compensation expenses				
Management incentive awards plan - CTOPI (1)	828	11,190	2,605	11,190
Management incentive awards plan - CT Legacy Partners (2)	1,024	416	2,054	552
Restricted class A common stock earned	3,303	2,289	6,506	4,029
Director stock-based compensation	94	94	188	188
Subtotal	5,249	13,989	11,353	15,959
Total BXMT expenses	15,593	15,106	23,154	18,088
Expenses of consolidated subsidiaries	105	250	205	466
Total general and administrative expenses	$15,698	$15,356	$23,359	$18,554

(1) Represents the portion of CTOPI promote revenue accrued under compensation awards. See Note 4 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). Approximately 50% of the pool is three-fourths vested as of June 30, 2015, with the remainder contingent on continued employment with an affiliate of our Manager and our receipt of distributions from CT Legacy Partners. Of the remaining 50% of the pool, 27% is fully vested as a result of an

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acceleration event, and 33% 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 $1.2 million and $2.8 million as of June 30, 2015 and December 31, 2014, respectively.

11. 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, 2015 and December 31, 2014, we were in compliance with all REIT requirements.

During the six months ended June 30, 2015 and 2014, we recorded a current income tax provision of $350,000 and $530,000, respectively, related to our taxable REIT subsidiaries as well as various state and local taxes. We did not have any deferred tax assets or liabilities as of June 30, 2015 or December 31, 2014.

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, or the IRS, with respect to the ownership of Blackstone Mortgage Trust. As of December 31, 2014, we had NOLs of $159.0 million and NCLs of $32.0 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, $31.4 million will expire in 2015, and $602,000 will expire in 2016 or later.

As of June 30, 2015, tax years 2011 through 2014 remain subject to examination by taxing authorities, however no such examinations are ongoing.

12. STOCK-BASED INCENTIVE PLANS

We do not have any employees as we are externally managed by our Manager. However, as of June 30, 2015, 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.

We had stock-based incentive awards outstanding under five benefit plans as of June 30, 2015: (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, 2015, there were 748,855 shares available under the Current Plans.

During the six months ended June 30, 2015, we issued 190,674 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 869,948 shares of restricted class A common stock outstanding as of June 30, 2015 will vest as follows: 227,761 shares will vest in 2015; 416,339 shares will vest in 2016; and 225,598 shares will vest in 2017. As of June 30, 2015,

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total unrecognized compensation cost relating to nonvested share-based compensation arrangements was $24.2 million. This cost is expected to be recognized over a weighted average period of 1.5 years from June 30, 2015.

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, 2014	919,719	$ 26.86
Granted	190,674	29.39
Vested	(229,570)	26.95
Forfeited	(10,875)	28.02
Balance as of June 30, 2015	869,948	$ 27.38

13. FAIR VALUES

Assets and Liabilities Recorded at Fair Value

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

	June 30, 2015				December 31, 2014			
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
Assets								
Derivatives	$ —	$2,591	$ —	$ 2,591	$ —	$1,138	$ —	$ 1,138
Other assets, at fair value (1)	$ —	$1,251	$12,696	$ 13,947	$ —	$1,510	$47,507	$ 49,017
Liabilities								
Derivatives	$ —	$2,506	$ —	$ 2,506	$ —	$ —	$ —	$ —

(1) 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,	
	2015	2014
January 1,	$ 47,507	$ 54,461
Proceeds from investments	(57,039)	(326)
Adjustments to fair value included in earnings		
Unrealized gain on investments at fair value	22,228	5,829
June 30,	$ 12,696	$ 59,964

Our other assets include loans, securities, equity investments, and other receivables that are carried at fair value. The following describes the key assumptions used in arriving at the fair value of each of these assets as of June 30, 2015 and December 31, 2014.

Securities: As of June 30, 2015, our securities, which had a book value of $11.0 million, were valued by obtaining assessments from third-party dealers.

Loans: As of June 30, 2015, we had no loans carried at fair value. As of December 31, 2014, we had one hotel loan and one office loan with an aggregate fair value of $19.0 million. The discount rate used to value the hotel loan that was outstanding as of December 31, 2014, was 7% and a 100 bp discount rate increase would have resulted in a decrease in fair value of 0.3%. The discount rate used to value the office loan that was outstanding as of December 31, 2014, was 15% and a 100 bp discount rate increase would have resulted in a decrease in fair value of 1.1%.

Equity investments and other receivables: As of June 30, 2015, equity investments and other receivables, which had an aggregate book value of $2.9 million, were generally valued by discounting expected cash flows.

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

	June 30, 2015			December 31, 2014		
	Carrying Amount	Face Amount	Fair Value	Carrying Amount	Face Amount	Fair Value
Financial assets						
Cash and cash equivalents	$ 104,252	$ 104,252	$ 104,252	$ 51,810	$ 51,810	$ 51,810
Restricted cash	7,025	7,025	7,025	11,591	11,591	11,591
Loans receivable, net	10,131,323	10,169,609	10,154,374	4,428,500	4,462,897	4,462,897
Financial liabilities						
Secured debt agreements	7,088,738	7,088,738	7,088,738	2,040,783	2,040,783	2,040,783
Loan participations sold	635,581	635,581	635,581	499,433	499,433	499,433
Convertible notes, net	163,073	172,500	185,006	161,853	172,500	181,341

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.

14. TRANSACTIONS WITH RELATED PARTIES

We are managed by our Manager pursuant to a management agreement, the initial term of which expires on December 19, 2016 and will be automatically renewed for a one-year term each anniversary thereafter unless earlier terminated.

As of June 30, 2015, our consolidated balance sheet included $8.1 million of accrued management and incentive fees payable to our Manager. During the six months ended June 30, 2015, we paid $12.9 million of management and incentive fees to our Manager and reimbursed our Manager for $139,000 of expenses incurred on our behalf. In addition, as of June 30, 2015, our consolidated balance sheet includes $83,333 of preferred distributions payable by CT Legacy Partners to an affiliate of our Manager. During the six months ended June 30, 2015, CT Legacy Partners made aggregate preferred distributions of $841,000 to such affiliate.

On October 23, 2014, we issued 337,941 shares of restricted class A common stock with a fair value of $9.4 million as of the grant date to our Manager under the 2013 Manager Plan. 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. During the six months ended June 30, 2015 and 2014, we recorded a non-cash expense related to these shares of $3.3 million and $1.7 million, respectively. Refer to Note 12 for further discussion of our restricted class A common stock.

In conjunction with our April 2015 stock offering, affiliates of our Manager, including certain of our executive officers and directors, purchased 1,885,245 shares of our class A common at the same $30.50 per share price offered to the public. We did not, however, pay the underwriters any fees for these affiliate share purchases. Blackstone Capital Markets acted as co-manager of the offering, for which it was compensated $761,000 on terms consistent with those for other non-affiliated underwriters.

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On April 10, 2015, we entered into a memorandum of designation and understanding, or Designation Agreement, with GE and certain affiliates of our Manager to acquire a $4.6 billion portfolio of commercial mortgage loans from GE. Pursuant to the terms of the Designation Agreement, we were designated as the purchaser of this loan portfolio by an affiliate of our Manager that entered into a purchase and sale agreement dated as of April 10, 2015 with GE to acquire the majority of GE's global real estate debt and equity business for an aggregate purchase price of approximately $23.0 billion. Certain transaction-related expenses incurred by us in connection with the acquisition of this loan portfolio represent an allocation of transaction expenses paid by affiliates of our Manager in connection with the overall acquisition transaction with GE.

On May 8, 2015, a joint venture of CT Legacy Partners, certain affiliates of our Manager, and other non-affiliated parties, which we refer to as the Three-Pack JV, sold a hotel portfolio it owned to an investment vehicle managed by an affiliate of our Manager. We consented to the sale of the hotel portfolio by the Three-Pack JV, which sale will result in the ultimate liquidation of the Three-Pack JV and distribution of net sale proceeds to CT Legacy Partners in respect of its investment therein. As of December 31, 2014, CT Legacy Partners carried its investment in the Three-Pack JV at $18.5 million. During the six months ended June 30, 2015, we recognized a gain of $22.1 million on our consolidated statement of operations to reflect the $40.6 million of expected net sales proceeds to be received by CT Legacy Partners, of which $37.7 million has been received as of June 30, 2015. As a result of the sale transaction, certain employees of our Manager, including certain of our executive officers, will receive incentive compensation payments of an aggregate $2.7 million under the CT Legacy Partners Management Incentive Awards Plan, of which $2.5 million has already been paid, based on $40.6 million of net sale proceeds to CT Legacy Partners. See Note 10 for further discussion of the CT Legacy Partners Management Incentive Awards Plan.

On May 15, 2015 we originated a $590.0 million loan, the proceeds of which were used by the borrower to repay an existing loan owned by an affiliate of our Manager.

During the three months ended March 31, 2015, we originated a $320.0 million loan to a third-party. In conjunction with the origination of our loan and repayment of the pre-existing financing, an affiliate of our Manager earned a modification fee of $354,000.

During the six months ended June 30, 2015, we incurred $129,000 of expenses for various administrative and capital market data services to third-party service providers that are affiliates of our Manager.

15. COMMITMENTS AND CONTINGENCIES

Unfunded Commitments Under Loans Receivable

As of June 30, 2015, we had unfunded commitments of $791.2 million related to 72 loans receivable, which amounts will generally be funded to finance lease-related or capital expenditures by our borrowers. These future commitments will expire over the next four years.

Income Tax Audits of CTIMCO

The IRS and the State of New York are separately undergoing examinations of the income tax returns for the years ended December 31, 2012 and 2011 of our former subsidiary, CT Investment Management Co., LLC, or CTIMCO. The examinations are on-going, and no adjustments have been communicated to us. When we sold CTIMCO in December 2012, we provided certain indemnifications related to its operations, and any amounts determined to be owed by CTIMCO would ultimately be paid by us. As of June 30, 2015, there are no reserves recorded for the CTIMCO examinations.

Litigation

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, 2015, we were not involved in any material legal proceedings.

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

Board of Directors' Compensation

As of June 30, 2015, of the eight members of our board of directors, our five independent directors are entitled to annual compensation of $125,000 each. The other three board members, including our chairman and our chief executive officer, serve as directors with no compensation. As of June 30, 2015, the annual compensation for our directors was paid 40% in cash and 60% in the form of deferred stock units. In addition, the member of our board of directors that serves as the chairperson of the audit committee of our board of directors receives additional annual cash compensation of $12,000. Compensation to the board of directors is payable in four equal quarterly installments.

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, 2014 and elsewhere in this quarterly report on Form 10-Q.

Introduction

Blackstone Mortgage Trust is a real estate finance company that originates and purchases senior loans collateralized by properties in North America 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 an exclusion from registration under the Investment Company Act of 1940, as amended. We are organized as a holding company and conduct our business primarily through our various subsidiaries.

Loan Portfolio Acquisition

During the three months ended June 30, 2015, we acquired a portfolio of 77 loans from General Electric Capital Corporation and certain of its affiliates, or GE, for a total purchase price of $4.7 billion. The GE loan portfolio consists of commercial mortgage loans secured by properties located in North America and Europe, and represents a significant expansion of our lending business. The acquisition closed in stages during the second quarter of 2015 and was financed through borrowings of $4.0 billion under a secured debt agreement with Wells Fargo as well as a portion of the $1.0 billion of proceeds we received from our underwritten offerings of shares of class A common stock.

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, 2015, we recorded earnings per share of $0.36, declared a dividend of $0.52 per share, and reported $0.38 per share of Core Earnings. In addition, our book value per share as of June 30, 2015 was $26.60. 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 we believe are not necessarily indicative of our current loan activity and operations.

Earnings Per Share and Dividends Declared

The following table sets forth the calculation of basic and diluted net income per share and the allocation 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, 2015	March 31, 2015
Net income [(1)]	$ 29,284	$ 35,393
Weighted-average shares outstanding, basic and diluted	80,940,535	58,576,025
Net income per share, basic and diluted	$ 0.36	$ 0.60
Dividends per share	$ 0.52	$ 0.52

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

Core Earnings

Core Earnings is a non-GAAP measure, which we define as GAAP net income (loss), including realized gains and losses not otherwise included in GAAP net income (loss), and excluding (i) net income (loss) attributable to our CT Legacy Portfolio, (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 GAAP cash flows from operations, 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.

During the three months ended June 30, 2015, Core Earnings was $0.38 per share compared to $0.54 per share during the three months ended March 31, 2015. The decrease in Core Earnings is primarily due to transaction expenses associated with the GE loan portfolio acquisition and an increase in our weighted-average shares outstanding as a result of issuing 34.8 million additional shares of our class A common stock during the quarter.

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

	Three Months Ended	
	June 30, 2015	March 31, 2015
Net income [1]	$ 29,284	$ 35,393
CT Legacy Portfolio net income	(1,857)	(8,400)
Non-cash compensation expense	3,396	3,297
Incentive management fees	—	1,212
GE purchase discount accretion adjustment [2]	(459)	—
Other items	416	342
Core Earnings	$ 30,780	$ 31,844
Weighted-average shares outstanding, basic and diluted	80,940,535	58,576,025
Core Earnings per share, basic and diluted	$ 0.38	$ 0.54

(1) Represents net income attributable to Blackstone Mortgage Trust, Inc.
(2) Adjustment in respect of the deferral in Core Earnings of the accretion of a total $9.1 million of purchase discount attributable to a certain pool of GE portfolio loans pending the repayment of those loans.

Book Value Per Share

As of June 30, 2015, book value was $26.60 per share compared to $24.87 per share as of March 31, 2015. The increase in book value per share is primarily due to offerings of our class A common stock during the quarter for average net proceeds of $29.64 per share. Additionally, positive unrealized foreign currency fluctuations resulted in an increase of $0.13 per share of book value in accumulated other comprehensive income. The following table calculates our book value per share ($ in thousands, except per share data):

	June 30, 2015	March 31, 2015
Stockholders' equity	$ 2,483,124	$ 1,456,935
Shares		
Class A common stock	92,360,038	57,405,747
Restricted class A common stock	869,948	1,045,330
Deferred stock units	129,584	124,333
Total outstanding	93,359,570	58,575,410
Book value per share	$ 26.60	$ 24.87

II. Loan Portfolio

During the quarter ended June 30, 2015, we acquired the entire $4.9 billion GE loan portfolio and originated $1.7 billion of new loans, for total originations of $6.5 billion. Loan fundings during the quarter totaled $6.1 billion, including $549.4 million of non-consolidated senior interests. We generated interest income of $80.5 million and incurred interest expense of $30.6 million during the quarter, which resulted in $49.8 million of net interest income during the three months ended June 30, 2015.

Our GE loan portfolio acquisition was financed with borrowings of $4.0 billion under our secured debt agreement with Wells Fargo. Our other loan originations were financed with a net $401.7 million of borrowings under secured debt agreements, and $390.8 million of proceeds from loan principal repayments. Additionally, we capitalized our loan origination activity through the issuance of our class A common stock with total proceeds of $1.0 billion during the quarter.

Portfolio Overview

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

	Three Months Ended June 30, 2015		Three Months Ended March 31, 2015	
	Loan Originations [1]	Loan Fundings [2]	Loan Originations [1]	Loan Fundings [2]
Senior loans [3]	$ 5,614,422	$5,404,820	$ 937,050	$ 903,049
Non-consolidated senior interests [4]	754,000	549,449	—	335
Subordinate loans [4]	166,000	122,271	—	103
Total	$ 6,534,422	$6,076,540	$ 937,050	$ 903,487

(1) Includes new originations and additional commitments made under existing borrowings.
(2) Loan fundings during the three months ended June 30, 2015 include $116.2 million of additional fundings under existing loans as of March 31, 2015, and loan fundings during the three months ended March 31, 2015 include $118.1 million of additional fundings under existing loans as of December 31, 2014.
(3) Includes senior mortgages and similar credit quality loans, including related contiguous subordinate loans, and pari passu participations in senior mortgage loans.
(4) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. These subordinate loan originations are therefore presented net of the related non-consolidated senior interests. During the three months ended June 30, 2015, our subordinate loan originations are presented net of related non-consolidated senior interest of $754.0 million. Loan fundings under these non-consolidated senior interests totaled $549.4 million during the quarter. See “Non-Consolidated Senior Interests” below.

As of June 30, 2015, the majority of our loans were senior mortgages and similar credit quality loans. The following table details overall statistics for our loan portfolio ($ in thousands):

	Floating Rate Loans	Fixed Rate Loans	Total
Number of loans	101	37	138
Principal balance	$ 8,009,046	$ 2,160,563	$10,169,609
Net book value	$ 7,969,227	$ 2,162,096	$10,131,323
Unfunded loan commitments [1]	$ 786,419	$ 4,735	$ 791,154
Weighted-average cash coupon [2]	L+4.21%	5.33%	4.72%
Weighted-average all-in yield [2]	L+4.59%	5.54%	5.06%
Weighted-average maximum maturity (years) [3]	3.5	2.9	3.4

(1) Unfunded commitments will primarily be funded to finance property improvements or lease-related expenditures by the borrowers. These future commitments will expire over the next four years.
(2) As of June 30, 2015, our floating rate loans were indexed to various benchmark rates, with 80% of floating rate loans indexed to USD LIBOR. In addition, $1.2 billion of our floating rate loans earned interest based on floors that are above the applicable index, with an average floor of 0.59%, as of June 30, 2015. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of both extension and exit fees. Coupon and all-in yield for the total portfolio assume applicable floating benchmark rates for weighted-average calculation.
(3) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date. As of June 30, 2015, 69% of our loans were subject to yield maintenance or other prepayment restrictions and 31% were open to repayment by the borrower without penalty.

The following table details overall statistics for our loans receivable portfolio as of December 31, 2014 ($ in thousands):

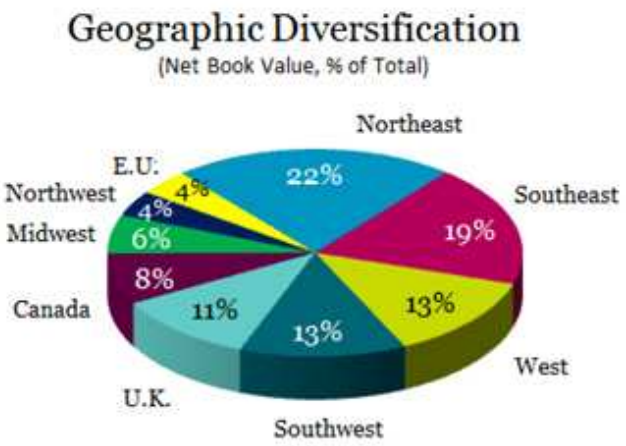
	December 31, 2014
Number of loans	60
Principal balance	$ 4,462,897
Net book value	$ 4,428,500
Unfunded loan commitments [1]	$ 513,229
Weighted-average cash coupon [2]	L+4.36%
Weighted-average all-in yield [2]	L+4.81%
Weighted-average maximum maturity (years) [3]	3.9

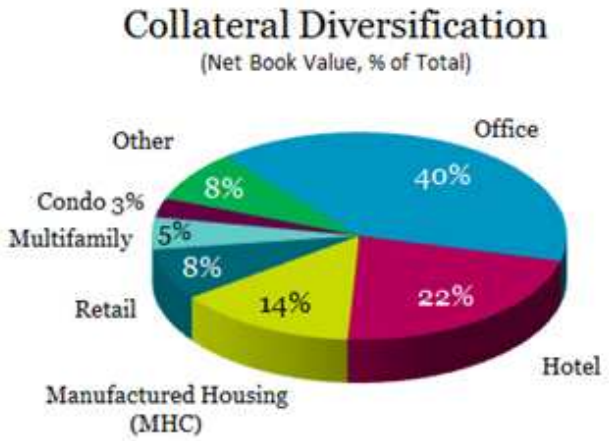
(1) Unfunded commitments will primarily be funded to finance property improvements or lease-related expenditures by the borrowers. These future commitments will expire over the next four years.

(2) As of December 31, 2014, all of our loans were floating rate loans and were indexed to various benchmark rates, with 79% of floating rate loans indexed to USD LIBOR. In addition, 14% of our floating rate loans earned interest based on floors that are above the applicable index, with an average floor of 0.31%, as of December 31, 2014. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of both extension and exit fees.

(3) Maximum maturity assumes all extension options are exercised by the borrower, however our loans may be repaid prior to such date. As of December 31, 2014, 85% of our loans were subject to yield maintenance or other prepayment restrictions and 15% were open to repayment by the borrower without penalty.

The charts below detail the geographic distribution and types of properties securing these loans, as of June 30, 2015 ($ in millions):





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

Asset Management

We actively manage the investments in our loan 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” and “5,” from less risk to greater risk. As of June 30, 2015, all of the investments in the loan portfolio are performing and the weighted-average risk rating of our loan portfolio is 2.2.

Secured Debt Agreements

Our secured debt agreements included revolving repurchase facilities, the GE portfolio acquisition facility, and asset-specific repurchase agreements.

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

	Secured Debt Agreements Borrowings Outstanding	
	June 30, 2015	December 31, 2014
Revolving repurchase facilities	$ 2,636,822	$ 2,040,783
GE portfolio acquisition facility	4,038,165	—
Asset-specific repurchase agreements	413,751	324,553
	$ 7,088,738	$ 2,365,336

Revolving Repurchase Facilities

During the six months ended June 30, 2015, we increased the maximum facility size of three of our revolving repurchase facilities providing an additional $762.5 million dollars of credit capacity. The following table details our revolving repurchase facilities as of June 30, 2015 ($ in thousands):

Lender	Maximum Facility Size [1]	Collateral Assets [2]	Repurchase Borrowings		
			Potential	Outstanding	Available [3]
Bank of America	$ 750,000	$ 815,125	$ 642,169	$ 606,535	$ 35,634
JP Morgan [4]	753,348	832,222	653,830	566,063	87,767
Wells Fargo	1,000,000	887,926	689,679	549,858	139,821
MetLife	750,000	556,409	433,445	364,153	69,292
Citibank	500,000	575,506	439,239	362,562	76,677
Morgan Stanley [5]	393,450	243,383	190,850	187,651	3,199
	$ 4,146,798	$3,910,571	$3,049,212	$2,636,822	$ 412,390

(1) Maximum facility size represents the total amount of borrowings in each repurchase agreement; however these borrowings are only available to us once sufficient collateral assets have been pledged under each facility at the discretion of the lender.
(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 ($240.8 million) facility, and $262.5 million related solely to a specific asset with a repurchase date of January 9, 2018.
(5) The Morgan Stanley maximum facility size represents a £250.0 million ($393.5 million) facility.

As of June 30, 2015, we had aggregate borrowings of $2.6 billion outstanding under our revolving repurchase facilities, with a weighted-average cash coupon of LIBOR plus 1.83% per annum and a weighted-average all-in cost of credit, including associated fees and expenses, of LIBOR plus 2.05% per annum. As of June 30, 2015, outstanding borrowings under these facilities had a weighted-average maturity, excluding extension options and term-out provisions, of 1.7 years.

GE Portfolio Acquisition Facility

During the second quarter of 2015, concurrently with our acquisition of the GE loan portfolio, we entered into an agreement with Wells Fargo to provide us with $4.2 billion of financing secured by the portfolio. Of this amount, an aggregate of $4.0 billion was advanced at closings that were completed in stages during the quarter, and an additional $162.0 million is available to finance future loan fundings. The GE portfolio acquisition facility is non-revolving and consists of a single master repurchase agreement providing for both (i) asset-specific borrowings for each collateral asset as well as (ii) a sequential pay advance feature.

Asset-Specific Borrowings

The asset-specific borrowings under the GE portfolio acquisition facility were advanced at a weighted average rate of 80% of our purchase price of the collateral assets and will be repaid pro rata from collateral asset repayment proceeds. The asset-specific borrowings are currency matched to the collateral assets and accrue interest at a rate equal to the sum of (i) the applicable base rate plus (ii) a margin of 1.75%, which will increase to 1.80% and 1.85% in year four and year five, respectively. As of June 30, 2015, those borrowings were denominated in U.S. Dollars, Canadian Dollars, British Pounds Sterling, and Euros. The asset-specific borrowings are term matched to the underlying collateral assets with an outside maturity date of May 20, 2020, which may be extended pursuant to two one-year extension options. We guarantee obligations under the GE portfolio acquisition facility in an amount equal to the greater of (i) 25% of outstanding asset-specific borrowings, and (ii) $250.0 million. As of June 30, 2015, we had outstanding asset-specific borrowings of $3.8 billion under the GE portfolio acquisition facility.

Sequential Pay Advance

The GE portfolio acquisition facility also includes a sequential pay advance feature that provides $237.2 million of borrowings, representing an additional 5% advance against each collateral asset pledged under the facility. Borrowings under the sequential pay advance accrue interest at a rate equal to the sum of (i) 30-day LIBOR plus (ii) a margin of 3.10%. The sequential pay advance is denominated in U.S. Dollars and will be repaid from collateral loan principal repayments, after repayment of the related asset-specific borrowing. The sequential pay advances each have a maturity date that is one year from the date of funding, and we guarantee 100% of outstanding borrowings of the sequential pay advance. As of June 30, 2015, we had outstanding sequential pay advance borrowings of $236.7 million under the GE portfolio acquisition facility.

Asset-Specific Repurchase Agreements

During the six months ended June 30, 2015, we entered into one asset-specific repurchase agreement providing an additional $103.1 million of credit capacity. The following table details our asset-specific repurchase agreements ($ in thousands):

	June 30, 2015		December 31, 2014	
	Repurchase Agreements	Collateral Assets	Repurchase Agreements	Collateral Assets
Number of loans	4	5	3	4
Principal balance	$ 413,751	$548,837	$ 324,553	$429,197
Weighted-average cash coupon (1)	L+2.75%	L+5.21%	L+2.68%	L+5.07%
Weighted-average cost / all-in yield (1)	L+3.19%	L+5.70%	L+3.16%	L+5.53%

(1) As of June 30, 2015, our floating rate loans and related liabilities were indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate. In addition to cash coupon, all-in cost / yield includes the amortization of deferred origination fees / financing costs.

Refer to Note 5 to our consolidated financial statements for additional terms and details of our secured debt agreements, including certain financial covenants.

Loan Participations Sold

During the six months ended June 30, 2015, we sold one senior loan participation, providing an additional $256.0 million of credit capacity. The following table details statistics for our loan participations sold ($ in thousands):

	June 30, 2015		December 31, 2014	
	Participations Sold	Underlying Loans	Participations Sold	Underlying Loans
Number of loans	4	4	4	4
Principal balance	$ 635,581	$786,511	$ 499,433	$635,701
Weighted-average cash coupon (1)	L+2.39%	L+4.03%	L+2.51%	L+4.10%
Weighted-average all-in cost / yield (1)	L+2.64%	L+4.26%	L+2.71%	L+4.71%

(1) As of June 30, 2015, our floating rate loans and related liabilities were indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate. In addition to cash coupon, all-in cost / yield includes the amortization of deferred origination fees / financing costs.

Refer to Note 6 to our consolidated financial statements for additional details related to our loan participations sold.

Non-Consolidated Senior Interests

In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. These non-consolidated senior interests provide structural leverage for our net investments which are reflected in the form of mezzanine loans or other subordinate interests on our balance sheet and our results of operations. During the six months ended June 30, 2015, we facilitated the syndication of two such non-consolidated senior interests, totaling $754.0 million. Fundings under these non-consolidated senior interests totaled $549.8 million during the six months ended June 30, 2015. The following table details the subordinate interests retained on our balance sheet and the related non-consolidated senior interests as of June 30, 2015 ($ in thousands):

	June 30, 2015		
	Total Loan	Non-Consolidated Senior Interest	Subordinate Interest
Number of loans	3	3	3
Principal balance	$816,513	$ 660,173	$ 156,340
Weighted-average cash coupon	L+4.60%	L+2.83%	L+12.04%
Weighted-average all-in yield (1)	L+5.08%	L+3.29%	L+12.60%

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

The following table details our non-consolidated senior interests as of December 31, 2014 ($ in thousands):

	December 31, 2014		
	Total Loan	Non-Consolidated Senior Interest	Subordinate Interest
Number of loans	1	1	1
Principal balance	$144,354	$ 110,388	$ 33,966
Weighted-average cash coupon	L+5.25%	L+3.00%	L+12.56%
Weighted-average all-in yield (1)	L+5.21%	L+3.00%	L+12.35%

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

Floating Rate Portfolio

Generally, our business model is such that rising interest rates will increase our net income, while declining interest rates will decrease net income. As of June 30, 2015, 79% of our loans earned a floating rate of interest and were financed with liabilities that pay interest at floating rates, which resulted in an amount of net equity that is positively correlated to rising interest rates, subject to the impact of interest rate floors on certain of our floating rate loans. As of June 30, 2015, 21% of our loans earned a fixed rate of interest, but are financed with liabilities that pay interest at floating rates, which resulted in a negative correlation to rising interest rates to the extent of such financing. In instances where we have financed fixed rate assets with floating rate liabilities, we have purchased interest rate caps to limit our exposure to increases in interest rates on such liabilities.

Our liabilities are generally currency and index-matched to each collateral asset, resulting in a net exposure to movements in benchmark rates that varies by currency silo based on the relative proportion of floating rate assets and liabilities. The following table details our loan portfolio's sensitivity to interest rates by currency as of June 30, 2015 ($/£/€/C$ in thousands):

	USD	GBP	EUR	CAD
Floating rate loans [1]	$ 6,449,844	£ 720,770	€ 143,036	C$ 327,611
Floating rate debt [1][2]	(5,829,314)	(594,397)	(210,055)	(799,422)
Net floating rate exposure [3]	$ 620,530	£ 126,373	€ (67,019)	C$(471,811)

(1) As of June 30, 2015, our floating rate loans and related liabilities were indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate.
(2) Includes borrowings under secured debt agreements and loan participations sold.
(3) In addition, we have interest rate caps of $1.1 billion, £15.1 million, €152.7 million, and C$550.6 million to limit our exposure to increases in interest rates.

Convertible Notes

In November 2013, we issued $172.5 million 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 7 to our consolidated financial statements for additional discussion of our Convertible Notes.

CT Legacy Portfolio

As of June 30, 2015, Our CT Legacy Portfolio consists of: (i) our interests in CT Legacy Partners, LLC, or CT Legacy Partners and (ii) our carried interest in CT Opportunity Partners I, LP, or CTOPI, a private investment fund that was previously under our management and is now managed by an affiliate of our Manager.

During the six months ended June 30, 2015 we recognized (i) $22.2 million of unrealized gain on investments at fair value, (ii) $5.7 million of income from equity investments in unconsolidated subsidiaries, and (iii) $13.8 million of non-controlling interest related to our CT Legacy Portfolio. In addition, we received $30.8 million of distributions related to assets in the CT Legacy Portfolio.

III. Our Results of Operations

Operating Results

The following table sets forth information regarding our consolidated results of operations and certain key operating metrics ($ in thousands, except per share data):

	Three Months Ended June 30,		2015 vs 2014	Six Months Ended June 30,		2015 vs 2014
	2015	2014	$	2015	2014	$
Income from loans and other investments						
Interest and related income	$80,481	$42,466	$ 38,015	$143,889	$76,122	$ 67,767
Less: Interest and related expenses	30,634	15,720	14,914	54,796	27,794	27,002
Income from loans and other investments, net	49,847	26,746	23,101	89,093	48,328	40,765
Other expenses						
Management and incentive fees	8,051	4,410	3,641	14,721	7,807	6,914
General and administrative expenses	15,698	15,356	342	23,359	18,554	4,805
Total other expenses	23,749	19,766	3,983	38,080	26,361	11,719
Unrealized gain on investments at fair value	4,714	7,163	(2,449)	22,190	5,824	16,366
Income from equity investments in unconsolidated subsidiaries	1,710	24,294	(22,584)	5,659	24,294	(18,635)
Income before provision for taxes	32,522	38,437	(5,915)	78,862	52,085	26,777
Income tax (benefit) provision	105	(2)	107	350	530	(180)
Net income	32,417	38,439	(6,022)	78,512	51,555	26,957
Net income attributable to non-controlling interests	(3,133)	(4,973)	1,840	(13,833)	(5,024)	(8,809)
Net income attributable to Blackstone Mortgage Trust, Inc.	$29,284	$33,466	$ (4,182)	$ 64,679	$46,531	$ 18,148
Net income per share - basic and diluted	$ 0.36	$ 0.70	$ (0.34)	$ 0.93	$ 1.08	$ (0.15)
Dividends per share	$ 0.52	$ 0.48	$ 0.04	$ 1.04	$ 0.96	$ 0.08

Income from loans and other investments, net

Income from loans and other investments, net increased $38.0 million and $67.8 million, during the three months and six months ended June 30, 2015, respectively, as compared to the corresponding periods in 2014. The increase was primarily due to the interest income earned on our loan portfolio, the principal balance of which increased by $6.7 billion as of June 30, 2015 compared with June 30, 2014. This was partially offset by additional interest expense incurred on our secured debt agreements, the principal balance of which increased by $5.3 billion as of June 30, 2015 compared with June 30, 2014.

Other expenses

Other expenses are comprised of management and incentive fees payable to our Manager and general and administrative expenses. Other expenses increased by $4.0 million during the three months ended June 30, 2015 compared to the three months ended June 30, 2014 due to (i) $9.0 million of transaction costs related the GE loan portfolio acquisition, (ii) an increase of $3.6 million of management and incentive fees payable to our Manager, primarily as a result of additional net proceeds received from the sale of our class A common stock, (iii) $1.0 million of additional non-cash restricted stock amortization related to shares awarded under our long-term incentive plans, and (iv) $69,000 of additional general operating expenses. These were partially offset by a decrease of $9.7 million of compensation expenses associated with our CT Legacy Portfolio incentive plans.

Other expenses increased by $11.7 million during the six months ended June 30, 2015 compared to the six months ended June 30, 2014 due to (i) $9.2 million of transaction costs related the GE loan portfolio acquisition, (ii) an increase of $6.9 million of management and incentive fees payable to our Manager, primarily as a result of additional net proceeds received from the sale of our class A common stock, (iii) $2.5 million of additional non-cash restricted stock amortization related to shares awarded under our long-term incentive plans, and (iv) $198,000 of additional general operating expenses. These were partially offset by a decrease of $7.1 million of compensation expenses associated with our CT Legacy Portfolio incentive plans.

Unrealized gain on investments at fair value

During the three months ended June 30, 2015, we recognized $4.7 million of net unrealized gains on investments held by CT Legacy Partners. During the three months ended June 30, 2014, we recognized $7.2 million of net unrealized gains on investments held by CT Legacy Partners.

During the six months ended June 30, 2015, we recognized $22.2 million of net unrealized gains on investments held by CT Legacy Partners. During the six months ended June 30, 2014, we recognized $5.8 million of net unrealized gains on investments held by CT Legacy Partners.

Income from equity investments in unconsolidated subsidiaries

During the three months ended June 30, 2015, we recognized $1.7 million of promote income from CTOPI. During the three months ended June 30, 2014, we recognized $24.3 million of promote income from CTOPI.

During the six months ended June 30, 2015, we recognized $5.7 million of promote income from CTOPI. During the six months ended June 30, 2014, we recognized $24.3 million of promote income from CTOPI.

Net income attributable to non-controlling interests

During the three months ended June 30, 2015, we recognized $3.1 million of net income attributable to non-controlling interest compared with $5.0 million during the six months ended June 30, 2014. The non-controlling interest represents the portion of CT Legacy Partners net income that is not owned by us. The decrease in non-controlling interest is primarily a result of the decrease of $2.5 million of unrealized gain on investments at fair value recognized by CT Legacy Partners during the three months ended June 30, 2015 compared to the three months ended June 30, 2014.

During the six months ended June 30, 2015, we recognized $13.8 million of net income attributable to non-controlling interest compared with $5.0 million during the six months ended June 30, 2014. The increase in non-controlling interest is primarily a result of the increase of $16.4 million of unrealized gain on investments at fair value recognized by CT Legacy Partners during the six months ended June 30, 2015 compared to the six months ended June 30, 2014.

Dividends per share

During the three months ended June 30, 2015, we declared a dividend of $0.52 per share, or $48.5 million, which was paid on July 15, 2015 to common stockholders of record as of June 30, 2015. 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.

During the six months ended June 30, 2015, we declared aggregate dividends of $1.04 per share, or $78.9 million. During the six months ended June 30, 2014, we declared aggregate dividends of $0.96 per share, or $42.1 million.

IV. Liquidity and Capital Resources

Capitalization

We have capitalized our business to date through, among other things, the issuance and sale of shares of our class A common stock, borrowings under secured debt agreements, and the issuance and sale of Convertible Notes. As of June 30, 2015, we had 93,229,986 shares of our class A common stock outstanding representing $2.5 billion of stockholders' equity, $7.1 billion of outstanding borrowings under secured debt agreements, and $172.5 million of Convertible Notes outstanding.

As of June 30, 2015, our secured debt agreements consisted of revolving repurchase facilities with an outstanding balance of $2.6 billion, the GE portfolio acquisition facility with an outstanding balance of $4.0 billion, and $413.8 million of asset-specific repurchase agreements. We also finance our business through the sale of loan participations and non-consolidated senior interests. As of June 30, 2015 we had $635.6 million of loan participations sold and $660.2 million of non-consolidated senior interests.

As of June 30, 2015, we also had $172.5 million aggregate principal amount of Convertible Notes with a net book value of $163.1 million, which carry a cash coupon of 5.25% and an all-in cost of 7.16%. These notes mature in December 2018.

See Notes 5, 6, and 7 to our consolidated financial statements for additional details regarding our secured debt agreements, loan participations sold, and Convertible Notes.

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, 2015	December 31, 2014
Cash and cash equivalents	$ 104,252	$ 51,810
Available borrowings under revolving repurchase facilities	412,390	218,555
	$ 516,642	$ 270,365

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 Securities and Exchange Commission, or 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. The securities covered by this registration statement include: (i) class A common stock, (ii) preferred stock, (iii) debt securities, (iv) depositary shares representing preferred stock, (v) warrants, (vi) subscription rights, (vii) purchase contracts, and (viii) units consisting of one or more of such securities or any combination of these securities. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

We may also access liquidity through a dividend reinvestment plan 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 our at-the-market stock offering program, pursuant to which we may sell, from time to time, up to an aggregate of $200.0 million of our class A common stock. Refer to Note 9 to our consolidated financial statements for additional details.

Our existing loan portfolio also provides us with liquidity as loans are repaid or sold, in whole or in part, and the proceeds from such repayments become available for us to reinvest.

Liquidity Needs

In addition to our ongoing loan origination activity, our primary liquidity needs include interest and principal payments under our $7.3 billion of outstanding borrowings under secured debt agreements and Convertible Notes, our $791.2 million of unfunded loan commitments, dividend distributions to our stockholders, and operating expenses.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of June 30, 2015 were as follows ($ in thousands):

	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Unfunded loan commitments [1]	$ 791,154	$ 153,145	$ 550,295	$ 87,714	$ —
Secured debt agreements [2][3]	7,270,096	1,824,674	4,580,812	813,148	51,462
Loan participations sold [3]	687,839	177,233	113,336	397,270	—
Convertible notes, net	203,959	9,221	18,364	176,374	—
Total	$8,953,048	$2,164,273	$5,262,807	$1,474,506	$ 51,462

(1) The allocation of our unfunded loan commitments is based on the earlier of the commitment expiration date or the loan maturity date.
(2) The allocation of our revolving repurchase facilities is based on the initial maturity date of each individual borrowing under our revolving repurchase facilities. Excludes the related future interest payment obligations, which are not fixed and determinable due to the revolving nature of these facilities.
(3) Assumes repayment date based on the initial maturity of each instrument. Future interest payment obligations are determined using the relevant benchmark rates in effect as of June 30, 2015, as applicable.

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. The table above does not include the amounts payable to our Manager under our Management Agreement as they are not fixed and determinable. Refer to Note 10 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,	
	2015	2014
Cash flows from operating activities	$ 6,351	$ 34,009
Cash flows from investing activities	(5,723,267)	(1,448,638)
Cash flows from financing activities	5,768,248	1,482,743
Net increase in cash and cash equivalents	$ 51,332	$ 68,114

We experienced a net increase in cash of $51.3 million for the six months ended June 30, 2015, compared to a net increase of $68.1 million for the six months ended June 30, 2014. During the six months ended June 30, 2015, we (i) borrowed a net $4.7 billion under our secured debt agreements, (ii) generated $1.0 billion of proceeds from issuances of our class A common stock, (iii) received $686.0 million of proceeds from loan sales and principal collections, and (iv) sold $256.0 million of loan participations. We used the proceeds from our debt and equity financing activities to purchase and originate $6.4 billion of new loans. Refer to Notes 5 and 6 to our consolidated financial statements for additional discussion of our secured debt obligations and participations sold. Refer to Note 3 to our consolidated financial statements for further discussion of our loan activity.

V. Other Items

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, 2015 and December 31, 2014, we were in compliance with all REIT requirements.

Refer to Note 11 to our consolidated financial statements for additional discussion of our income taxes.

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 SEC on February 17, 2015.

Refer to Note 2 to our consolidated financial statements for the description of our Significant Accounting Policies.

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VI. Loan Portfolio Details

The following table provides details of our loan portfolio, on a loan-by-loan basis, as of June 30, 2015 ($ in millions):

	Loan Type [1]	Origination Date [2]	Total Loan	Principal Balance	Book Balance	Cash Coupon [3]	All-in Yield [3]	Maximum Maturity [4]	Geographic Location	Property Type	Origination LTV [2]	Risk Rating
1	Senior loan	6/4/2015	$410.7	$ 403.9	$408.2	5.48% [6]	5.66% [6]	7/18/2018	Canada	Hotel	54%	2
2	Senior loan	6/11/2015	341.1	341.1	341.9	4.88% [6]	4.93% [6]	4/30/2019	Diversified-US	MHC	78%	2
3	Senior loan	5/22/2014	314.8	314.8	311.0	L + 4.00%	L + 4.34%	5/22/2019	U.K.	Hotel	57%	1
4	Senior loan	6/23/2015	306.9	306.9	307.6	5.26% [6]	5.41% [6]	1/31/2017	Diversified-US	MHC	60%	2
5	Senior loan	5/1/2015	320.3	294.5	291.5	L + 3.45%	L + 3.83%	5/1/2020	NY	Office	68%	3
6	Senior loan	1/7/2015	315.0	261.5	258.7	L + 3.50%	L + 3.95%	1/9/2020	NY	Office	53%	2
7	Senior loan	6/23/2015	213.4	213.4	212.8	5.38%	5.56%	1/18/2017	Germany	Retail	53%	2
8	Senior loan	6/11/2015	206.6	206.6	207.1	4.76% [6]	4.90% [6]	1/31/2017	Diversified-US	MHC	65%	2
9	Senior loan	3/4/2015	200.0	200.0	200.0	L + 4.25%	L + 4.25%	3/9/2017	WA	Office	64%	1
10	Senior loan	11/21/2013	181.0	181.0	180.1	L + 4.50%	L + 4.86%	11/9/2018	NY	Condo	68%	3
11	Senior loan	12/9/2014	210.7	163.8	162.7	L + 3.80%	L + 4.31%	12/9/2019	Diversified-US	Office	65%	2
12	Senior loan	7/31/2014	190.0	158.3	157.5	L + 3.50%	L + 4.01%	8/9/2019	IL	Office	70%	2
13	Senior loan	1/7/2014	156.3	156.3	155.4	L + 4.75%	L + 5.14%	1/7/2019	Diversified-US	Other	58%	2
14	Senior loan	11/20/2014	151.1	151.1	149.8	L + 3.40%	L + 3.62%	11/20/2019	U.K.	Hotel	62%	1
15	Senior loan	2/25/2014	166.0	150.5	149.4	L + 4.40%	L + 4.82%	3/9/2019	Diversified-US	Hotel	49%	2
16	Senior loan	6/4/2015	145.7	145.7	145.5	L + 4.50%	L + 4.55%	7/23/2018	U.K.	Other	53%	2
17	Senior loan	6/23/2015	154.8	145.1	145.1	L + 5.00%	L + 5.02%	12/20/2017	D.C.	Office	50%	2
18	Senior loan	12/17/2013	139.6	139.6	139.2	L + 4.75%	L + 5.27%	1/9/2019	NY	Office	70%	2
19	Senior loan	1/30/2014	145.9	133.4	133.2	L + 4.30%	L + 4.63%	12/1/2017	NY	Hotel	38%	2
20	Senior loan	10/30/2013	130.0	128.6	128.2	L + 4.38%	L + 4.62%	11/9/2018	CA	Hotel	71%	2
21	Senior loan	6/20/2014	137.5	127.7	127.0	L + 5.75%	L + 6.30%	6/20/2016	CA	Hotel	43%	3
22	Senior loan	6/23/2015	125.0	125.0	125.5	L + 3.65%	L + 3.64%	11/30/2018	Diversified-US	Hotel	83%	3
23	Senior loan	6/23/2015	119.8	119.8	121.5	L + 3.05%	L + 3.17%	11/1/2016	Diversified-US	Other	57%	2
24	Senior loan	11/17/2014	146.0	121.8	120.7	L + 5.50%	L + 5.94%	12/9/2019	Canada	Office	53%	3
25	Senior loan	5/28/2015	122.0	119.9	119.6	L + 4.75%	L + 4.87%	8/31/2017	Diversified-US	Various	86%	3
26	Senior loan	6/4/2015	114.8	114.8	114.5	L + 5.00%	L + 5.08%	8/15/2018	U.K.	Hotel	48%	2
27	Senior loan	3/4/2014	122.8	104.5	103.6	L + 4.00%	L + 4.58%	3/4/2018	U.K.	Office	50%	2
28	Senior loan	2/20/2014	100.0	99.6	99.3	L + 4.40%	L + 4.58%	3/9/2019	NY	Office	68%	2
29	Senior loan	6/24/2015	100.0	100.0	99.2	L + 3.50%	L + 3.86%	12/1/2019	VA	Office	43%	2
30	Senior loan	9/30/2013	113.5	98.3	98.1	L + 3.94%	L + 4.82%	9/30/2020	NY	Multi	67%	3

continued…

	Loan Type [1]	Origination Date [2]	Total Loan	Principal Balance	Book Balance	Cash Coupon [3]	All-in Yield [3]	Maximum Maturity [4]	Geographic Location	Property Type	Origination LTV [2]	Risk Rating
31	Senior loan	6/4/2015	92.2	92.2	97.1	1.63% [6]	2.50% [6]	7/15/2015	U.K.	Office	68%	3
32	Senior loan	8/28/2014	125.0	96.1	95.6	L + 4.35%	L + 4.71%	12/9/2018	NY	Office	78%	3
33	Senior loan	6/23/2015	100.0	90.0	89.6	L + 3.55%	L + 3.66%	7/31/2019	NY	Hotel	59%	3
34	Senior loan	6/30/2015	89.0	89.0	88.8	5.68% [6]	5.81% [6]	11/30/2017	Diversified-US	MHC	56%	1
35	Senior loan	6/23/2015	97.4	87.9	87.5	L + 3.40%	L + 3.54%	7/31/2019	VA	Office	75%	3
36	Senior loan	3/12/2015	101.2	88.3	87.4	L + 3.25%	L + 3.69%	3/11/2020	CA	Office	66%	1
37	Senior loan	10/28/2014	85.0	81.8	81.2	L + 3.75%	L + 4.12%	11/9/2019	NY	Retail	78%	2
38	Senior loan	6/4/2015	83.9	80.3	81.1	5.05% [6]	5.14% [6]	3/28/2019	Canada	Retail	74%	3
39	Senior loan	2/18/2015	89.9	81.8	81.0	L + 3.75%	L + 4.30%	3/9/2020	CA	Office	71%	2
40	Senior loan	6/23/2015	85.3	80.7	80.6	L + 4.35%	L + 4.38%	8/31/2018	CA	Office	61%	2
41	Senior loan	6/24/2015	107.3	81.6	80.5	L + 4.25%	L + 4.72%	7/9/2020	HI	Hotel	67%	2
42	Senior loan	9/8/2014	80.9	80.9	79.9	L + 4.00%	L + 4.34%	11/20/2019	Spain	Retail	70%	2
43	Senior loan	5/20/2014	82.0	80.0	79.6	L + 4.00%	L + 4.54%	6/9/2019	D.C.	Office	79%	2
44	Senior loan	5/16/2014	86.8	79.4	78.9	L + 3.85%	L + 4.15%	6/9/2019	FL	Office	74%	2
45	Senior loan	10/2/2013	78.2	78.2	77.9	L + 5.00%	L + 5.38%	9/14/2018	Diversified-US	Other	66%	2
46	Senior loan	6/5/2014	77.1	77.1	76.5	L + 4.50%	L + 4.90%	6/5/2019	U.K.	Retail	80%	2
47	Senior loan	7/11/2014	82.2	76.0	75.4	L + 3.65%	L + 4.03%	8/9/2019	IL	Office	64%	2
48	Senior loan	5/22/2014	79.7	71.5	71.0	L + 4.50%	L + 4.92%	6/15/2019	CA	Office	67%	2
49	Senior loan	6/23/2015	80.9	70.9	70.5	L + 3.75%	L + 3.92%	8/31/2019	NY	Condo	50%	2
50	Senior loan	8/8/2013	68.0	68.0	68.0	L + 4.00%	L + 4.23%	6/10/2016	NY	Office	68%	2
51	Senior loan	6/11/2015	75.3	67.8	67.6	L + 3.47%	L + 3.55%	11/30/2018	TX	Office	50%	2
52	Senior loan	6/4/2015	66.9	66.9	66.7	L + 3.25%	L + 3.38%	7/6/2017	U.K.	Retail	55%	2
53	Mezzanine loan [5]	5/15/2015	100.0	67.1	66.3	L + 12.83%	L + 13.46%	5/15/2020	FL	Retail	36%	2
54	Senior loan	6/23/2015	65.6	65.3	65.4	4.83% [6]	4.87% [6]	8/31/2020	FL	MHC	69%	2
55	Senior loan	7/26/2013	81.8	64.8	64.7	L + 5.00%	L + 5.82%	8/9/2018	VA	Office	72%	2
56	Senior loan	5/1/2015	83.5	64.3	63.6	L + 3.95%	L + 4.41%	5/9/2020	MD	Hotel	67%	2
57	Senior loan	5/20/2015	71.5	63.0	63.2	L + 4.15%	L + 4.22%	5/31/2018	Diversified-US	Office	62%	3
58	Senior loan	6/27/2013	59.6	59.6	59.5	L + 3.85%	L + 4.01%	7/9/2018	GA	Multi	75%	2
59	Senior loan	3/11/2014	65.0	58.6	58.2	L + 4.50%	L + 4.92%	4/9/2019	NY	Multi	65%	3
60	Senior loan	1/13/2014	60.0	60.0	57.7	L + 3.45%	L + 4.89%	6/9/2020	NY	Office	53%	2

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	Loan Type [1]	Origination Date [2]	Total Loan	Principal Balance	Book Balance	Cash Coupon [3]	All-in Yield [3]	Maximum Maturity [4]	Geographic Location	Property Type	Origination LTV [2]	Risk Rating
61	Senior loan	5/28/2015	63.7	55.9	56.1	L + 3.50%	L + 3.56%	12/31/2018	CA	Office	74%	2
62	Senior loan	6/11/2015	55.6	55.4	55.5	4.57% [6]	4.61% [6]	9/30/2020	Diversified-US	MHC	79%	3
63	Senior loan	7/17/2013	60.0	54.5	54.4	L + 4.50%	L + 5.34%	7/16/2017	NY	Retail	69%	2
64	Mezzanine loan [5]	6/30/2015	66.0	55.1	53.8	L + 10.75%	L + 11.70%	7/9/2020	CA	Condo	66%	3
65	Senior loan	5/20/2015	53.0	53.0	52.9	L + 3.75%	L + 3.83%	11/30/2018	AZ	Other	72%	3
66	Senior loan	10/6/2014	60.0	51.0	50.5	L + 4.15%	L + 4.56%	10/9/2019	NY	Hotel	65%	2
67	Senior loan	5/20/2015	54.0	50.3	50.4	L + 3.50%	L + 3.56%	12/31/2018	IL	Office	67%	3
68	Senior loan	4/1/2014	50.0	50.0	49.8	L + 4.20%	L + 4.73%	4/9/2019	HI	Hotel	69%	2
69	Senior loan	7/12/2013	50.0	50.0	49.7	L + 3.85%	L + 3.64%	8/9/2018	IL	Office	68%	2
70	Senior loan	2/27/2015	71.0	50.2	49.6	L + 3.50%	L + 4.00%	2/26/2020	IL	Office	64%	2
71	Senior loan	9/4/2013	51.8	49.6	49.4	L + 3.85%	L + 4.25%	9/10/2018	Diversified-US	Multi	76%	3
72	Senior loan	9/9/2014	56.0	48.5	48.2	L + 4.00%	L + 4.31%	9/9/2019	FL	Office	71%	2
73	Senior loan	12/30/2013	51.0	46.9	46.6	L + 4.50%	L + 4.89%	1/9/2019	AZ	Office	67%	2
74	Senior loan	7/2/2013	50.0	46.3	46.1	L + 4.25%	L + 4.64%	7/10/2018	CO	Hotel	69%	2
75	Senior loan	5/28/2015	49.3	45.0	45.2	5.37% [6]	5.45% [6]	2/28/2018	CA	Office	66%	3
76	Senior loan	5/20/2015	58.0	44.8	44.7	5.29% [6]	5.36% [6]	6/30/2019	NC	Office	71%	3
77	Senior loan	6/11/2015	47.1	44.2	44.3	4.76% [6]	4.83% [6]	10/31/2018	FL	MHC	63%	3
78	Senior loan	6/4/2015	50.8	43.9	44.0	5.36% [6]	5.76% [6]	4/30/2016	Canada	Hotel	64%	2
79	Senior loan	12/19/2014	44.0	44.0	43.7	L + 4.25%	L + 4.94%	1/9/2017	NY	Multi	50%	2
80	Senior loan	8/8/2013	43.5	42.4	42.3	L + 4.25%	L + 4.73%	8/10/2018	Diversified-US	Hotel	61%	2
81	Senior loan	3/26/2014	43.3	42.0	41.8	L + 4.30%	L + 4.70%	4/9/2019	CA	Office	71%	2
82	Senior loan	9/26/2014	51.0	40.1	39.8	L + 4.00%	L + 4.67%	10/9/2019	TX	Office	70%	3
83	Senior loan	6/12/2014	40.0	40.0	39.2	L + 4.00%	L + 6.14%	6/30/2018	CA	Office	44%	3
84	Senior loan	5/20/2015	43.1	38.9	39.0	5.00% [6]	5.06% [6]	10/31/2018	Diversified-US	Office	66%	3
85	Senior loan	5/20/2015	42.5	38.6	38.6	L + 3.50%	L + 3.56%	12/31/2018	TX	Retail	84%	2
86	Senior loan	5/28/2015	41.4	38.3	38.4	L + 3.55%	L + 3.61%	10/31/2018	CA	Office	64%	1
87	Senior loan	5/20/2015	43.0	38.0	38.1	L + 3.82%	L + 3.88%	9/27/2018	NC	Office	61%	2
88	Senior loan	5/28/2015	40.8	37.9	37.9	5.89% [6]	6.02% [6]	3/6/2017	GA	Office	48%	2
89	Senior loan	12/20/2013	46.5	36.5	36.3	L + 4.10%	L + 4.51%	1/9/2019	CA	Office	43%	2
90	Senior loan	6/26/2015	42.1	36.3	35.9	L + 3.75%	L + 4.36%	7/9/2020	CA	Office	73%	2

continued…

	Loan Type [1]	Origination Date [2]	Total Loan	Principal Balance	Book Balance	Cash Coupon [3]	All-in Yield [3]	Maximum Maturity [4]	Geographic Location	Property Type	Origination LTV [2]	Risk Rating
91	Senior loan	6/11/2015	35.5	35.5	35.5	4.58% [6]	4.63% [6]	7/31/2019	FL	MHC	80%	3
92	Senior loan	6/11/2015	35.2	35.2	35.3	5.34%	5.37%	5/31/2020	Diversified-US	MHC	65%	2
93	Senior loan	6/23/2015	34.7	34.7	35.0	5.87%	5.80%	8/31/2015	Diversified-US	MHC	72%	3
94	Mezzanine loan [5]	12/13/2013	35.1	34.1	34.2	L + 12.56%	L + 12.35%	12/13/2017	NY	Condo	77%	3
95	Senior loan	11/28/2013	45.2	33.7	33.3	L + 4.63%	L + 5.40%	11/27/2018	U.K.	Office	68%	2
96	Senior loan	6/4/2015	33.8	33.8	33.2	L + 3.75%	L + 4.59%	4/26/2017	U.K.	Retail	56%	2
97	Senior loan	5/28/2015	33.6	33.6	33.1	L + 5.00%	L + 5.88%	1/2/2017	FL	Multi	69%	2
98	Senior loan	5/20/2015	38.5	32.7	32.5	4.71% [6]	5.13% [6]	1/31/2019	CA	Office	59%	2
99	Senior loan	6/23/2015	32.6	32.6	32.1	4.90%	5.39%	11/30/2016	GA	Multi	72%	2
100	Senior loan	5/20/2015	36.5	32.0	31.5	L + 3.60%	L + 3.97%	7/11/2019	CA	Office	46%	1
101	Senior loan	5/20/2015	37.0	31.5	31.2	4.42% [6]	4.81% [6]	4/30/2019	WA	Multi	74%	2
102	Senior loan	6/18/2014	31.5	31.5	31.1	L + 4.00%	L + 4.46%	7/20/2019	Netherlands	Office	69%	2
103	Senior loan	5/28/2015	30.8	30.7	30.4	L + 4.65%	L + 5.13%	6/30/2018	TX	Hotel	45%	2
104	Senior loan	4/17/2015	30.3	30.3	30.0	L + 4.50%	L + 4.95%	4/20/2020	Netherlands	Hotel	71%	3
105	Senior loan	6/11/2015	29.4	29.4	29.1	L + 5.00%	L + 5.60%	11/30/2017	Diversified-US	Other	53%	2
106	Senior loan	6/4/2015	29.2	29.2	28.7	5.97%	6.75%	7/1/2017	Canada	MHC	49%	1
107	Senior loan	6/23/2015	28.6	28.6	28.2	6.29%	7.17%	5/18/2017	U.K.	Office	40%	2
108	Senior loan	4/4/2014	30.7	28.2	28.1	L + 4.25%	L + 4.66%	4/9/2019	CA	Office	64%	2
109	Senior loan	12/9/2013	28.0	28.0	27.9	L + 4.35%	L + 4.71%	12/9/2018	CA	Hotel	55%	1
110	Senior loan	9/27/2013	29.7	27.9	27.8	L + 3.85%	L + 4.22%	10/10/2018	Diversified-US	Multi	76%	2
111	Senior loan	5/28/2015	32.3	27.8	27.5	L + 4.35%	L + 4.95%	12/31/2017	CA	Office	48%	2
112	Senior loan	6/23/2015	27.4	27.4	27.0	L + 5.45%	L + 6.19%	9/30/2017	Diversified-US	Other	58%	3
113	Senior loan	6/4/2015	28.0	27.0	26.8	L + 4.30%	L + 7.14%	12/14/2015	Canada	Office	63%	3
114	Senior loan	2/28/2014	26.0	26.0	25.9	L + 4.00%	L + 4.27%	3/9/2019	AZ	Other	69%	2
115	Senior loan	5/20/2015	25.8	25.8	25.5	L + 3.65%	L + 4.96%	7/1/2016	TX	Other	63%	2
116	Senior loan	9/23/2014	25.0	25.0	25.0	L + 3.75%	L + 7.57%	10/1/2017	NY	Condo	48%	3
117	Senior loan	6/11/2015	26.0	25.2	25.0	5.23% [6]	5.52% [6]	11/30/2020	FL	MHC	75%	3
118	Senior loan	5/28/2015	52.0	25.0	24.6	L + 4.00%	L + 4.50%	6/30/2018	CA	Office	53%	3
119	Senior loan	6/11/2015	24.5	24.5	24.3	5.25% [6]	5.55% [6]	11/30/2020	FL	MHC	70%	3
120	Senior loan	5/28/2015	26.3	24.5	24.2	L + 4.25%	L + 5.09%	3/31/2017	CA	Office	59%	3

continued…

	Loan Type [1]	Origination Date [2]	Total Loan	Principal Balance	Book Balance	Cash Coupon [3]	All-in Yield [3]	Maximum Maturity [4]	Geographic Location	Property Type	Origination LTV [2]	Risk Rating
121	Senior loan	7/23/2014	80.0	24.3	23.4	L + 5.00%	L + 5.75%	8/9/2019	GA	Office	43%	3
122	Senior loan	6/11/2015	23.4	23.4	23.1	4.57% [6]	4.99% [6]	4/30/2019	SC	MHC	72%	3
123	Senior loan	5/20/2015	21.5	21.5	21.2	4.96%	5.42%	9/30/2018	AZ	Multi	73%	2
124	Senior loan	5/28/2015	21.2	21.2	21.0	L + 3.95%	L + 4.35%	3/31/2019	PA	Hotel	71%	2
125	Senior loan	6/4/2015	18.9	18.9	18.7	4.63%	5.57%	3/1/2017	Canada	Other	59%	2
126	Senior loan	6/11/2015	20.5	18.3	18.1	L + 3.65%	L + 4.16%	10/31/2018	Canada	MHC	65%	3
127	Senior loan	6/4/2015	18.1	17.9	17.8	4.44% [6]	4.93% [6]	12/23/2018	Canada	Office	45%	2
128	Senior loan	6/4/2015	20.4	18.0	17.7	L + 3.50%	L + 3.91%	7/17/2019	Germany	Office	67%	2
129	Senior loan	6/11/2015	17.9	17.9	17.7	4.55% [6]	4.85% [6]	11/30/2020	FL	MHC	51%	2
130	Senior loan	5/28/2015	16.7	16.6	16.5	5.08% [6]	5.83% [6]	4/30/2017	FL	MHC	74%	2
131	Senior loan	5/28/2015	17.3	15.8	15.6	L + 3.70%	L + 4.09%	8/31/2019	NM	Hotel	51%	2
132	Senior loan	6/11/2015	15.7	15.7	15.5	4.79% [6]	5.07% [6]	4/30/2021	FL	MHC	71%	3
133	Senior loan	6/4/2015	15.4	15.4	15.1	5.45%	6.63%	10/1/2016	Canada	Other	50%	2
134	Senior loan	6/11/2015	15.0	15.0	14.8	5.27% [6]	5.59% [6]	9/30/2020	FL	MHC	64%	2
135	Senior loan	6/4/2015	14.7	14.7	14.6	6.22%	7.58%	9/7/2016	Canada	Other	61%	2
136	Senior loan	6/23/2015	14.0	14.0	13.7	7.33%	7.83%	3/13/2019	CT	Other	36%	2
137	Senior loan	5/20/2015	13.7	13.7	13.6	6.00%	7.04%	9/30/2016	CO	Office	61%	3
138	Senior loan	6/4/2015	16.2	11.7	12.1	L + 3.50%	L + 4.60%	6/1/2017	Canada	Office	58%	3
			$10,960.8	$10,169.6	$10,131.3	4.72%	5.06%	3.4			63%	2.2

(1) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans and pari passu participations in senior mortgage loans.

(2) Date loan was originated or acquired by us, and the LTV as of such date.

(3) As of June 30, 2015, our floating rate loans were indexed to various benchmark rates, with 80% of floating rate loans indexed to USD LIBOR. In addition, $1.2 billion of our floating rate loans earned interest based on floors that are above the applicable index, with an average floor of 0.59%, as of June 30, 2015. In addition to cash coupon, all-in yield includes the amortization of deferred origination fees, loan origination costs, and accrual of both extension and exit fees.

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

(5) In certain instances, we finance our loans through the non-recourse sale of a senior loan interest that is not included in our consolidated financial statements. These mezzanine loan originations are therefore presented net of the related non-consolidated senior interests.

(6) Loan consists of one or more floating and fixed rate tranches. Coupon and all-in yield assume applicable floating benchmark rate for weighted-average calculation.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Loan Portfolio Net Interest Income

Generally, our business model is such that rising interest rates will increase our net income, while declining interest rates will decrease net income. As of June 30, 2015, 79% of our loans earned a floating rate of interest and were financed with liabilities that pay interest at floating rates, which resulted in an amount of net equity that is positively correlated to rising interest rates, subject to the impact of interest rate floors on certain of our floating rate loans. As of June 30, 2015, 21% of our loans earned a fixed rate of interest, but are financed with liabilities that pay interest at floating rates, which resulted in a negative correlation to rising interest rates to the extent of such financing. In instances where we have financed fixed rate assets with floating rate liabilities, we have purchased interest rate caps to limit our exposure to increases in interest rates on such liabilities.

Our liabilities are generally currency and index-matched to each collateral asset, resulting in a net exposure to movements in benchmark rates that varies by currency silo based on the relative proportion of floating rate assets and liabilities. The following table details our loan portfolio's sensitivity to interest rates by currency as of June 30, 2015 ($/£/€/C$ in thousands):

	USD	GBP	EUR	CAD
Floating rate loans [1]	$ 6,449,844	£ 720,770	€ 143,036	C$ 327,611
Floating rate debt [1][2]	(5,829,314)	(594,397)	(210,055)	(799,422)
Net floating rate exposure [3]	$ 620,530	£ 126,373	€ (67,019)	C$(471,811)

(1) As of June 30, 2015, our floating rate loans and related liabilities were indexed to the various benchmark rates relevant in each case in terms of currency and payment frequency. Therefore the net exposure to each benchmark rate is in direct proportion to our net assets indexed to that rate.
(2) Includes borrowings under secured debt agreements and loan participations sold.
(3) In addition, we have interest rate caps of $1.1 billion, £15.1 million, €152.7 million, and C$550.6 million to limit our exposure to increases in interest rates.

Loan Portfolio Value

As of June 30, 2015, 21% of our loans earned a fixed rate of interest and as such, the values of such loans are sensitive to changes in interest rates. We generally hold all of our loans to maturity and so do not expect to realize gains or losses on our fixed rate loan portfolio as a result of movements in market interest rates.

Risk of Non-Performance

In addition to the risks related to fluctuations in cash flows and asset values associated with movements in interest rates, there is also the risk of non-performance on floating rate assets. In the case of a significant increase in interest rates, the 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. This risk is partially mitigated by various facts we consider during our underwriting process, which in certain cases include a requirement for our borrower to purchase an interest rate cap contract.

Credit Risks

Our loans and investments are also subject to credit risk. The performance and value of our loans and investments depend upon the sponsors' ability to operate the properties that serve as our collateral so that they produce cash flows adequate to pay interest and principal due to us. To monitor this risk, our 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 active monitoring of 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. In certain circumstances, we may also enter into foreign currency derivative contracts to further mitigate this exposure.

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

	June 30, 2015		
Foreign currency assets	£ 757,965	€ 340,136	C$1,008,122
Foreign currency liabilities	(595,463)	(210,425)	(801,083)
Foreign currency contracts - notional	(64,000)	(51,000)	(204,261)
Net exposure to exchange rate fluctuations	£ 98,502	€ 78,711	C$ 2,778

We estimate that a 10% appreciation of the United States Dollar relative to the British Pound Sterling and the Euro would result in a decline in our net assets in U.S. Dollar terms of $25.6 million and $14.6 million, respectively, as of June 30, 2015. Substantially all of our net asset exposure to the Canadian Dollar has been hedged with foreign currency forward contracts.

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 SEC rules and forms and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal 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, 2015, we were not involved in any material legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2014, as updated by the information disclosed under Item 1A of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015.

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

Section 13(r) Disclosure

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 by Travelport Worldwide Limited, which may be considered an affiliate of Blackstone and therefore our affiliate.

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ITEM 6. EXHIBITS

3.1	Articles of Amendment, dated April 13, 2015 (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 1-14788) filed on April 13, 2015 and incorporated herein by reference)
10.1	Memorandum of Designation and Understanding, dated as of April 10, 2015 by and among BRE Imagination Holdco LLC, Blackstone Real Estate Partners VIII L.P. and Blackstone Mortgage Trust, Inc.
10.2	Third Amended and Restated Master Repurchase Securities Contract, dated as of June 30, 2015 by and among Parlex 5 Ken Finco, LLC, Parlex 5 Ken UK Finco, LLC, Parlex 5 Ken CAD Finco, LLC, Parlex 5 Ken Ont Finco, LLC, Parlex 5 Ken Eur Finco, LLC and Wells Fargo Bank, National Association
10.3	Amended and Restated Guarantee Agreement, dated as of June 30, 2015, made by Blackstone Mortgage Trust, Inc. in favor of Wells Fargo Bank, National Association
10.4	Amendment No. 3 to Amended and Restated Master Repurchase and Securities Contract, dated as of April 14, 2015 between Parlex 5 Finco, LLC and Wells Fargo Bank, National Association
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 28, 2015	/s/ Stephen D. Plavin
Date	Stephen D. Plavin Chief Executive Officer (Principal Executive Officer)
July 28, 2015	/s/ Paul D. Quinlan
Date	Paul D. Quinlan Chief Financial Officer (Principal Financial Officer)
July 28, 2015	/s/ Anthony F. Marone, Jr.
Date	Anthony F. Marone, Jr. Principal Accounting Officer

Exhibit 10.1

MEMORANDUM OF DESIGNATION AND UNDERSTANDING

This MEMORANDUM OF DESIGNATION AND UNDERSTANDING (" Agreement ") is entered into as of April 10, 2015, by and among (i) BRE Imagination Holdco LLC (" Purchaser "), Blackstone Real Estate Partners VIII L.P. (together with its parallel funds and applicable alternative investment vehicles, " BREP VIII "; and, together with the Purchaser, the " Blackstone Parties ") on the one hand, and (ii) Blackstone Mortgage Trust, Inc., a Maryland corporation (" BXMT ") on the other hand, to memorialize the understanding of the Blackstone Parties and BXMT in respect of their acquisition of a specified portfolio of real estate-related assets, loans, mortgages and other interests being sold by one or more affiliates of General Electric Capital Corporation (such portfolio, the " Kensington Portfolio "). Capitalized terms used but not defined herein have the meanings given to them in the Purchase and Sale Agreement, dated as of April 10, 2015, by and among the Seller Parties and Purchaser, a copy of which is attached as Schedule I hereto (as it may be amended or supplemented from time to time in accordance with this Agreement, the " Purchase and Sale Agreement ") regarding the acquisition of the Kensington Portfolio.

RECITALS:

A. BREP VIII has identified the Kensington Portfolio as an investment to be pursued and consummated by BREP VIII and/or its parallel funds, applicable alternative investment vehicles and/or subsidiaries and certain other investment funds, vehicles, accounts, trusts or companies sponsored or managed by affiliates of BREP VIII (" Other Blackstone Funds " and, together with BREP VIII and their respective affiliates, collectively, " Blackstone ").

B. Purchaser is a subsidiary of BREP VIII and pursuant to that certain Limited Guaranty dated as of April 10, 2015, BREP VIII has guaranteed certain of the obligations of the Purchaser under the Purchase and Sale Agreement.

C. Subject to its rights under the Purchase and Sale Agreement, BXMT anticipates acquiring, or certain of BXMT's Affiliates acquiring, the portion of the Kensington Portfolio specified on Schedule II attached hereto (the " BXMT Allocated Loans ") from the Seller Parties on the terms and conditions set forth in the Purchase and Sale Agreement.

D. Subject to its rights under the Purchase and Sale Agreement, the balance of the Kensington Portfolio not being acquired by BXMT is intended to be acquired directly or indirectly by BREP VIII and the Other Blackstone Funds and by Wells Fargo Bank, N.A. (the " Other Allocated Assets "). Commercial Loans included in the Other Allocated Assets shall be referred to in this Agreement as the " Other Allocated Loans ".

E. (i) The purchase price allocation relating to the acquisition of the BXMT Allocated Loans by BXMT has been reviewed by an independent valuation expert and by a special committee of the Board of Directors of BXMT and (ii) the determination of the allocation of the investment opportunity relating to the Kensington Portfolio and the BXMT Allocated Loans has been made by Blackstone in good faith in accordance with its investment allocation policies and procedures and the terms and conditions of the Second Amended and Restated Management Agreement, dated as of October 23, 2014, by and between BXMT and BXMT Advisors L.L.C.

F. In connection with the foregoing, the parties desire to enter into this Agreement with respect to BXMT's acquisition of the BXMT Allocated Loans, and certain other agreements with respect to the rights of the parties with respect to the transactions contemplated under the Purchase and Sale Agreement.

AGREEMENT :

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, each of the parties hereto agree as follows:

1. Designation . Pursuant to Section 12.9 of the Purchase and Sale Agreement, Purchaser agrees to promptly designate BXMT, or such Affiliate or Affiliates of BXMT as BXMT may designate, as the Purchaser Party Designee for the BXMT Allocated Loans and BXMT agreed to accept such designation.

2. Purchase and Sale Agreement Obligations .

a. BXMT's Performance of Obligations . Except for obligations that BXMT is not reasonably capable of performing because Purchaser is the signatory and the Purchaser Representative under the Purchase and Sale Agreement (which obligations the Blackstone Parties agree to timely perform or to cause one of the Other Blackstone Funds or any of their respective Affiliates to timely perform, in each case as required under the Purchase and Sale Agreement), BXMT agrees to timely perform all of the obligations of the Purchaser Parties under the Purchase and Sale Agreement with respect to the BXMT Allocated Loans in accordance with the terms and conditions of the Purchase and Sale Agreement. Without limiting the foregoing, and subject to the terms and conditions of the Purchase and Sale Agreement and BXMT's rights under this Agreement, at each Closing that includes BXMT Allocated Loans, BXMT agrees to pay to the applicable Seller Parties the portion of the Unadjusted Purchase Price allocable to such BXMT Allocated Loans under the Purchase and Sale Agreement, as such amount shall be adjusted as expressly provided for under the Purchase and Sale Agreement.

b. Blackstone Parties' Performance of Obligations . Subject to the terms and conditions of the Purchase and Sale Agreement, the Blackstone Parties agree to timely perform or to cause one of the Other Blackstone Funds or any of their respective Affiliates to timely perform, all of the obligations of the Purchaser Parties under the Purchase and Sale Agreement with respect to the Other Allocated Assets. Without limiting the foregoing, and subject to the terms and conditions of the Purchase and Sale Agreement and the Blackstone Parties' rights under this Agreement, at each Closing that includes Other Allocated Assets, the Blackstone Parties agree to pay or to cause one of the Blackstone Parties' Affiliates to pay to the applicable Seller Parties the portion of the Unadjusted Purchase Price allocable to such Other Allocated Assets under the Purchase and Sale Agreement, as such amount shall be adjusted as expressly provided for under the Purchase and Sale Agreement.

3. Other Rights and Obligations under Purchase and Sale Agreement . Purchaser and BXMT also agree as follows:

a. Amendments; Consents; Approvals . Purchaser agrees that, without the prior written consent of BXMT, which may be withheld in its sole discretion, it shall not amend, supplement or modify the Purchase and Sale Agreement, grant consents or approvals or waive any conditions thereto, in each case to the extent the same affects the BXMT Allocated Loans or the rights or obligations of BXMT (or any Affiliate of BXMT) as a Purchaser Party Designee. Purchaser shall: (i) provide BXMT no less than two (2) days' advance written notice of any proposed amendments, modifications or supplements to the Purchase and Sale Agreement; (ii) promptly provide BXMT with copies of (A) any written materials received

from the Seller Parties (including, without limitation, memoranda, summaries, complaints and any other materials provided to Purchaser pursuant to the Purchase and Sale Agreement), and (B) written notices from or to the Seller Parties, the Blackstone Parties, any third-parties or any Governmental Entity given to or received by the Blackstone Parties, in each case relating to the BXMT Allocated Loans or the rights or obligations of BXMT (or any Affiliate of BXMT) as a Purchaser Party Designee; and (iii) endeavor to keep BXMT reasonably informed of the transactions contemplated by the Purchase and Sale Agreement.

b. Exercise of Pre-Closing Rights . As the Purchaser Representative under the Purchase and Sale Agreement, Purchaser agrees to deliver any notice or election to the Seller Parties with respect to the BXMT Allocated Loans or any of the Purchaser Party rights that relate to BXMT's rights or obligations under the Purchase and Sale Agreement as directed by BXMT.

c. Pro Rata Share.

i. " BXMT Pro Rata Share " shall mean the fraction, expressed as a percentage (x) the numerator of which is the aggregate Unpaid Principal Balance of the BXMT Allocated Loans as shown on the Signing Portfolio Tape and (y) the denominator of which is the aggregate Unpaid Principal Balance of all of the Commercial Loans as shown on the Signing Portfolio Tape.

ii. " Blackstone/Wells Fargo Pro Rata Share " shall mean the fraction, expressed as a percentage (x) the numerator of which is the aggregate Unpaid Principal Balance of the Other Allocated Loans as shown on the Signing Portfolio Tape and (y) the denominator of which is the aggregate Unpaid Principal Balance of all of the Commercial Loans as shown on the Signing Portfolio Tape.

d. Indemnification Claims Against Seller .

i. Cooperation . The Blackstone Parties and BXMT agree to cooperate fully and to keep each other reasonably informed in connection with respect to any claims for indemnification made against the Seller Parties under the Purchase and Sale Agreement and with respect to any Third Party Claims.

ii. Allocation of Indemnity Claims . Pursuant to Section 11.6(c)(i)(B) of the Purchase and Sale Agreement, the liability of the Seller Parties with respect to Section 11.2(a) with respect to Purchased Commercial Loans shall not exceed $250 Million (the " Non-Fundamental Loan Rep Cap "); and pursuant to Section 11.6(c)(iii) of the Purchase and Sale Agreement, the liability of the Seller Parties under Article XI shall not exceed $6 Billion (the " Aggregate Liability Cap "). BXMT shall promptly notify Purchaser of any claims that BXMT makes against the Seller Parties seeking a recovery under Article XI of the Purchase and Sale Agreement (" BXMT Claims "). BXMT agrees not to pursue or recover from the Seller Parties' amounts on account of BXMT Claims in excess of the BXMT Pro Rata Share of the Non-Fundamental Loan Rep Cap or the BXMT Pro Rata Share of the Aggregate Liability Cap without the consent of Purchaser, which may be withheld in its sole discretion. The Blackstone Parties shall promptly notify BXMT of any claims that the Blackstone Parties make against the Seller Parties seeking a recovery under Article XI of the Purchase and Sale Agreement (together with the matters referred to in Section 11.2(a) of the French PSA) (" Blackstone Claims "). The Blackstone Parties agree not to pursue or recover from the Seller Parties amounts on account of Blackstone Claims in excess of the Blackstone/Wells Fargo Pro Rata Share of the Non-Fundamental Loan Rep Cap or the Blackstone/Wells Fargo Pro Rata Share of the Aggregate Liability Cap without the consent of BXMT, which may be withheld it its sole discretion.

iii. Equitable Allocation of Deductible . The Blackstone Parties and BXMT agree to equitably allocate between them any recoveries by the Blackstone Indemnity Parties (as hereinafter defined) and the BXMT Indemnity Parties (as hereinafter defined) that are subject to the deductibles set forth in Section 11.6(b) of the Purchase and Sale Agreement in proportion to the BXMT Pro Rata Share and the Blackstone/Wells Fargo Pro Rata Share.

e. Third-Party Claims .

i. Purchaser Indemnification . Subject to BXMT's obligation to first seek recovery from the Seller Parties for Losses recoverable from the Seller Parties under the Purchase and Sale Agreement, the Purchaser shall indemnify, defend and hold harmless BXMT and its subsidiaries, Affiliates, consultants, contractors and subcontractors and their respective employees, agents and representatives (collectively, the " BXMT Indemnity Parties ") from and against any Losses to the extent such Losses arise directly or indirectly from, result from or relate to the Other Allocated Assets that are Transferred to Blackstone.

ii. BXMT Indemnification . Subject to the Blackstone Parties' obligation to first seek recovery from the Seller Parties for Losses recoverable from the Seller Parties under the Purchase and Sale Agreement, BXMT shall indemnify, defend and hold harmless each Blackstone Party and its subsidiaries, Affiliates, consultants, contractors and subcontractors and their respective employees, agents and representatives (collectively, the " Blackstone Indemnity Parties ") from and against any Losses to the extent such Losses arise directly or indirectly from, result from or relate to the BXMT Allocated Loans that are Transferred to BXMT.

iii. Notice of Claims . Each Person entitled to indemnification pursuant to Sections 3(e)(i) and 3(e)(ii) (an " Indemnified Party ") shall give written notice to the indemnifying party or parties from whom the indemnity is sought (the " Indemnifying Party ") promptly after obtaining knowledge of any claims that it may have under Sections 3(e)(i) and 3(e)(ii), as applicable. The notice shall set forth in reasonable detail the claim and the basis for indemnification. Failure to give notice shall not release the Indemnifying Party from its obligations under Sections 3(e)(i) and 3(e)(ii), as applicable, except to the extent that the failure prejudices the ability of the Indemnifying Party to contest that claim. None of BXMT or the Purchaser shall have any obligation or liability pursuant to this Section 3(e) with respect to any Third Party Claims unless notice of a claim pursuant to this Section 3(e)(iii) shall have been given within two (2) years of the Initial Closing.

iv. Defense of Third Party Claims . If a claim for indemnification pursuant to Sections 3(e)(i) and 3(e)(ii) arises from any Action made or brought by a third party that would reasonably be expected to result in indemnifiable Losses (a " Third Party Claim "), the

indemnifying party may assume the defense of the Third Party Claim. If the Indemnifying Party assumes the defense of the Third Party Claim, the defense shall be conducted by counsel chosen by the Indemnifying Party, who shall be reasonably acceptable to the Indemnified Party, provided that the Indemnified Party shall retain the right to employ its own counsel and participate in the defense of the Third Party Claim at its own expense (which shall not be recoverable from the Indemnifying Party under this Section 3 unless (1) the Indemnified Party is advised by counsel that (x) there may be one or more legal defenses available to the Indemnified Party which are not available to the Indemnifying Party, or available to the Indemnifying Party and the assertion of which would be adverse to or in conflict with the interests of the Indemnified Party, or (y) that representation of both parties by the same counsel would be otherwise inappropriate under applicable standards of professional conduct, (2) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within thirty (30) Business Days after notice of the assertion of any such claim or institution of any such Third Party Claim, or (3) the Indemnifying Party shall authorize the Indemnified Party in writing to employ separate counsel at the expense of the Indemnifying Party, in each of which cases the reasonable expenses of counsel to the Indemnified Party shall be reimbursed by the Indemnifying Party). Notwithstanding the foregoing provisions of this Section 3(e)(iv), (1) no Indemnifying Party shall be entitled to settle any Third Party Claim for which indemnification is sought under Sections 3(e)(i) and 3(e)(ii) without the Indemnified Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, unless it has assumed the defense of such Third Party Claim and as part of the settlement the Indemnified Party is released from all liability with respect to the Third Party Claim and the settlement does not impose any equitable remedy on the Indemnified Party or require the Indemnified Party to admit any fault, culpability or failure to act by or on behalf of the Indemnified Party, and (2) no Indemnified Party shall be entitled to settle any Third Party Claim for which indemnification is sought under Sections 3(e)(i) and 3(e)(ii) without the Indemnifying Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing provisions of this Section 3(e)(iv), if the Indemnifying Party does not notify the Indemnified Party within thirty (30) Business Days after receipt of the Indemnified Party's notice of a Third Party Claim of indemnity hereunder that it elects to assume the control of the defense of any Third Party Claim, the Indemnified Party shall have the right to contest the Third Party Claim but shall not thereby waive any right to indemnity therefor pursuant to this Agreement and the costs of such Actions by the Indemnified Party shall be paid by the Indemnifying Party.

v. Limitations on Third Party Claims Liability .

1. Notwithstanding the indemnifications set forth in Sections 3(e)(i) and 3(e)(ii), the Purchaser shall not have any obligation or liability to the BXMT Indemnity Parties and

BXMT shall not have any obligation or liability to the Blackstone Indemnity Parties with respect to any indirect, incidental, consequential, special or punitive damages.

2. An Indemnified Party shall first seek full recovery for any indemnifiable claims under this Agreement from the Seller Parties pursuant to and to the extent available under the Purchase and Sale Agreement. The Indemnifying Party's obligation under this Agreement shall be reduced by the amount of any such recovery from the Seller Parties under the Purchase and Sale Agreement, to the extent collected. If the amount of any Losses suffered by any Indemnified Party is reduced by recovery from the Seller Parties under the Purchase and Sale Agreement, an amount equal to the amount of such reduction (not to exceed, in any event, the amount so previously paid in respect thereof by the Indemnifying Party) shall promptly be repaid by the Indemnified Party to the Indemnifying Party.

vi. The provisions of this Paragraph 3 shall be the sole and exclusive remedies available to a party with respect to any Third Party Claim.

f. Commercially Reasonable Efforts; HSR Act; Expenses Under Purchase and Sale Agreement . BXMT and Purchaser each agree to comply with the provisions of Section 5.2 of the Purchase and Sale Agreement, including with respect to (A) using Commercially Reasonable Efforts to promptly take, or cause to be taken, as applicable, all actions, and to promptly do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under applicable Laws to consummate and make effective the purchase and sale of the BXMT Allocated Loans and the Other Allocated Assets as contemplated in the Purchase and Sale Agreement, and (B) making any filings pursuant to the HSR Act or any other Antitrust Law as provided in the Purchase and Sale Agreement. To the extent the Purchase and Sale Agreement allocates any costs or expenses to the "Purchaser Parties," BXMT and the Purchaser agree that such costs or expenses will be the responsibility (i) of the Purchaser Party for which the benefit of such cost or expense relates (or ratably shared between the applicable Purchaser Parties) and/or (ii) of the Purchaser Party for which such cost or expense is necessary.

4. Confidentiality . BXMT acknowledges and agrees to be bound by the confidentiality and press release provisions of the Purchase and Sale Agreement, as if such provisions were set forth herein in their entirety. In addition, neither the Blackstone Parties nor BXMT shall disclose any information with respect to the transaction contemplated under this Agreement nor the existence of this Agreement to any person or entity without the written consent of the other party, other than: (a) their respective officers, directors, employees, agents, attorneys, accountants, advisors; (b) as required by any law, rule or regulation or judicial process (including any Required Filing) or as necessary for the enforcement of this Agreement; (c) as requested or required by any state, federal or foreign authority or examiner regulating Purchaser or BXMT; and (d) to the Seller Parties. The Blackstone Parties and BXMT agree to seek the other's prior written consent (not to unreasonably withheld, conditioned or delayed) prior to issuing any press release with respect to the transactions contemplated by the Purchase and Sale Agreement. Notwithstanding the foregoing, but otherwise subject to the terms of this Agreement and the Purchase and Sale Agreement, each of BXMT and the Blackstone Parties shall be permitted to make any Required Filings without the consent of any other party.

5. Remedies .

a. In the event BXMT defaults in the performance of its obligations under this Agreement and the Purchase and Sale Agreement to purchase the BXMT Allocated Loans (a " BXMT Purchase Default "), BXMT shall indemnify, defend and hold harmless the Blackstone Indemnity Parties from and against any Losses to the extent such Losses arise directly or indirectly from, result from such BXMT Purchase Default. Notwithstanding the indemnifications set forth in this clause 5 (a), BXMT shall not have any obligation or liability to the Blackstone Indemnity Parties (A) for any amounts in excess of the amount of the Termination Fee, and the amount of any actual third party costs and expenses paid by the Blackstone Indemnity Parties in connection with pursuing the Transaction or (B) with respect to any indirect, incidental, consequential, special or punitive damages.

b. In the event the Blackstone Parties default in the performance of their obligations under this Agreement and the Purchase and Sale Agreement to purchase the Other Allocated Assets (a " Blackstone Purchase Default ") and no BXMT Purchase Default has occurred, (i) BXMT shall not be responsible for payment of any portion of the Termination Fee, (ii) the Blackstone Parties shall reimburse BXMT for the amount of any actual third party costs and expenses paid by the BXMT Indemnity Parties in connection with pursuing the Transaction and (iii) the Blackstone Parties shall not be responsible for any indirect, incidental, consequential, special or punitive damages.

c. The provisions of this Paragraph 5 shall be the sole and exclusive remedies available to a party in the event of a BXMT Purchase Default or Blackstone Purchase Default.

6. Further Assurances . Purchaser and BXMT shall use commercially reasonable efforts to execute such instruments, documents, approvals and consents as are reasonably necessary or proper in order to complete and ensure the transactions contemplated hereby.

7. Effect of Agreement . This Agreement memorializes the understanding and agreement of the parties hereto with respect to the subject matter hereof, and each of the parties hereto hereby represents and warrants as of the date hereof that (i) this Agreement has been duly authorized, executed and delivered thereby and is the valid and legally binding obligation thereof in accordance with and subject to the terms and conditions of this Agreement and (ii) the execution, delivery and performance of this Agreement by such party and the consummation of the transactions contemplated hereby will not, with or without the giving of notice or the lapse of time, or both violate any provision of law, statute, rule, regulation or executive order to which such party is subject; violate any judgment, order, writ or decree of any court applicable to such party; or result in the breach of or conflict with any term, covenant, condition or provision of, or constitute a default under, any material contract or other agreement or instrument, to which such party is or may be bound or affected.

8. Successors and Assigns . This Agreement shall be binding upon and inure to the benefit of the respective permitted successors, assigns, and legal representatives of the parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto or their respective successors and assigns, any rights or benefits under or by reason of this Agreement. Neither this Agreement, nor any of the rights, obligations under this Agreement, may be assigned or delegated, in whole or in part, by operation of law or otherwise by any of the parties without the prior written consent of the other party.

9. Entire Agreement . It is expressly understood and agreed that this Agreement contains the entire agreement and understanding concerning the subject matter herein, and supersedes and replaces all prior negotiations and agreements between the parties hereto, whether written or oral.

The parties hereto acknowledge that they have read this Agreement and have executed it without relying upon any statements, representations, or warranties, written, or oral, not expressly set forth herein or incorporated herein by reference.

10. Waiver, Modification and Amendment . No provision herein may be waived unless in writing signed by the party whose rights are thereby waived. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein. This Agreement may be modified or amended only by written agreement executed by all of the parties hereto.

11. Governing Law . This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

12. Severability . In the event that one or more of the provisions or portions thereof of this Agreement is determined to be illegal or unenforceable, the remainder of this Agreement shall not be affected thereby, and each of the remaining provisions or portion thereof shall remain, continue to be valid and effective and be enforceable to the fullest extent permitted by law.

13. No Third Party Beneficiaries . This Agreement shall not confer any rights or remedies upon any Person other than the parties hereto, the Persons entitled to indemnification hereunder, and in each case their respective successors, heirs, legal representatives, and permitted assigns.

14. Counterparts . This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all when taken together shall constitute the Agreement. This Agreement may be executed by facsimile signature or in portable document format (PDF).

* * *

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

BRE IMAGINATION HOLDCO LLC

By: /s/ Kenneth A. Caplan
Name: Kenneth A. Caplan
Title: Senior Managing Director

BLACKSTONE REAL ESTATE PARTNERS VIII L.P.
on behalf of itself and/or one or more of its parallel funds, alternative investment vehicles and/or subsidiaries

By: Blackstone Real Estate Associates VIII L.P., its general partner

By: BREA VIII L.L.C., its general partner

By: /s/ Kenneth A. Caplan
Name: Kenneth A. Caplan
Title: Senior Managing Director

BLACKSTONE MORTGAGE TRUST, INC.

By: /s/ Randall S. Rothschild
Name: Randall S. Rothschild
Title: Secretary and Managing Director,
Head of Legal and Compliance

Schedule I

Purchase and Sale Agreement

(See attached)

PURCHASE AND SALE AGREEMENT

BY AND AMONG

GENERAL ELECTRIC CAPITAL CORPORATION

and Certain Affiliates

as Seller Parties,

and

BRE IMAGINATION HOLDCO LLC,

BRE IMAGINATION GERMANY I LLC

AND

BRE IMAGINATION GERMANY II LLC

as Purchaser

Dated April 10, 2015

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PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this " Agreement "), dated as of April 10, 2015, is entered into by and among General Electric Capital Corporation, a Delaware corporation (" Seller " and, together with the Seller Designees permitted pursuant to this Agreement, the " Seller Parties "), on the one hand, and BRE Imagination Holdco LLC, a Delaware limited liability company, BRE Imagination Germany I LLC, a Delaware limited liability company and BRE Imagination Germany II LLC, a Delaware limited liability company (collectively, " Purchaser " and together with the Purchaser Party Designees permitted pursuant to this Agreement, the " Purchaser Parties "), on the other hand. Each of the Seller Parties and the Purchaser Parties shall be referred to in this Agreement as a " Party ", and collectively as the " Parties ". Capitalized terms used in this Agreement have the meanings specified in Exhibit A to, or elsewhere in, this Agreement.

RECITALS:

A. The Seller Parties desire to sell, transfer, convey, assign and deliver to the applicable Purchaser Party (or a Purchaser Party Designee permitted by this Agreement): (i) the Interests (the " Purchased Interests ") in each of the entities set forth on Schedule 1 (as such Schedule 1 may be amended in accordance with this Agreement, each such entity, a " Purchased Entity "), (ii) all of the Seller Parties' right, title and interest in each of the properties described on Schedule 2 (as such Schedule 2 may be amended in accordance with this Agreement) (together with the Property-Related Interests related to each such property, each a " Transferred Property " and, collectively, the " Transferred Properties " and together with the Underlying Properties, collectively, the " Properties "), and (iii) each of the Commercial Loans set forth on the Signing Portfolio Tape (as such Signing Portfolio Tape may be amended in accordance with this Agreement, collectively, the "Purchased Commercial Loans"), together with the Commercial Loan-Related Assets, in each case, in accordance with the terms and conditions set forth in this Agreement. For purposes of this Agreement, " Equity Assets " shall mean the collective reference to the Purchased Interests and the Transferred Properties.

B. The Purchaser Parties desire to purchase and acquire from the Seller Parties the Purchased Interests, the Transferred Properties and the Purchased Commercial Loans, in each case, in accordance with the terms and conditions set forth in this Agreement.

C. Concurrently with the execution hereof, certain Affiliates of the Purchaser Parties have executed and delivered to certain Affiliates of the Seller Parties doing business in the Republic of France a letter agreement in which such Affiliates of the Purchaser Parties irrevocably offer to purchase certain assets of such Affiliates of the Seller Parties (the " Irrevocable Offer "). In addition, on the date hereof, certain Affiliates of the Purchaser Parties have delivered to certain Affiliates of the Seller Parties a counterpart signature page to an accession and amendment agreement to this Agreement (the " French Accession and Amendment Agreement ") pursuant to which, upon effectiveness, certain terms and conditions of this Agreement would be amended and supplemented as set forth in the French Accession and Amendment Agreement. In the event that such Affiliates of the Seller Parties determine to accept the Irrevocable Offer, then such Affiliates of the Seller Parties will deliver a signed counterpart of the French Accession and Amendment Agreement to such Affiliates of the Purchaser Parties in accordance with the terms and conditions of the Irrevocable Offer.

D. Concurrently with the execution hereof, as an inducement for the Seller Parties to enter into this Agreement, the Guarantor has executed and delivered the Guarantee to Seller (on behalf of the Seller Parties).

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

PURCHASE AND SALE

1.1 Purchase and Sale of Purchased Interests, Transferred Properties and Purchased Commercial Loans .

(a) Subject to and upon the terms and conditions of this Agreement and the other agreements and documents contemplated hereby, at the applicable Initial Closing, each of the applicable Seller Parties shall Transfer to the applicable Purchaser Party, and the applicable Purchaser Party shall purchase and acquire from such Seller Party, (i) all of the Purchased Interests (other than any Deferred Interests, if applicable), (ii) all of such Seller Parties' right, title and interest in the Transferred Properties (other than any Deferred Properties, if applicable), and (iii) the Purchased Commercial Loans (other than any Deferred Commercial Loans, if applicable).

(b) Subject to and upon the terms and conditions of this Agreement and the other agreements and documents contemplated hereby, if applicable, at each Deferred Closing, each of the Seller Parties, as applicable, shall Transfer to the applicable Purchaser Party, and the applicable Purchaser Party shall purchase and acquire from such Seller Party, (i) the applicable Deferred Interests, (ii) the applicable Deferred Properties, and/or (iii) the applicable Deferred Commercial Loans, in each case, subject to the satisfaction or waiver of the applicable Deferral Condition related to such Deferred Interests, Deferred Property or Deferred Commercial Loan.

(c) On the terms and subject to the conditions of this Agreement, from and after the applicable Closing at which the applicable Properties, Purchased Interests or Purchased Commercial Loans are Transferred to the applicable Purchaser Parties, such Purchaser Parties shall assume and be solely responsible for the payment, performance and discharge of all Liabilities (i) with respect to any applicable Property, under the applicable Leases, Assumed Contracts, and, if applicable, Ground Leases, affecting such Property, including all performance obligations of the lessor or ground lessee, as applicable, thereunder, in each case, to the extent arising or accruing on or after the applicable Closing, (ii) with respect to all Purchased Interests, relating to the operation of the Purchased Entities from and after the applicable Closing, and (iii) with respect to any Purchased Commercial Loans, arising or accruing on or after the applicable Closing Date, in each case, excluding the Excluded Liabilities (the " Assumed Liabilities ").

(d) In the event a Transferred Property, Purchased Interest or Purchased Commercial Loan is removed from the Transaction pursuant to the provisions of this Agreement (each an " Excluded Asset "), Schedule 1 , Schedule 2 or the applicable Portfolio Tape, as applicable, shall automatically be deemed to be updated to reflect the removal of such Excluded Asset. In the event a property, entity or Designated Backlog Asset is added to the Transaction pursuant to the provisions of this Agreement, Schedule 1 , Schedule 2 or the applicable Portfolio Tapes, as applicable, shall automatically be deemed to be updated to reflect such addition.

(e) The Seller Parties own (or shall own immediately prior to the applicable Closing), directly or indirectly, all of the Purchased Interests, Transferred Properties and Purchased Commercial Loans, and where applicable in this Agreement, all references to the Seller Parties shall include any Affiliate of a Seller Party that directly owns a Purchased Interest, Transferred Property or Purchased Commercial Loans and (i) any reference in this Agreement to a Seller Party taking or not taking any action, including the payment of any proration amount, shall refer, where applicable, to the Seller Parties causing such Affiliates of a Seller Party that directly owns a Purchased Interest, Transferred Property or Purchased Commercial Loan to taking such action and (ii) any reference in this Agreement to a Seller Party making a representation or warranty shall be deemed to be the Seller Party

making such representation on behalf of the applicable Affiliates of Seller Party that directly own such Purchased Interest, Transferred Property or Purchased Commercial Loan making such representation. Seller agrees to cause the Transfer of each Transferred Property, Purchased Interest or Purchased Commercial Loan to the Purchaser Parties in accordance with the terms and subject to the conditions of this Agreement.

1.2 Purchase Price .

(a) Subject to the terms and conditions of this Agreement and the applicable adjustments set forth in Section 1.2(b) and Section 1.2(c) and as otherwise provided in this Agreement, the aggregate purchase price payable with respect to the Purchased Interests, the Transferred Properties and the Purchased Commercial Loans shall be equal to the sum of (i) the Unadjusted Asset Purchase Price Amounts with respect to each of the Transferred Properties and each of the Purchased Interests and (ii) the Unadjusted Loan Purchase Price with respect to each of the Purchased Commercial Loans ((i) and (ii) collectively, the " Unadjusted Purchase Price "). The purchase price for the Purchased Interests and the Transferred Properties, including adjustments thereto and applicable prorations, shall be payable in the currency of the jurisdiction in which the applicable Properties or Underlying Properties are located, except that the Unadjusted Purchase Prices for all Transferred Properties and Purchased Interests located in Central and Western Europe (excluding the United Kingdom) shall be payable in Euros. The purchase price for the Purchased Commercial Loans (or each portion or tranche thereof) shall be payable in the currency in which the applicable Purchased Commercial Loan (or each portion or tranche thereof) is payable and, for Transfers in Europe which require the purchase price for a Purchased Interest or the Transferred Property to be paid to a notary's account before being credited to the relevant Seller Party, such purchase price shall be payable in accordance with the instructions of such notary and such payment shall discharge in full the relevant Purchaser Party's obligations to pay such purchase price hereunder.

(b) At each applicable Closing, the portion of the Unadjusted Purchase Price payable to the Seller Parties with respect to the Purchased Interests and Transferred Properties shall be an amount equal to:

(i) the sum of the Unadjusted Asset Purchase Price Amounts with respect to each of the Purchased Interests and Transferred Properties Transferred at the applicable Closing, *plus* or *minus* ,

(ii) to the extent applicable, with respect to any Purchased Interests or any Transferred Properties Transferred at such Closing, the net amount of the Proration Items and other adjustments provided for pursuant to Section 1.4 and this Section 1.2 as set forth on the applicable Initial Closing Statement or the applicable Deferred Closing Statement (the applicable amount payable at the Initial Closing with respect to any Transferred Properties and any Purchased Interests, the " Estimated Initial Equity Purchase Price "; and the applicable amount payable at any Deferred Closing with respect to any Transferred Properties and any Purchased Interests, the " Estimated Deferred Equity Purchase Price "). Notwithstanding the foregoing, the Unadjusted Purchase Price with respect to those certain Purchased Interests set forth on Schedule 1 to this Agreement relating to the Underlying Properties and listed as the Martinez Cogen Property, Petrarca and Artemis shall be equal to the Unadjusted Asset Purchase Price for each Purchased Interest set forth on Schedule 1 , without any further adjustments pursuant to Section 1.4 of this Agreement.

(c) At each applicable Closing, the portion of the Unadjusted Purchase Price payable to the Seller Parties with respect to the Purchased Commercial Loans shall be an amount equal to (A) the sum of the Unadjusted Loan Purchase Price with respect to each of the Purchased Commercial Loans Transferred at the applicable Closing, *plus* or *minus* , (B) to the extent applicable, with respect to any Purchased Commercial Loans Transferred at such Closing, the net amount of the Proration Items and other adjustments provided for pursuant to Section 1.4 and this Section 1.2 , the estimates of such amounts shall be as set forth on the applicable Initial Closing Statement or the applicable Deferred Closing Statement (the applicable amount payable at the Initial Closing with

respect to any Transferred Purchased Commercial Loans, the " Estimated Initial Debt Purchase Price "; and the applicable amount payable at any Deferred Closing with respect to any Transferred Purchased Commercial Loans, the " Estimated Deferred Debt Purchase Price "). The procedures relating to the payment of the purchase price for each Purchased Commercial Loan shall be in accordance with the applicable provisions of Section 1.4 . At each applicable Closing, without duplication, the portion of the Unadjusted Loan Purchase Price payable to the Seller Parties with respect to the applicable Purchased Commercial Loans shall be adjusted on the applicable Closing Date as follows:

(i) Fully Prepaid Commercial Loans . If any Purchased Commercial Loans have been repaid or prepaid in full prior to being Transferred to a Purchaser Party, such Purchased Commercial Loans will not be Transferred to any Purchaser Party (a " Fully Prepaid Commercial Loan "), shall be removed from the applicable Portfolio Tapes and the Unadjusted Purchase Price shall be reduced by the Unadjusted Loan Purchase Price with respect to each such Fully Prepaid Commercial Loan. Additionally, the Purchaser Parties shall be entitled to a credit on the applicable Closing Unpaid Principal Balance Statement with respect to such Fully Prepaid Commercial Loan in an amount equal to the Applicable Prepayment Reduction Amount, if any and in the event that no further Closings are expected with respect to Purchased Commercial Loans, such Applicable Prepayment Reduction Amount, if any, shall be paid by wire transfer of the applicable currency to the account designated by the applicable Purchaser Party within ten (10) Business Days of the earlier to occur of the date such Purchased Commercial Loan becomes a Fully Prepaid Commercial Loan or the date it is determined by the Parties acting reasonably there will be no further Closings with respect to Purchased Commercial Loans. Notwithstanding the foregoing, if any Purchased Commercial Loans with an Unadjusted Loan Purchase Price that is less than the Unpaid Principal Balance of such Purchased Commercial Loan is paid or repaid in full prior to being Transferred to a Purchaser Party, then in lieu of receiving a credit of the Applicable Prepayment Adjustment Amount, the Purchaser Parties shall receive a credit in the amount equal to the sum of (x) the principal repayment or prepayment in excess of the Unadjusted Loan Purchase Price, and (y) all Commercial Loan Prepayment Fees.

(ii) Partially Prepaid Commercial Loans . If any Purchased Commercial Loans have been repaid or prepaid in part prior to being Transferred to a Purchaser Party, the Unadjusted Loan Purchase Price in respect of each such partially prepaid Purchased Commercial Loan shall be reduced by an amount equal to the product of (A) the difference between the Unpaid Principal Balance of the Purchased Commercial Loan reflected on the Signing Portfolio Tape and the Unpaid Principal Balance of the Purchased Commercial Loan reflected on the applicable Closing Unpaid Principal Balance Statement, and (B) the Loan Portfolio Percentage Premium. Additionally, the Purchaser Parties shall be entitled to a credit on the applicable Closing Unpaid Principal Balance Statement with respect to such partially prepaid Purchased Commercial Loan in an amount equal to the Applicable Prepayment Reduction Amount in connection with such prepayment, if any.

(iii) Accrued Interest; Default Interest; Late Charges . The Seller Parties shall receive a credit at the applicable Closing of each Purchased Commercial Loan in an amount equal to all accrued and unpaid basic interest (to the extent currently payable) from the beginning of the month (or other periods) through the Adjustment Time to the applicable Adjustment Time, provided that such amount shall only be payable if no default or event of default exists as of such Adjustment Time; provided further, that the applicable Purchaser Party shall be entitled to (A) all accrued and unpaid interest (including any default interest) from and after the Adjustment Time, and (B) all default interest on each Purchased Commercial Loan that is Transferred to a Purchaser Party at such Closing. The Seller Parties shall not receive any credit with respect to any accrued default interest or late charges with respect to any Purchased Commercial Loan.

(iv) Reserves and Deposits . With respect to each applicable Closing at which any Purchased Commercial Loan is Transferred to the Purchaser Parties, the Seller Parties or the applicable Purchased Entities shall deliver or cause to be delivered to the Purchaser Parties all funds in reserve and deposit accounts made by or on behalf of an Obligor or which are security for the applicable Purchased Commercial Loan being Transferred and are held by or on behalf of any Seller Party.

(v) Letters of Credit . With respect to each applicable Closing at which any Purchased Commercial Loan is Transferred to the Purchaser Parties, the Seller Parties shall deliver or cause to be delivered to the Purchaser Parties all Commercial Loan-Related Assets, including, all deposits and credit support received from the related Obligors or as security for the applicable Purchased Commercial Loan in the form of bonds or letters of credit being held by or on behalf of the Seller Parties, at Seller Parties' cost (including the payment of any third party transfer fees and expenses). If any of the letters of credit included in the Commercial Loan-Related Assets are not transferable, the Seller Parties shall request and use Commercially Reasonable Efforts, following the Transfer of the applicable Purchased Commercial Loan to the Purchaser Parties, the related Obligors to cause new letters of credit to be issued in favor of applicable Purchaser Parties in replacement thereof and shall cooperate with Purchaser Parties in connection with having such new letters of credit issued by on behalf of such Obligors in the name of Purchaser Parties, with all costs and expenses of the replacement to be paid for by the Seller Parties or the applicable Purchased Entities (if prior to its Transfer hereunder).

(vi) Origination/Commitment Fees . With respect to each Closing at which a Designated Backlog Asset is Transferred to the Purchaser Parties, the Seller Parties shall provide the Purchaser Parties with a credit at such Closing equal to 50% of all Origination Fees collected with respect to such Designated Backlog Asset.

(vii) Prepayment Notice in Advance of Closing . With respect to any Purchased Commercial Loan where the Loan Portfolio Percentage Premium is greater than 100% for which a notice of full or partial prepayment is issued prior to the Closing Date, no Loan Portfolio Percentage Premium for the amount being prepaid shall be payable for any purposes under this Agreement in respect of (A) any Purchased Commercial Loan to be fully prepaid, and (B) the portion of any Purchased Commercial Loan that will be partially prepaid.

(viii) Agency Fees . All Agency Fees payable to the Seller Parties or an Affiliate of Seller shall be prorated as of the Adjustment Time with the Purchaser Parties receiving a credit for all Agency Fees collected by or on behalf of the Seller Parties relating to periods from and after the Adjustment Time.

(ix) Receipt of Loan Payments. Amounts received by the Seller Parties from the applicable Obligor, as security for or in payment of any Purchased Commercial Loan from and after the applicable Closing Date on which the related Purchased Commercial Loan was Transferred with respect to which Purchaser Parties are entitled, shall be received by the Seller Parties, as agent, in trust for and on behalf of Purchaser Parties and the Seller Parties shall pay such amounts over to Purchaser Parties promptly, together with such reasonable information, to the extent known, as to the source and classification of such payments, including any invoice relating thereto. Amounts received by the Purchaser Parties from the applicable Obligor, as security for or in payment of any Purchased Commercial Loan from and after the applicable Closing Date on which the related Purchased Commercial Loan was Transferred with respect to which the Seller Parties are entitled, shall be received by the Purchaser Parties, as agent, in trust for and on behalf of the Seller Parties and Purchaser Parties shall pay such amounts over to the Seller Parties promptly, together with such reasonable information, to the extent known, as to the source and classification of such payments, including any invoice relating thereto.

(d) Each Party shall be entitled to deduct and withhold or cause to be deducted and withheld from amounts otherwise payable to any Person pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to such payments under any provision of federal, state, local or foreign Tax law. Any amounts so deducted and withheld will be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. The Party intending to deduct or withhold on a payment hereunder, other than solely as a result of a failure of a Seller Party to provide a FIRPTA Certificate as required pursuant to Schedule 9.2(c) , shall use Commercially Reasonable Efforts to notify the Party on which such deduction or withholding is intended to be imposed not later than fifteen (15) days prior to the date such payment or transfer is to be made. The Purchaser Parties, on the one hand, and the Seller Parties, on the other hand, shall use Commercially Reasonable Efforts to cooperate with and take any actions requested by the other Party to minimize or establish an exemption from such deduction or withholding.

1.3 Payment of Estimated Initial Purchase Price and Estimated Deferred Purchase Price . At each applicable Closing, the Purchaser Parties shall pay to the Seller Parties an amount equal to (a) with respect to the applicable Initial Closing, the applicable portion of the Estimated Initial Purchase Price with respect to the Transferred Properties, Purchased Interests and Purchased Commercial Loans to be Transferred to the Purchaser Parties at such Initial Closing, and (b) with respect to any Deferred Closing, the applicable portion of the Estimated Deferred Purchase Price with respect to the Transferred Properties, Purchased Interests and Purchased Commercial Loans to be Transferred to the Purchaser Parties at such Deferred Closing, in each case, in immediately available funds by wire transfer to a Title Company mutually agreed upon by the Seller Parties and the Purchaser Parties to act as an escrow agent with respect to the transaction (" Escrow Agent ") to be disbursed to the Seller Parties in accordance with the provisions of this Agreement on the applicable Closing Date.

1.4 Prorations, Calculations and Other Adjustments .

(a) Generally .

(i) All prorations, calculations and other adjustments of the items described in this Section 1.4 shall be made at the applicable Closing based on the applicable Closing Statement prepared in accordance with this Section 1.4 . As set forth in Section 1.2(b) and Section 1.2(c) , the net amount of credits to the Purchaser Parties and the Seller Parties for Proration Items, as reflected on the applicable Closing Statement, shall result in an increase or decrease of the Unadjusted Purchase Price.

(ii) Except as otherwise set forth herein, (A) all items to be prorated and other adjustments to be made, as applicable, pursuant to Sections 1.2(b) and 1.2(c) and Section 1.4 (the " Proration Items ") and (B) all calculations to be made pursuant to Sections 1.2(b) and 1.2(c) and this Section 1.4 shall be made as of 11:59 p.m. of the day immediately preceding the applicable Closing Date (the " Adjustment Time ") and the net amount thereof either shall be paid by the Purchaser Parties to the Seller Parties or credited to the Purchaser Parties, as the case may be, at the applicable Closing. The Purchaser Parties shall be treated as the owner of the Purchased Interests, Transferred Properties or Purchased Commercial Loans, as applicable, Transferred at the applicable Closing, for amounts relating to periods beginning at and after the Adjustment Time applicable to such Closing. The Purchaser Parties and the Seller Parties acknowledge that, except as otherwise expressly provided herein, or elsewhere in the other agreements and documents contemplated hereunder, the purpose and intent as to prorations and adjustments is that the Seller Parties (or the applicable Purchased Entities) shall bear all expenses of ownership and operation of the Transferred Properties, the Purchased Interests and the Purchased

Commercial Loans Transferred at the Closing, and shall receive the benefit of all income therefrom, accruing until the Adjustment Time applicable to such Closing and the Purchaser Parties shall bear all such expenses of ownership and operation of the Transferred Properties, the Purchased Interests and the Purchased Commercial Loans and receive the benefit of all income therefrom accruing after the applicable Adjustment Time.

(iii) The Parties agree that any increase or decrease pursuant to this Section 1.4 shall be treated for all Tax purposes as an adjustment to the Unadjusted Purchase Price, unless otherwise required by Law (including by a determination of a Tax Authority that, under applicable Law, is not subject to further review or appeal).

(iv) With respect to any Purchased Interests:

(A) The purchase price with respect to any Purchased Interest Transferred at a Closing will be determined by first adjusting the Unadjusted Asset Purchase Price for each applicable Underlying Property owned by a Joint Venture on the applicable Closing Date pursuant to Section 1.4(a)(iv)(B) below and then calculating the distributions that would be made to the applicable Seller Party from a Hypothetical Sale. For purposes hereof, a " Hypothetical Sale " means a transaction where (1) the applicable Underlying Property or Underlying Properties owned by a Joint Venture on the applicable Closing Date are sold at their Unadjusted Asset Purchase Prices, as adjusted pursuant to Section 1.4(a)(iv)(B) (without duplication), then (2) all applicable Underlying Property indebtedness, including any secured mortgage and mezzanine indebtedness, is paid at par and without any penalties, yield maintenance, breakage or other fees and charges, then (3) other liabilities which are due on a sale of the Underlying Properties in question are paid, including the payment of disposition fees and incentive or promote fees under any Joint Venture or Subsidiary of a Joint Venture, and then (4) the remaining net proceeds are distributed to the partners or members in accordance with the Venture Agreements. For avoidance of doubt, fees which are incremental contingent fees, such as fees paid only if an Operating Partner is hired as a broker will not be debited in the calculation under this Section 1.4(a)(iv) .

(B) For each Closing for which a Purchased Interest is Transferred to a Purchaser Party, the Unadjusted Asset Purchase Price for the applicable Underlying Property or Underlying Properties that are the subject of the Transfer will be adjusted as follows:

(1) The Unadjusted Asset Purchase Price will be increased by the amount of all reserves, deposits, loan escrows and other similar items held by or for the benefit of a Joint Venture or a Subsidiary of the Joint Venture and where the Purchaser, directly or indirectly, receives the benefit of the same as part of the transfer (collectively, " JV Reserve Items ");

(2) The Unadjusted Asset Purchase Prices shall be adjusted in accordance with Section 1.4(a)(iv)(C) and, to the extent not duplicative of Section 1.4(a)(iv)(C) , the provisions of Section 1.4(b) below; and

(3) With respect to any Purchased Entity, the Unadjusted Asset Purchase Prices will be decreased by any Mandatory Removal Exceptions to the extent not cured by the Seller Parties prior to the applicable Closing.

(C) The following additional prorations shall be applied (without duplication of the prorations set forth in Section 1.4(b) or the payments or credits made in Section 1.4(a)(iv) , and without any adjustment for title matters) to the prorations made under Section 1.4(a)(iv)(B) :

(1) Intracompany receivable/payable balances, if any, will be settled prior to Closing and neither Purchaser Parties nor Seller Parties shall be entitled to a credit or adjustment therefor;

(2) The Parties acknowledge that franchise and similar taxes in the State of Texas (" Texas Franchise Taxes ") are generally payable 12 to 18 months after the attributable tax year. The Seller Parties will bear the burden for Texas Franchise Taxes for periods prior to Closing; and

(3) Current assets and current liabilities will be identified, with (x) " current assets " which shall include only cash and cash equivalents, deposits, tenant security deposits, prepaid expenses, reserves and escrows (including, without limitation, for tax, insurance, debt service, capital improvements or replacements) but specifically excluding goodwill, secured indebtedness, the value of the land, improvements and equipment and unspent capital contributions not otherwise expressly adjusted pursuant to the provisions of this Agreement; and (y) " current liabilities " which shall include only accounts payable, accrued payroll, accrued expenses (including accrued Texas Franchise Taxes and if the actual accrued Texas Franchise Taxes are not yet determined, then an estimated accrued amount for periods prior to the Closing) and refundable tenant security deposits and obligations to refund therefor.

(D) At the applicable Closing, the Parties will calculate the difference between the amount of the current assets less the amount of the current liabilities (the " Working Capital Figure "). The aggregate Unadjusted Asset Purchase Price attributable to the applicable Equity Entity will be increased by the amount of any positive Working Capital Figure and decreased by any negative Working Capital Figure so calculated.

(b) Proration of Rent with respect to Properties and Underlying Properties.

(i) Base or Fixed Rent . With respect to each Property, base or fixed rent (" Fixed Rent ") paid by any Tenant under the applicable Lease shall be prorated on an "if and when collected basis" as of the applicable Adjustment Time. The Purchaser Parties shall receive a credit at the Closing for any base or fixed rent paid by a Tenant to the applicable Seller Party or Purchased Entity with respect to a Property for the rent period in which such Closing occurs in an amount equal to the rent paid for such rent period multiplied by a fraction, the numerator of which is the number of days from and including the applicable Closing Date through and including the last day of the rent period in which the applicable Closing occurs, and the denominator of which is the total number of days in the rent period in which the applicable Closing occurs.

(ii) Percentage Rent . With respect to each Property for which such rent is payable, payments of additional rent based upon the amount by which a designated percentage of any Tenant's business, including gross revenues, achieved during the applicable period for which such rent is due under the applicable Lease (the " Percentage Rent Period ") exceeded base or fixed rent, breakpoint or some other standard (the " Percentage Rent "), if any, for any Percentage Rent Period in which the applicable Closing occurs shall be apportioned between the applicable Seller Party and the applicable Purchaser Party on an "if and when collected" basis, as of the Adjustment Time. The Purchaser Parties shall receive a credit at the applicable Closing for any Percentage Rent paid by a Tenant to the applicable Seller Party or Purchased Entity with respect to a Property for the rent period in which such Closing occurs in an amount equal to the rent paid for such rent period, *multiplied* by a fraction, the numerator of which is the number of days from and including the applicable Closing Date through and including the last day of the rent period in which the applicable Closing occurs, and the denominator of which is the total number of days in the rent period in which the applicable Closing occurs.

(iii) Additional Rent .

(A) With respect to each Property, payments of rent and any other amounts, receipts or reimbursements (other than Fixed Rent and Percentage Rent), including any parking fees, management fees, service fees, operating expense payments, insurance payments and tax payments (the " Additional Rent "), paid by any Tenant under the applicable Lease shall be prorated on an "if and when collected" basis, as of the applicable Adjustment Time. The Purchaser Parties shall receive a credit at the applicable Closing for any Additional Rent paid by a Tenant to the applicable Seller Party or Purchased Entity with respect to a Property for the rent period in which such Closing occurs in an amount equal to the rent paid for such rent period, *multiplied* by a fraction, the numerator of which is the number of days from and including the applicable Closing Date through and including the last day of the rent period in which the applicable Closing occurs, and the denominator of which is the total number of days in the rent period in which the applicable Closing occurs.

(iv) Percentage Rent and Additional Rent Reconciliation .

(A) Notwithstanding Section 1.4(b)(ii) or (iii) , any reconciliation with Tenants under Leases for Additional Rent or Percentage Rent with respect to the calendar year in which the applicable Closing for a Property occurs (" Closing Year Additional and Percentage Rent ") shall be pursuant to this Section 1.4(b)(iv)(A) . Any such reconciliation shall be prepared or caused to be prepared by the Purchaser Parties in the time frames required by the applicable Lease. The Purchaser Parties shall provide to the Seller Parties the calculation of the amount of any Closing Year Additional and Percentage Rent due from or to each Tenant and shall provide to the Seller Parties all reasonably requested documentation in connection therewith. If any amount is due from any Tenant pursuant to such reconciliation, the Purchaser Parties shall invoice, or cause the applicable Equity Entity to invoice, such Tenant for any such Closing Year Additional and Percentage Rent in the invoice to be sent to such Tenant in the ordinary course. The applicable Purchaser Party or Equity Entity shall pay to the Seller Parties the Seller Parties' share of such amount calculated as of the Adjustment Time. If the amount of any Closing Year Additional and Percentage Rent collected exceeds the amount of Closing Year Additional and Percentage Rent payable by the Tenant under the terms of its Lease, then, the Seller Parties shall promptly pay to the Purchaser Parties the Seller Parties' share of such excess amounts calculated as of the Adjustment Time.

(B) To the extent that any Tenant conducts an audit respecting rent or any other charges paid by the Tenant for any periods prior to the applicable Closing Date, the applicable Purchaser Party or Equity Entity and the Seller Parties shall cooperate in response to such audit and complying with all requirements under the applicable Leases (and at law or in equity) in connection therewith. If any Tenant becomes entitled to a refund of rent or any other charge with respect to a period prior to the Closing Date, any such refunds due to such Tenant (the " Pre-Closing Refunds ") shall be borne by the Parties as adjusted in accordance with the Adjustment Time.

(v) Delinquent Rent . With respect to each Property, any Fixed Rent, Additional Rent or Percentage Rent (collectively, " Rent ") that shall not have been paid when due under any Lease as of the applicable Closing shall be referred to as " Delinquent Rent ." During the six (6) month period immediately following the applicable Closing Date with respect to the Transfer of the applicable Property, the Purchaser Parties shall cooperate with the Seller Parties after the applicable Closing Date to collect any Delinquent Rent without any obligation to engage a collection agency, sue any tenant or exercise any legal remedies under the applicable Lease or incur any expense over and above its own regular collection expenses. Rent collected after a Closing Date from any tenant who owes delinquent Rent as of that Closing Date shall be applied (A) first, to the month in which the Closing occurs, (B) second, to any Rent

due to Purchaser Parties for the period after the Closing Date, and (C) finally to Delinquent Rent with respect to the period prior to the Closing Date. Non-Delinquent Rent for the period after the Closing collected by Seller Parties shall be promptly remitted to Purchaser Parties.

(vi) Advance Rent Payments . With respect to each Property, in the event that any Seller Party or Subsidiary or Joint Venture thereof (other than a Purchased Entity) shall have received or receives after closing payments of rent or other charges under any Lease that relates to a period beginning after the Adjustment Time, the applicable Purchaser Party will receive a credit for such amount of rent or other charges (or its appropriate share thereof in the case of a Joint Venture). Purchaser Parties shall be entitled to all Rent from and after the Adjustment Time.

(c) Ground Rent for Properties and Underlying Properties . With respect to each Property, ground rent and all other amounts payable under the Ground Leases (if applicable for such Property) shall be prorated as of the applicable Adjustment Time. The Seller Parties will be credited with an amount equal to all security deposits, prepaid rentals and other deposits paid or deposited under any Ground Lease for such Property or Underlying Property, together with any interest that has actually accrued thereon to the extent Purchaser Parties receive the benefit of said deposits or prepaids upon the assumption of the applicable Ground Lease.

(d) Taxes for Properties and Underlying Properties; Other Expenses .

(i) If and to the extent that a Tenant with respect to any Property is obligated pursuant to a Lease to pay real property Taxes directly to the applicable Taxing Authority, there shall be no proration of such real property Taxes.

(ii) Except to the extent paid as part of Additional Rent, if and to the extent that a Tenant with respect to any Property is obligated pursuant to the Lease to reimburse the applicable Seller Party or Purchased Entity or Subsidiary thereof for payments of real property Taxes made directly by such Seller Party or Purchased Entity or Subsidiary thereof to the Tax Authority and such Seller Party, Purchased Entity or Subsidiary has paid any such real property Taxes and has not, prior to the applicable Adjustment Time, received a reimbursement for such paid real property Taxes from a Tenant, then the Purchaser Parties shall (A) cooperate with the Seller Parties after the applicable closing date to collect any such Tax payments without any obligation to engage a collection agency, sue any tenant or exercise any legal remedies under the applicable Lease or incur any expense over and above its own regular collection expenses and (B) upon receipt thereof, pay to the Seller Parties an amount equal to such paid real property Taxes.

(iii) If the Seller Party or Purchased Entity thereof maintains an impound or reserve account for payment of real property Taxes with respect to a Property using funds paid by the applicable Tenant pursuant to a Lease (a " Tax Impound Account "), (x) in the case of a Property other than an Underlying Property, the Seller Party shall retain the funds in the Tax Impound Account at Closing and shall provide the Purchaser Parties a credit on the Closing Statement for the amount, and (y) in the case of any Underlying Property, the Purchased Entity shall retain the funds in the Tax Impound Account at Closing and the Purchaser Parties shall not receive a credit therefor at Closing.

(iv) To the extent the real property Tax obligation in respect of any Lease is not set forth in Sections 1.4(d)(i) , the Seller Parties shall pay, at or prior to the Closing, all real property Taxes for any Tax period or portion of a Tax period prior to the applicable Adjustment Time regardless of when payable, and the Purchaser Parties shall bear the economic burden of all real property Taxes for any Tax period or portion of a Tax period from and after the applicable Adjustment Time, and such real property Taxes shall be prorated as of the applicable Adjustment Time between the Seller Parties and the

Purchaser Parties as otherwise provided in Section 1.4(a) , which proration shall be determined by apportioning such real property Taxes ratably over the taxable year on a daily basis. To the extent set forth in Section 5.7 , all refunds of any real property Taxes paid by Seller Parties relating to Tax periods prior to Closing pursuant to the proration thereof (including refunds pursuant to Tax appeals pending at Closing) shall be for the account of Seller Parties and shall be paid over to Seller Parties to the extent received by a Purchaser Party or a Purchased Entity or an Affiliate of a Purchaser Party or a Purchased Entity.

(e) Other Proration Items . The following additional items shall be prorated with respect to each Property with the Seller Parties bearing the costs for the period prior to the Adjustment Time and the Purchaser Parties bearing the costs for the period after the Adjustment Time:

(i) all other operating expenses relating to the Properties (including professional fees, personal property taxes and business, professional, licensing and occupancy taxes);

(ii) utilities;

(iii) the Purchaser Parties shall receive a credit for an amount equal to the outstanding principal (plus any accrued but unpaid interest) relating to any Existing Loan that is not fully repaid prior to the applicable Closing; and

(iv) the Seller Parties shall also receive a credit for any escrows held in connection with an Existing Loan Transferred to a Purchaser Party.

(f) Tenant Security Deposits for Properties . The applicable Seller Party shall grant to the applicable Purchaser Party a credit in an amount equal to the aggregate of the unapplied Tenant security and other deposits under the Leases (but not any Joint Venture if the Operating Partner holds same (the " Security Deposits ")) not transferred to the Purchaser Parties at Closing. If any Security Deposit is in the form of a letter of credit that is transferable by its terms, Seller Parties shall deliver to the Purchaser Parties at Closing the original letter of credit together with any documents required to be delivered and/or executed by the Seller Parties in order to transfer the beneficial interest under such letter of credit to Purchaser Parties and Seller Parties shall pay any transfer or review fee imposed by the applicable issuing bank. If a Security Deposit in the form of letter of credit is not transferable by its terms (a " Non-Transferable LOC "), the Seller Parties and the Purchaser Parties shall reasonably cooperate, at Seller Parties' sole cost and expense, with each other and all applicable tenants to cause each Non-Transferable LOC to be re-issued naming Purchaser Parties as the beneficiary thereof. Seller shall hold and administer each Non-Transferable LOC strictly in accordance with the Purchaser Parties' direction during the period following the applicable Closing, and the Seller Parties hereby accept such appointment and acknowledge that each Non-Transferable LOC shall be held by the Seller Parties in the Seller Parties' name in its capacity as agent for the Purchaser Parties and the Seller Parties hereby irrevocably disclaim any claim to each Non-Transferable LOC or the proceeds of any draw thereunder for the period following the Closing. The Seller Parties hereby agree that, from and after Closing (i) the Seller Parties shall present and draw upon each Non-Transferable LOC promptly upon the written demand of the Purchaser Parties and furnish the Purchaser Parties with the full proceeds of any such draw or draws; (ii) the Seller Parties shall not draw on a Non-Transferable LOC nor consent to any amendment, modification or termination of a Non-Transferable LOC without the prior written consent of the Purchaser Parties (which consent Purchaser Parties may grant or withhold in its sole discretion); and (iii) Seller Parties shall promptly forward to the Purchaser Parties any correspondence received by the Seller Parties with respect to a Non-Transferable LOC. The Purchaser Parties shall indemnify and hold the Seller Parties harmless from and against any and all Losses incurred by the Seller Parties arising out of any action taken by Seller under this Section based upon the Purchaser Parties' instructions (except to the extent arising from the Seller Parties' gross negligence or willful misconduct in performing the instructions reasonably requested).

(g) Portfolio Tape Calculation Amounts . With respect to each Closing at which any Purchased Commercial Loan shall be Transferred to the Purchaser Parties, the Seller Parties shall deliver or cause to be delivered to the Purchaser Parties: (i) a Closing Date CL Portfolio Tape, and (ii) a Closing Unpaid Principal Balance Statement, in each case, with respect to such Purchased Commercial Loans to be directly or indirectly Transferred to the Purchaser Parties at such Closing. For the avoidance of doubt, adjustments in respect of the Unpaid Principal Balance for any Purchased Commercial Loans shall be governed at each Closing by the applicable Closing Unpaid Principal Balance Statement.

(h) Other Prorations .

(i) The Seller Parties shall be responsible for all Leasing Costs relating to Leases or renewals, amendments, expansions and extensions of Leases entered into or which first become binding prior to March 31, 2015 or any Lease entered into after the date of this Agreement that has either not been approved by the Purchaser Parties or if such approval is not required, any Lease on terms that are not arms' length market terms (the " Sellers' Leasing Costs "). The Purchaser Parties shall be responsible for all Leasing Costs other than the Sellers' Leasing Costs (the " Buyer's Leasing Costs "). To the extent any Sellers' Leasing Costs have not been fully paid as of the Closing Date, the Purchaser Parties shall receive a credit at the Closing against the Unadjusted Asset Purchase Price in the amount of the balance of the Sellers' Leasing Costs remaining to be paid and the Purchaser Parties shall assume all obligations of the Seller Parties to pay the balance of the Sellers' Leasing Costs as to which the Seller Parties shall have received such credit and to perform the obligations associated with the same.

(ii) With respect to any Existing Loan, the Seller Parties and the Purchaser Parties shall apportion as of the Closing Date any interest paid or due with respect to any period that includes the Closing.

(iii) With respect to the Purchased Commercial Loans identified on Schedule 1.4(h)(iii) , Purchaser shall receive a credit at the Closing equal to the amount as calculated by the product of the applicable percentage set forth on Schedule 1.4(h)(iii) and the Outstanding Principal Balance of such Purchased Commercial Loans, including with respect to any partial prepayments made following the date hereof through the applicable Closing Date.

(i) Closing Statements; Calculation of Proration Items; Disputes .

(i) Applicable Time Period . Unless otherwise provided in this Agreement, the applicable Seller Parties will be charged and credited for the amounts of all of the Proration Items (other than Delinquent Rent and real property Taxes payable by the applicable Tenants) relating to the period up to and including the applicable Adjustment Time, and the applicable Purchaser Parties will be charged and credited for all of the Proration Items relating to the period after the applicable Adjustment Time. Notwithstanding anything herein to the contrary, (A) all prorations and adjustments with respect to the Purchased Interests and Transferred Properties shall be made on the basis of the actual number of days of the applicable time period which shall have elapsed prior to the applicable Adjustment Time and based upon the actual number of days in the applicable time period and a three hundred sixty five (365) day year and (B) all prorations and adjustments with respect to the Purchased Commercial Loans shall be made on the basis of the actual number of days in the applicable time period and a three hundred sixty (360) day year. All prorations and adjustments made pursuant to this Section 1.4 shall be made without duplication whatsoever.

(ii) Closing Statements . The Seller Parties shall prepare in good faith and deliver to the Purchaser Parties for its review and consultation, (x) with respect to each Property and Purchased

Interest or Deferred Property and Deferred Purchased Interests, as applicable, a statement of estimated Proration Items as of the applicable Adjustment Time on a property-by-property basis, and Purchased Entity basis to the extent applicable and (y) with respect to the Purchased Commercial Loans or Deferred Commercial Loans, as applicable, the applicable Closing Unpaid Principal Balance Statement, in each case, together with all relevant supporting documentation, to be submitted to the Purchaser Parties in draft form no less than three (3) Business Days before the applicable Closing Date to be updated one (1) Business Day prior for the Adjustment Time, as necessary (such statement for the Initial Closing, the " Estimated Initial Closing Statement "; and such statement for a Deferred Closing, an " Estimated Deferred Closing Statement "); provided that any Estimated Initial Closing Statement or Estimated Deferred Closing Statement, as applicable, will not be required to include any Proration Items, Cash adjustment amounts or Unpaid Principal Balance calculations with respect to any Deferred Asset (or the applicable Deferred Interests relating thereto) that is not being Transferred at the applicable Closing. In the event that Seller Parties and the Purchaser Parties agree to revisions to the Estimated Initial Closing Statement or the Estimated Deferred Closing Statement, as applicable, the Seller Parties shall deliver their revised, if applicable, statement of estimated Proration Items (if applicable), applicable Closing Unpaid Principal Balance Statement and other credits and adjustments to the Unadjusted Purchase Price or Unadjusted Asset Purchase Price Amount, as applicable, to Purchaser no less than one (1) Business Day before the applicable Closing Date (the Estimated Initial Closing Statement or the revised statement, if any, the " Initial Closing Statement "; and the applicable Estimated Deferred Closing Statement or the revised statement, if any, the " Deferred Closing Statement "). The Proration Items and other credits and adjustments reflected in the applicable Closing Statement will be paid at the applicable Closing by the Purchaser Parties to the Seller Parties (if the Proration Items, credits and adjustments result in a net credit to the Seller Parties) or by the Seller Parties to the Purchaser Parties (if the Proration Items, credits and adjustments pursuant to this Section 1.4 result in a net credit to the Purchaser Parties) by increasing or reducing the cash to be delivered by the Purchaser Parties in payment of the Estimated Initial Purchase Price or Estimated Deferred Purchase Price, as applicable, at the applicable Closing. As soon as practicable following the applicable Closing and, in any event, with respect to the Purchased Interests and Transferred Properties, not later than one hundred eighty (180) days (except, in the case of real property Taxes, twelve (12) months, in the case of Closing Year Additional and Percentage Rent, ninety (90) days following the date that such Rents are billed, and, in the case of Texas Franchise Taxes, twenty-four (24) months) after the applicable Closing, the Purchaser Parties shall prepare in good faith and deliver to the Seller Parties for their approval, which approval shall not be unreasonably withheld, delayed or conditioned, an update to the Initial Closing Statement (as approved by the Purchaser Parties, the " Adjusted Initial Closing Statement ") or the Deferred Closing Statement (as approved by Purchaser, each such updated Deferred Closing Statement, an " Adjusted Deferred Closing Statement ") which update will reflect the Purchaser Parties calculation of Proration Items and other credits and adjustments pursuant to this Section 1.4 as of the applicable Closing Date based on the information available as of the preparation date. As soon as practicable following the applicable Closing with respect to the Purchased Commercial Loans and, in any event, not later than one hundred eighty (180) days after the applicable Closing, the Purchaser Parties shall prepare in good faith and deliver to the Seller Parties for their approval, which approval shall not be unreasonably withheld, delayed or conditioned, an Adjusted Initial Closing Statement or an Adjusted Deferred Closing Statement which update will reflect (1) the Purchaser Parties calculation of Proration Items, credits and adjustments pursuant to Section 1.2(b) and (c) as of the applicable Closing Date based on the information available as of the preparation date and (2) the applicable Adjusted Closing Date Portfolio Tape. Re-prorations and adjustments will be made commencing after the Initial Closing when actual amounts are determined only where expressly provided in this Section 1.4.

(iii) Review by Accountants . If the Seller Representative disagrees with any Proration Items or other adjustments or calculations on any Adjusted Initial Closing Statement or any

Adjusted Deferred Closing Statement (each, an " Adjusted Closing Statement "), it shall provide a notice to the Purchaser Parties within sixty (60) days after its receipt of such Adjusted Closing Statement with respect to Purchased Interests and Transferred Properties, and fifteen (15) days with respect to Purchased Commercial Loans, setting forth the items with which it disagrees with reasonable detailed support in respect of such disagreement (the " Seller Objection Notice "). If the Parties are, after using their respective good faith efforts, unable to reach agreement on all such items within thirty (30) calendar days, with respect to Purchased Interests and Transferred Properties, and fifteen (15) days with respect to Purchased Commercial Loans, following the receipt by the Seller Parties of a Seller Objection Notice, the Purchaser Representative and the Seller Parties shall, within fifteen (15) calendar days after the end of such thirty (30) day period, cause Ernst & Young LLP (or, if they are unable or unwilling to serve, a firm of accountants of nationally recognized standing reasonably satisfactory to the Purchaser Representative and the Seller Parties (the " Accountants ") to promptly review this Agreement and the disputed line items in such Adjusted Closing Statement for the purpose of resolving such dispute. In performing their review, the Accountants shall (A) apply only the provisions of this Section 1.4 , (B) determine the accurate application of such provisions to only those line items in the applicable Adjusted Closing Statement as to which the Seller Parties have disagreed and which the Purchaser Representative and the Seller Parties have been subsequently unable to reach agreement, and (C) limit their determination of the appropriate amount of each of the line items in the applicable Seller Objection Notice, and shall make a final determination in writing, binding on the Parties, of the appropriate amount with respect to each such line item by selecting in its entirety either the position initially submitted to the Accountants by the Purchaser Parties' or the position initially submitted to the Accountants by the Seller Parties pursuant to this Section 1.4(i)(iii) that the Accountants believe is, or is closest to, the most accurate calculation with respect to such disputed line item. The Accountants shall adopt in its entirety the position of the Seller Parties or the Purchaser Representative on each disputed line item and shall not choose any other figure for any such disputed line item but, for the avoidance of doubt, may adopt one Party's position on some disputed line items and the other Party's position on other disputed line items. The Accountants shall be required to deliver to the Purchaser Representative and the Seller Parties, as promptly as practicable, but no later than thirty (30) calendar days after the Accountants are engaged, a written report setting forth their resolution of the disputed line items. The Purchaser Representative and the Seller Parties shall promptly comply with all reasonable requests by the Accountants for information, books, records and similar items. If the Accountants determine that (x) the disputed line items result in a net loss for the Seller Parties, the Seller Parties shall be responsible for the Accountants' fees and expenses, or (y) the disputed line items result in a net loss for the Purchaser Parties, the Purchaser Parties shall be responsible for the Accountants' fees and expenses. In the event the Purchaser Representative and the Seller Parties are unable to agree on Accountants within fifteen (15) days after receipt by Purchaser Parties of a Seller Objection Notice (the " Resolution Period "), then each of the Purchaser Representative and the Seller Parties shall select an accountant on or prior to the fifteenth day after the receipt by the Purchaser Parties of the Seller Objection Notice and such accountants shall select the Accountant within five (5) Business Days of the last day of the Resolution Period.

(iv) Final Payment . Within three (3) Business Days after the delivery of an Accountant's written report pursuant to paragraph (iii) above, (A) the Purchaser Parties shall pay to the Seller Parties, by wire transfer of immediately available funds to the account(s) designated by the Seller Parties pursuant to Section 1.3 , an amount equal to the amount, if any, by which the net credit to the Seller Parties is greater, or the net credit to the Purchaser Parties is less, on the applicable Adjusted Closing Statement (as finally determined pursuant to paragraph (iii) above as applicable) than the applicable credit taken into account in determining the Estimated Initial Purchase Price payable at the Initial Closing or the Estimated Deferred Purchase Price payable at the Deferred Closing, as applicable, or (B) the Seller Parties shall pay to the Purchaser Parties, by wire transfer of immediately available funds to the account(s) designated in writing by the Purchaser Parties, an amount equal to the amount, if any, by which the net

credit to the Seller Parties is less, or the net credit to the Purchaser Parties is greater, on the applicable Adjusted Closing Statement (as finally determined pursuant to paragraph (iii) above as applicable) than the applicable credit taken into account in determining the Estimated Initial Purchase Price payable at the Initial Closing or the Estimated Deferred Purchase Price payable at the Deferred Closing, as applicable.

(j) Prorations and other adjustments and calculations pursuant to this Section 1.4 shall not affect, be limited by, or be applied against any limitations, deductibles, thresholds or maximum amounts relating to the indemnification obligations and claims for Losses contained elsewhere in this Agreement.

(k) With respect to the Purchased Interests and Transferred Properties, if applicable, the Seller Parties and the Purchaser Parties shall apportion as of the Closing Date (i) any other item which, under the explicit terms of this Agreement, is to be apportioned at Closing, and (ii) other items customarily apportioned in connection with the sale of similar properties in the jurisdiction of the applicable Property.

(l) Notwithstanding anything to the contrary in this Section 1.4 , any Transfer Taxes described in Section 5.5 that are due and payable in connection with or as a result of the Transactions contemplated hereunder shall be covered exclusively by Section 5.5 hereof.

1.5 Alternative Transactions. Each of the Seller Parties and the Purchaser Parties shall reasonably cooperate with each other in connection with any request by a Party to restructure (x) any Equity Entity prior to the applicable Closing, or (y) the acquisition by the Purchaser Parties of any Purchased Interests, Properties, or Purchased Commercial Loans as (a) a merger of an Equity Entity thereof with and into a Purchaser Party or an Affiliate thereof, (b) a direct conveyance, assignment or other Transfer of a Property, Interests in an entity that owns a Property or a Purchased Commercial Loan by the applicable Seller Entity thereof to a Purchaser Party, and/or (c) another alternative structure designed to Transfer Purchased Interests, Properties, Purchased Entities, Underlying Properties and/or Purchased Commercial Loans to the Purchaser Parties (each, an " Alternative Transaction "), in each case, so long as such Alternative Transaction does not increase the Liabilities or adversely affect the tax, legal or structuring considerations of the Party requested to cooperate in such Alternative Transaction, as determined by such Party in its sole discretion, with respect to the Purchased Interests, Equity Entities, Properties, Underlying Commercial Loans or Purchased Commercial Loans to be acquired, or otherwise adversely affect such Party, as determined by such Party in its sole discretion. The foregoing restrictions shall not apply to a Seller Party's right to: (i) file an entity classification election on Internal Revenue Service Form 8832 with respect to an Equity Entity, or (ii) file or cause to be filed an election pursuant to Section 338(g) of the Code solely to the extent that (in the case of (i) or (ii)) such election has been specifically identified on Schedule 5.1(i)(E) . The Parties agree to reasonably cooperate to consummate any such Alternative Transaction that has been approved by both the Purchaser Parties and the Seller Parties in their sole discretion, including by executing and delivering such further instruments of assignment, merger, demerger, conveyance or other Transfer and take such other actions as may be necessary to carry out the purposes and intents of such Alternative Transaction in accordance with the purpose and intent of this Agreement.

1.6 Allocations . The Parties agree that the portion of the Unadjusted Purchase Price relating to the Transferred Properties and Purchased Interests shall be allocated among the Transferred Properties and Purchased Interests in accordance with the Unadjusted Asset Purchase Price for each Transferred Property and each Purchased Interest. The Parties further agree that the allocated Unadjusted Purchase Price with respect to each Purchased Commercial Loan shall be the actual amount paid by the Purchaser Parties to the Seller Parties at the Closing for such Purchased Commercial Loan determined in accordance with Section 1.2(c) of this Agreement. Any Applicable Prepayment Reduction Amount shall be applied to the Purchased Commercial Loan to which such Applicable Prepayment Reduction Amount relates; provided that, in the case of any Applicable Prepayment Reduction Amount relating to a Fully Prepaid Commercial Loan, such Applicable Prepayment Reduction Amount shall be applied pro-rata to all Purchased Commercial Loans acquired by the applicable Purchaser Party. Within

sixty (60) days after the Initial Closing and each Deferred Closing, the Seller Parties and the Purchaser Parties will use their Commercially Reasonable Efforts to (a) agree on any further allocation of the Unadjusted Asset Purchase Price for each Transferred Property and each Purchased Interest required by Section 1060 of the Code or comparable provision of state or local law (or an equivalent requirement in a jurisdiction other than the United States), and (b) to the extent applicable to any Transactions contemplated by this Agreement, file Internal Revenue Service Form 8594 and any equivalent form required by a jurisdiction other than the United States on a basis consistent with such agreed allocation; provided, however, that if the Parties cannot agree on such allocation at least sixty (60) days prior to the filing of any Tax Return that requires inclusion of Internal Revenue Service Form 8594 or equivalent form required by a jurisdiction other than the United States with respect to such allocations, except for any extensions, then each such Party shall make their own determination and file a separate Internal Revenue Service Form 8594, or equivalent form required by a jurisdiction other than the United States, accordingly. The Seller Parties and the Purchaser Parties each agree to provide the other promptly with any other information required to complete Internal Revenue Service Form 8594 or equivalent form required by a jurisdiction other than the United States. Where applicable Law requires the Parties to agree on and report consistently an allocation of the Estimated Initial Purchase Price or Estimated Deferred Purchase Price for Tax purposes in connection with any Transaction contemplated by this Agreement, the Parties shall use their Commercially Reasonable Efforts, including reasonable cooperation and good faith negotiation, to comply with such Law; if the Parties cannot agree on such allocation at least sixty (60) days prior to the filing of any Tax Return that requires inclusion of such agreed upon allocation, an allocation that complies with such Law shall be determined by an internationally recognized independent accounting firm (selected by the Seller Parties and the Purchaser Parties and any related costs shall be borne equally by the Seller Parties and the Purchaser Parties) which determination shall be final and binding on the Parties.

ARTICLE II

INSPECTION AND TITLE MATTERS

2.1 Purchaser Parties' Inspections and Due Diligence .

(a) To the extent not provided by the Seller Parties prior to the date hereof, the Seller Parties, shall promptly, after the date hereof, provide and make available for review such information and data (other than any Confidential Documentation) in the Seller Parties' possession or control concerning the Purchased Commercial Loans, the Properties, and the Equity Entities as the Purchaser Parties or any Purchaser Related Parties reasonably may request, including the Diligence Materials and such other information that becomes available after the date hereof with respect to the Properties, the Equity Entities, the Purchased Commercial Loans and the Commercial Loan Properties (collectively, the " Due Diligence "), subject to the terms and conditions of this Article II . The Due Diligence is at the Purchaser Parties' sole cost and expense. Notwithstanding the continuation of the Due Diligence, the Purchaser Parties shall have no right to exclude any assets required to be purchased hereunder (other than as expressly set forth in this Article II or to terminate this Agreement (except in accordance with Article X).

(b) The Seller Parties shall (i) provide the Purchaser Parties and their officers, directors, employees, counsel, accountants, lenders, contractors, advisors, consultants and representatives (the " Purchaser Related Parties ") with reasonable access, during normal business hours, upon reasonable prior notice to such Seller Party (which reasonable prior notice shall provide such Seller Party with sufficient time to comply with any notice obligations such Seller Party may have to the applicable Tenant or Obligor), to the Transferred Properties and, to the extent that the applicable Seller Parties possess such inspection rights with respect to any Underlying Property or Commercial Loan Properties, to such Underlying Properties and Commercial Loan Properties (the " Inspections "); provided , however , that any such Inspections will not unreasonably disrupt or disturb (A) the ongoing operation of the Properties or the Commercial Loan Properties; (B) any services to the Equity Entities; (C) the rights of any Tenants; or (D) any rights of any third parties with respect to any Joint Ventures. In no event will the Purchaser Parties be permitted to perform any intrusive physical inspections, tests or investigations, including any Phase II

environmental inspection of, any Property or Commercial Loan Property without the Seller Parties' express prior written consent, in the Seller Parties' sole discretion. The Seller Parties shall have the right to have a Representative present during any of the Purchaser Parties' or the Purchaser Related Parties' visits to or inspections of any Properties. The Purchaser Parties may request any and all publicly available information about the Properties from Governmental Entities but will not disclose to any Governmental Entity (unless required by Law, in which event, to the extent not prohibited by applicable Law, the Purchaser Parties shall give to the Seller Parties at least ten (10) days' prior written notice of such intended disclosure) the results of any inspection, sampling or testing conducted at any Property without the Seller Parties' express prior written consent, in the Seller Parties' sole discretion. The Purchaser Parties and all Purchaser Related Parties shall, in performing the Inspections, comply with the procedures set forth in this Agreement and with any and all Laws applicable to the applicable Property or Commercial Loan Property and shall not engage in any activities that would violate any Licenses and Permits, Leases, Ground Leases or Laws. The Purchaser Parties shall: (x) promptly pay when due the costs of all Inspections done by the Purchaser Parties or the Purchaser Related Parties, and (y) restore the Properties or Commercial Loan Properties to the condition in which the same were found before any such Inspection, but in no event later than ten (10) calendar days after such damage occurs.

(c) Except as contemplated by this Agreement, the Purchaser Parties may not communicate or conduct interviews with any employee, lender, partner, ground lessor or joint venturer of any Seller Person or any Tenant or any Obligor without the prior consent of the Seller Parties. Notwithstanding the foregoing, the Purchaser Parties may communicate with those employees or representatives that are designated by the Seller Parties, but such communication shall be solely for the purpose of performing the Due Diligence and the Inspections contemplated herein.

2.2 Due Diligence Indemnity . The Purchaser Parties shall defend, indemnify, and hold harmless the Seller Persons and their Affiliates from and against all claims, Actions, losses, liabilities, damages, costs and expenses, whether arising out of injury or death to persons or damage to any real or personal property, including any property of Tenants or otherwise, and including reasonable attorneys' fees and costs, incurred, suffered by, or claimed against any Seller Person or any of their Affiliates to the extent caused by (i) an Inspection by the Purchaser Parties or any Purchaser Related Party, including the costs of remediation, restoration and other similar activities, mechanic's and material or materialmen's liens and attorneys' fees and costs, to the extent arising out of or in connection with the Inspections but excluding the discovery of any pre-existing condition; or (ii) any breach of Section 2.1 by either the Purchaser Parties or any Purchaser Related Party or any of their respective partners, directors, officers, agents, members, shareholders, attorneys or other Representatives. The provisions of this Section 2.2 shall survive the Closing or any termination of this Agreement.

2.3 Title Matters .

(a) Each of the Seller Parties has made available, or will make available following the date hereof, to the Purchaser Parties or their counsel, copies of: (i) the most recent title insurance policy, commitment, or pro forma, whether owner's or lender's, if any, relating to each of the Properties and the Commercial Loan Properties (or, with respect to Properties located outside of the United States, land registry excerpts, property title or other local land record searches if applicable) in such Seller Party's possession (each, an " Existing Policy " and collectively, the " Existing Policies "), and (ii) the most recent survey, if any, relating to each of the Properties in such Seller Party's possession (each, an " Existing Survey " and collectively, the " Existing Surveys ").

(b) After the date hereof, the Purchaser Parties shall have the right to order current title commitments for one or more of the Properties (or, with respect to Properties located outside of the United States, land registry excerpts, property title or other land record searches if customarily obtained by prudent purchasers of real property interests) (together with the underlying exception documents, each, a " Title Commitments ") and new surveys or modifications, updates to or recertifications to the Existing Survey for one or more of the Properties

(each, a " New Survey "). For purposes of this Agreement, " Title Company " shall mean Chicago Title Insurance Company, together with one or more co-insurers or re-insurers selected by the Purchaser Parties. In addition, the Purchaser Parties shall have the right to order current title commitments for one or more of the Commercial Loan Properties and new surveys or modifications, updates to or recertifications to the Existing Survey for one or more of the Commercial Loan Properties.

(c) Purchaser Parties' Objections .

(i) On or before the date that is seven (7) Business Days after the date upon which the Purchaser Parties have received a Title Commitment or New Survey (or an update to either of the foregoing) (the " Objection Date "), the Purchaser Parties' counsel shall notify the Seller Parties' counsel in writing of any matters shown on or arising out of the applicable Title Commitment (or any update thereto), New Survey (or any update thereto), the Existing Policies or the Existing Surveys that the Purchaser Parties believe constitute Material Title Exceptions and/or Mandatory Removal Exceptions (provided that the Purchaser Parties' failure to provide written notice of a Mandatory Removal Exception shall not affect the Seller Parties' obligation to cure such Mandatory Removal Exception in accordance with Section 2.3(g) below) (each such item, a " Title Objection").

(ii) Notwithstanding anything herein to the contrary, any objection notice given by the Purchaser Parties pursuant to Section 2.3(c)(i) shall be given by Purchaser prior to the applicable Closing Date. If the Purchaser Parties fail to give an objection notice pursuant to Section 2.3(c)(i) with respect to any matter shown in any Title Commitment (or any update thereto) or New Survey (or any update thereto), Existing Policy, or Existing Survey on or before the applicable Objection Date, the Purchaser Parties shall be deemed to have irrevocably waived their right to object to such matter as a Material Title Exception and such Material Title Exception shall be deemed a Permitted Encumbrance; provided that the Purchaser's Parties failure to deliver an objection notice with respect to a Mandatory Removal Exception shall not affect the Seller Parties obligation to cure such Mandatory Removal Exception in accordance with Section 2.3(g) below and no Mandatory Removal Exceptions shall be deemed waived pursuant to this Section 2.3(c)(ii).

(iii) Any title matters disclosed in the Title Commitments (or any update thereto), the Existing Policies or the Existing Surveys (or any update thereto) or the New Surveys (or any update thereto) that (A) (1) are raised by the Purchaser Parties on or before the applicable Objection Date, (2) materially impair the current use, operation, access or value of a Property or materially affects the operation of the business conducted thereon, and (3) are not Permitted Encumbrances, or (B) are Mandatory Removal Exceptions, shall be referred to collectively as " Material Title Exceptions ." Without limiting the generality of the foregoing, the Parties agree that the items set forth on Schedule 3.11 shall not be deemed to be Material Title Exceptions.

(d) Seller Parties' Cooperation . The Seller Parties agree to reasonably cooperate with the Purchaser Parties in connection with, and shall provide to the Title Company, such customary affidavits, certifications and information as the Title Company (in the case of Properties located in the United States, Mexico or Canada) may reasonably require for the purposes of obtaining new title policies for the Properties located in the United States, Mexico and Canada or, at the Purchasers Parties' election, endorsements to the Existing Policies (the " Title Policies "), including, without limitation, (i) such affidavits, certifications and indemnities as may be required by the Title Company in order to issue so-called "non-imputation" endorsements (where such endorsements are available), if the Purchaser Parties should elect to obtain Title Policies, (ii) evidence sufficient to establish (x) the legal existence of the Seller Parties and Equity Entities, as applicable, and (y) the authority of the respective signatories of the Seller Parties to bind the Seller Parties, and (iii) a certificate of good standing for each Seller Party; provided , however , that any such Title Policies, including satisfaction of any and all requirements to obtain the same

(other than deliveries by the Seller Parties contemplated by this Section 2.3(d)), shall be at the Purchaser Parties' sole cost and expense (other than the costs and expenses of any endorsement or affirmative coverage arranged by the Seller Parties to elect to cure a Material Title Exception or Mandatory Removal Exception in accordance with Section 2.3(h)) and the Title Policies shall in no way be deemed a condition to the Purchaser Parties' obligations to effect and close the Transactions. The Purchaser Parties agree to work with the Title Company's Atlanta, Georgia office in collaboration with its New York office on the affidavits, certifications and information to be delivered by the Seller Parties to the Title Company under this Section 2.3(d) .

(e) Permitted Encumbrances . As to each Property, the following items shall be deemed acceptable to the Purchaser Parties and all such items shall constitute " Permitted Encumbrances " hereunder to which the Purchaser Parties may not object:

(i) all unpaid personal property, real estate and any excise Taxes related thereto, and all water, sewer, utility, trash and other similar charges, in each case that are (A) not yet due and payable and delinquent as of the applicable Closing Date but are or may become or give rise to a Lien on all or any portion of such Property, or (B) being contested in good faith by the owner of such Property and have been paid in full (it being understood that such items may be subject to apportionment or adjustment at the applicable Closing as provided herein);

(ii) undetermined or inchoate liens, rights of distress and charges incidental to construction, maintenance or current operations that have not at such time been filed or exercised or that relate to obligations not due or payable;

(iii) in respect of Properties located in Canada, reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, and/or any statutory limitations to title set out by statute;

(iv) the rights of the Tenants as tenants only without any purchase options or rights of refusal pursuant to Leases or otherwise relating to the premises leased by a Tenant, other than any Ground Leases, now in effect or which may be in effect on the applicable Closing Date;

(v) the terms and conditions of the Ground Leases and any matter affecting the fee estate of lessor under a Ground Lease under a Ground Lease only and such matter does not encumber the leasehold estate;

(vi) except for any Mandatory Removal Exception, any Material Title Exceptions deemed to be a Permitted Encumbrance pursuant to this Section 2.3 or otherwise waived by the Purchaser Parties as provided in this Section 2.3 ;

(vii) other than Mandatory Removal Exceptions, all easements, rights of way, encumbrances, covenants, conditions, restrictions that appear of record (other than Mandatory Removal Exceptions), provided that no such matter materially impairs the current use or value of such Property or the operation of the business conducted thereon in any material manner;

(viii) all matters created or caused by or on behalf of, or with the written consent of, the Purchaser Parties or any Affiliate thereof;

(ix) all Laws, including all environmental, building and zoning restrictions affecting such Property or the ownership, use or operation thereof adopted by any Governmental Entity having jurisdiction over such Property or the ownership, use or operation thereof, and all amendments or

additions thereto now in effect or which may be in force and effect after the date hereof with respect to such Property, except to the extent that the Property is not in material compliance with any Laws relating to zoning; the Parties hereby acknowledge and agree that the failure of any Property to have any required certificate of occupancy or other permit or license (other than on account of a failure of such Property to be in material compliance with a Law relating to zoning) shall not be treated as a title or survey matter and shall be deemed to be a Permitted Encumbrance;

(x) any Liens of mechanics, material or materialmen, contractors, consultants, or other workmen or suppliers for labor and/or material provided to or for the benefit of the Property for or on behalf of any Tenant, to the extent such Liens encumber such Tenant's leasehold interest only, are fully reimbursable by a Tenant, and are Liens for which a Tenant has an obligation to remove under a Lease (each, a " Tenant Lien ");

(xi) Liens securing obligations for which a credit in an amount sufficient to cause such Lien to be removed from or endorsed over in the Title Policy, together with the fees associated with such removal or endorsement, will be given to the Purchaser Parties at the Closing or that are reflected on the Estimated Initial Closing Statement or Estimated Deferred Closing Statement;

(xii) with respect to Commercial Loan Properties, the terms and conditions set forth in any of the Purchased Commercial Loans, including any intercreditor agreements, subordination agreements, participation agreements, cross collateralization agreements and similar agreements related thereto, and the rights of the Obligors set forth therein;

(xiii) Liens securing Existing Loans relating to such Property; and

(xiv) all other documents and matters listed or referred to on Schedules 3.6 and 3.19 .

(f) Resolution of Material Title Exceptions .

(i) Upon receipt of the notice described in Section 2.3(c) , the Seller Parties shall have the right, by the date that is ten (10) Business Days after receipt of notice of such Title Objection (or no later than five (5) Business Days prior to the applicable Closing Date, unless the applicable notice of such Title Objection is provided within five (5) Business Days of the applicable Closing Date) or such other date as expressly provided herein, by written notice to the Purchaser Parties with respect to each Property affected by any such Material Title Exceptions, to elect to cure such Material Title Exception in accordance with Section 2.3(h) . If the Seller Parties (x) do not elect to cure any Material Title Exception, or (y) in the event the Seller Parties have elected to cure any Material Title Exception and fail to cure in accordance with Section 2.3(h) by the applicable Closing Date, the Purchaser Parties shall have the election to either (A) terminate this Agreement with respect to such Purchased Commercial Loan, Transferred Property or such Purchased Interest with respect to such Underlying Property, in which case such Purchased Commercial Loan, Transferred Property shall be deemed an Excluded Asset and if the Underlying Property is owned by a Joint Venture, the related Purchased Interests shall be deemed an Excluded Asset, or (B) proceed to Closing with respect to the affected Transferred Property, Purchased Commercial Loan or Purchased Interest; provided , however , that, in the event that the Seller Parties have elected to cure any such Material Title Exception, then the Purchaser Parties shall not be entitled to terminate this Agreement with respect the applicable Purchased Commercial Loan, Transferred Property or Purchased Interests for so long as the Seller Parties shall be using their Commercially Reasonable Efforts to cure such Material Title Exception or any Debt Removal Exception.

(ii) Except to the extent that Seller Parties shall have elected to cure any Material Title Exception, Seller Parties shall not be required and are not obligated to bring any Action or proceedings, convey or acquire any interest in real property, incur any expense or liability with respect to the removal or cure of Material Title Exceptions or take any other Action of any kind or nature to render title to any of the Properties free and clear of any title or survey exceptions, objections or encumbrances (except as provided below with respect to Mandatory Removal Exceptions), and the Purchaser Parties shall have no right of specific performance or other relief against the Seller Parties to cause any Material Title Exceptions to be satisfied or cured.

(g) Resolution of Mandatory Removal Exceptions . Notwithstanding the provisions of Section 2.3(f) , but subject to the provisions of Section 2.3(h) , at or prior to the applicable Closing:

(i) relating to any applicable Transferred Property or any applicable Purchased Interest with respect to an Underlying Property, the Seller Parties shall, or shall cause the applicable Equity Entities to, at the sole cost and expense of the Seller Parties, pay in full or cause to be canceled and discharged, bonded or otherwise cause the Title Company to insure over (other than with respect to a Security Lien and subject to the reasonable approval of the Purchaser Parties) or otherwise cure in accordance with Section 2.3(h) : (i) any mortgage, deed of trust or other security instrument securing any indebtedness (each, a " Security Lien ") that does not secure an Existing Loan, (ii) all mechanics' and contractors' Liens which encumber any Property as of the Closing Date (other than Tenant Liens), and (iii) all Liens against such Property which evidence monetary obligations of any Seller Party or any Equity Entity (or an Affiliate thereof) other than with respect to an Existing Loan (in each case, excluding the Permitted Encumbrances, the " Property Removal Exceptions "); provided that the Seller Parties' obligation to discharge any liens under clause (ii) and (iii) shall be capped, per Property, at an amount equal to the greater of (x) $250,000, and (y) five percent (5%) of the Unadjusted Asset Purchase Price Amount with respect to the applicable Property;

(ii) relating to a Purchased Commercial Loan, the Seller Parties shall, at their sole cost and expense, cure any defect or impairment that results in the applicable Commercial Loan Mortgage not being a first priority lien on the applicable Commercial Loan Property to the extent such lien is contemplated pursuant to the terms of the Purchased Commercial Loan (a " Debt Removal Exception "; together with the Property Removal Exceptions, collectively, the " Mandatory Removal Exceptions "); and

(iii) notwithstanding anything to the contrary contained herein, the Seller Parties shall, to the extent required to be paid by the landlord under a Lease, cause to be paid in full all past due real and personal property Taxes as provided in Section 1.4 (d) .

(h) Curing Title Matters . Notwithstanding anything herein to the contrary, the Seller Parties shall be deemed to have removed, satisfied or cured a Material Title Exception or Mandatory Removal Exception if, at the Seller Parties' sole cost and expense, the Seller Parties, jointly and severally, shall either: (i) take such Actions as are necessary to remove, satisfy or cure (of record or otherwise, as appropriate) such Material Title Exception or Mandatory Removal Exception; (ii) in the case of Properties located in the United States, Mexico or Canada, cause the Title Company to remove such Material Title Exception or Mandatory Removal Exception as an exception to the Title Policy issued at Closing or agree to, subject to the reasonable approval of the Purchaser Parties, affirmatively insure against the same, whether such removal or insurance is made available in consideration of payment, bonding, indemnity of the Seller Parties or otherwise; or (iii) other than with respect to a Debt Removal Exception, deliver (A) the Seller Parties' own funds (or direct that a portion of the Estimated Initial Purchase Price or Estimated Deferred Purchase Price, as applicable, be delivered), in an amount needed to fully discharge any such Material Title Exception or Mandatory Removal Exception, to the Title Company with instructions for the Title

Company to apply such funds to fully discharge same and the Title Company agrees to remove the same from the Title Policy, and (B) in the case of Properties located in the United States, Mexico or Canada, if required by the Title Company, such instruments, in recordable form, as are necessary to enable the Title Company to discharge such Material Title Exception or Mandatory Removal Exception of record. Other than with respect to a Debt Removal Exception the extent that funds are needed to cure any Mandatory Removal Exception or Material Title Exception, the Seller Parties shall have the right to direct that any portion of the Estimated Initial Purchase Price or Estimated Deferred Purchase Price, as applicable, being paid at the Closing to be delivered to the applicable title company to cure same.

(i) With respect to each applicable country named on Annexes 1 through 14 hereof, this Section 2.3 shall be amended (and restated, as applicable) with respect to each such country as provided for on such Annexes 1 through 14 .

2.4 Potentially Excluded Equity Assets .

(a) General . Notwithstanding anything to the contrary contained in this Agreement, the Purchaser Parties shall have the right to deliver one or more written notices to the Seller Parties electing to exclude a Designated Equity Asset (which notice shall provide, in reasonable detail, the reason for such exclusion) (each, an " Exclusion Notice ") from the Transactions subject to the following terms and conditions.

(b) Designated Equity Assets.

(i) With respect to an Exclusion Notice relating to a Designated Equity Asset (each a " Specified Equity Asset "), the Purchaser Parties and the Seller Parties shall negotiate in good faith for a period of fourteen (14) days after delivery by the Purchaser Parties of the applicable Exclusion Notice and attempt to find a commercially reasonable solution with respect to each Specified Equity Asset, which may include an adjustment to the Unadjusted Asset Purchase Price payable with respect to such Specified Equity Asset or a mutual election by the Purchaser Parties and the Seller Parties to exclude such Specified Equity Asset from the Transactions. If the Purchaser Parties and the Seller Parties mutually agree in writing during such fourteen (14) day period to exclude the applicable Specified Equity Asset from the transactions, such Specified Equity Asset shall be deemed an Excluded Asset. If the Purchaser Parties and the Seller Parties mutually agree upon a reduction of the Unadjusted Asset Purchase Price for such Specified Equity Asset, such reduced Unadjusted Asset Purchase Price shall be reflected in a writing executed by Purchaser Representative and Seller Representative. If the Purchaser Parties and the Seller Parties are unable to reach a mutually agreed upon solution for a Specified Equity Asset within the 14-day period specified above, then, within five (5) Business Days following the conclusion of such fourteen (14)-day negotiation period, the Purchaser Representative (on behalf of the Purchaser Parties) shall have the right to submit to arbitration the appropriate reduction, if any, to the Unadjusted Asset Purchase Price by delivery of a written notice to the Seller Parties specifying such election (each a " Equity Arbitration Notice "). Within ten (10) days of the Purchaser Representative's delivery of the Equity Arbitration Notice (the " Equity Response Period "), the Seller Parties shall have the option by delivery or written notice to Purchaser (each an " Equity Response Notice ") to exclude such Specified Equity Asset in which case such Specified Equity Asset shall be a deemed Excluded Asset. If the Seller Parties fail to timely deliver an Equity Response Notice the appropriate reduction, if any, to the Unadjusted Asset Purchase Price for such Specified Equity Asset shall be determined by arbitration in accordance with paragraph (ii) below.

(ii) Within five (5) days of the expiration of the Equity Response Period, each of the Purchaser Parties and the Seller Parties shall identify one of the Equity Arbitrators with respect to the arbitration relating to the applicable Specified Equity Asset. If the Purchaser Parties and the Seller Parties

elect the same Equity Arbitrator, such Equity Arbitrator shall be the arbitrator with respect to the applicable arbitration. If the Purchaser Parties and the Seller Parties do not select the same Equity Arbitrator, the unnamed arbitrator in the definition of Equity Arbitrator shall be the arbitrator with respect to the applicable arbitration. If either the Purchaser Parties or the Seller Parties fails to timely select an Equity Arbitrator, the arbitrator with respect to such arbitration shall be the Equity Arbitrator selected by the other Party. In connection with any such matter submitted to arbitration, within ten (10) days following the appointment of the designated Equity Arbitrator, each of the Purchaser Parties and the Seller Parties shall submit to the designated Equity Arbitrator its written estimate of the "as is" fair market value of the Specified Equity Asset as of the date of this Agreement (which cannot be in excess of the original applicable Unadjusted Equity Asset Purchase Price) (each, an " Equity FMV Estimate "), supported by a written statement setting forth in such detail as it deems appropriate its basis for such valuation. The designated Equity Arbitrator shall provide copies of each such submission to the other party. If either the Purchaser Parties or the Seller Parties fails (such Party being herein referred to as the " Non-Submitting Party ") to submit an Equity FMV Estimate within such ten (10) day period, the Equity FMV Estimate submitted by the other Party shall be deemed correct and conclusive for all purposes with respect to this Agreement, the arbitration shall be deemed concluded and the Unadjusted Asset Purchase Price for such Specified Equity Asset shall be deemed to be modified to be the such Equity FMV Estimate. If the Purchaser Parties and the Seller Parties each submit an Equity FMV Estimate, the designated Equity Arbitrator shall select one of the submitted Equity FMV Estimates as the correct determination of the fair market value and shall have no right to propose a middle ground or any modification of any of the proposed positions. The Equity Arbitrator's selection shall be final and binding upon the Parties and shall be conclusive for all purposes with respect to this Agreement and the Unadjusted Equity Purchase Price for such Specified Equity Asset shall be deemed to be modified to be equal to the Equity FMV Estimate so selected.

(iii) The aggregate Unadjusted Asset Purchase Prices of Specified Equity Assets that may be subject to the provisions of this paragraph (b) shall not exceed Five Hundred Million U.S. Dollars ($500,000,000).

(c) Arbitration Expenses . Any decision of an Equity Arbitrator may not include, and the Parties specifically waive, any award of attorney's fees. Accordingly, each Party shall bear its own attorneys' fees incurred in connection with any arbitration proceeding. The fees and expenses of any Equity Arbitrator in connection with each arbitration shall be borne fifty (50%) by the Purchaser Parties and fifty (50%) by the Seller Parties.

2.5 Potentially Excluded Purchased Commercial Loans . The Parties have made the agreements and covenants with respect to certain of the Purchased Commercial Loans set forth in Schedule 2.5 to this Agreement, which is hereby incorporated into this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES

Except as set forth in the Disclosure Schedules referenced below in this Article III , subject to the terms of Section 12.14 , the Seller Parties, jointly and severally, represent and warrant to the Purchaser Parties as follows:

3.1 Organization, Power and Authority of the Seller Parties . Each Seller Party is (a) a corporation, limited liability company, unlimited liability company, general partnership or limited partnership, as applicable, duly organized and validly existing, and (b) is (or, as long as a failure of a Seller Party to be in good standing as of

the date hereof does not impact the enforceability of this Agreement against such Seller Party under any applicable Law, as of the applicable Closing, will be) in good standing under the Laws of the jurisdiction of its formation. Each Seller Entity, if required by applicable Law, is qualified to transact business and is in good standing in the jurisdiction where the applicable Property is located, except for the failure to be so qualified or in good standing that would not have a material adverse effect on such applicable Property. Each Seller Party has the requisite corporate, limited liability company or limited partnership, as applicable, power and authority (i) to enter into this Agreement and all documents contemplated hereunder to be entered into by the Seller Parties, (ii) to perform their respective obligations hereunder and thereunder and (iii) to consummate the Transactions. The execution and delivery by the Seller Parties of this Agreement and all documents contemplated hereunder to be executed and delivered by each Seller Party and the consummation of the Transactions have been duly authorized by all necessary corporate, limited liability company or limited partnership action, and no other corporate, limited liability or limited partnership proceedings on the part of each Seller Party or its members or partners are necessary to authorize any of the foregoing. This Agreement has been, and all documents contemplated hereunder to be executed by the Seller Parties, when executed and delivered will have been, duly executed and delivered by each Seller Party and shall constitute the valid and binding obligation of the Seller Parties, enforceable against them in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to the enforcement of creditors' rights and by general principles of equity. The representatives of each Seller Party executing this Agreement in the name and on behalf of each Seller Party, have been granted with the sufficient authority and powers of attorney to enter into this Agreement and bind each Seller Party pursuant to the terms and conditions hereof, and such authority and powers of attorney have not been limited, modified, amended and/or revoked as of the date hereof.

3.2 Purchased Interests . Each Seller Party has record and beneficial ownership of, and shall convey to the Purchaser Parties at Closing, beneficial and legal title to the Purchased Interests free and clear of all Liens (other than restrictions under federal and state securities Laws, Investment Liens and under any related to Existing Loans), in each case, as set forth opposite such Seller Party's name on Schedule 1 . Upon delivery of the applicable Purchased Interests to Purchaser Parties and payment to Seller Parties of the Unadjusted Purchase Price, such Purchased Interests will be conveyed to Purchaser free and clear of all Liens other than (i) Investment Liens and restrictions under federal and state securities Laws, (ii) any Liens related to the Existing Loans, and (iii) any Liens created by the Purchaser Parties.

3.3 Noncontravention; Consents .

(a) Except for any Required Third Party Consents that shall have been obtained at or prior to the applicable Closing, the execution and delivery by each Seller Party of this Agreement and all documents contemplated hereunder to be executed and delivered by the Seller Parties do not conflict with, and the consummation of the Transactions contemplated hereunder and thereunder and compliance by the Seller Parties with the provisions hereof and thereof will not conflict with, or result in any material violation of, or material default (with or without notice or lapse of time or both) under, give rise to a right of termination, cancellation or acceleration of, any material contractual obligation (including any right of any third party to purchase or be offered the opportunity to purchase any Property as a condition to the Transactions), or to a material loss of a benefit under, or result in the creation of any Lien upon the Purchased Interests, any Property, any Purchased Commercial Loan or any other asset of an Equity Entity under: (i) the Organizational Documents of any Seller Party or any Purchased Entity, (ii) any Material Contract, Purchased Commercial Loan, Material Lease or Ground Lease or other material agreement or instrument to which a Seller Entity is bound, or (iii) any judgment, order, decree, statute, law, including the common law, ordinance, rule or regulation (collectively, " Laws ") applicable to any Seller Entity, any Property or Purchased Commercial Loan. In respect of the Transaction, at the Closing relating to any Equity Asset, any applicable Pre-Emptive Right will have expired pursuant to its terms or have been waived by such Person.

(b) In connection with the execution and delivery of this Agreement and the other Transactions contemplated by this Agreement, as applicable, no material consent, approval, order, waiver of a Pre-Emptive Right or authorization of, or registration, declaration or filing with, any federal, state, provincial or local government or any court, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign (a " Governmental Entity ") or other Person, is required under any of the terms, conditions or provisions of any Law applicable to any Seller Entity, or, except for such other consents, approvals, orders, waivers, authorizations, registrations, declarations and filings as shall have been obtained or waived at or prior to the applicable Closing. Neither the execution and delivery by the Seller Parties of this Agreement nor the consummation of the Transactions contemplated hereunder is subject to a Material Third Party Option.

3.4 Capitalization, Subsidiaries and Joint Ventures .

(a) Interests . Schedule 1 (i) sets forth the percentage interest held by the Seller Parties in each Purchased Entity and (ii) each Underlying Property and the Equity Entity owning such Underlying Property. Except as set forth on Schedule 3.4(a)(i) , the Purchased Interests are owned by the Seller Parties free and clear of any options, right of first refusal, right of first offer, limitations on the Seller Parties' voting, distribution, dividend or transfer rights, charges and other encumbrances or Liens of any nature whatsoever, other than as set forth in a Purchased Entity's Organizational Documents or with respect to pledges under any Existing Loans. Except as set forth on Schedule 3.4(a)(ii) , no Purchased Entity owns, directly or indirectly, any equity securities of any entity or has any equity or other ownership interest in any Person other than a Wholly Owned Subsidiary that is treated as a flow through entity for both U.S. federal and foreign Tax purposes. The Seller Parties have made available to the Purchaser Parties true, correct and complete copies of the Organizational Documents of the Equity Entities (other than any Organizational Documents of any wholly owned subsidiary of a Purchased Entity or Joint Venture). Except as disclosed in the Organizational Documents of the Equity Entities, there are no (a) securities convertible into or exchangeable for the equity interests or other securities of any Equity Entity; (b) options, warrants or other rights to purchase or subscribe to equity interests or other securities of any Equity Entity or securities which are convertible into or exchangeable for equity interests or other securities of any Equity Entity; or (c) equity equivalents, interests in the ownership of, or similar rights in the Equity Entities. Except as set forth in the Organizational Documents of the Equity Entities, there are no outstanding contractual obligations of any Equity Entity to repurchase, redeem, exchange or otherwise acquire any Interests in an Equity Entity. None of any Seller Party or any Equity Entity is a party to any members' agreement (or the equivalent), voting trust agreement or registration rights agreement relating to any Purchased Interests in an Equity Entity or any other Contract relating to disposition, voting or distributions with respect to any Interests in an Equity Entity.

(b) Venture Agreements . Schedule 3.4(b) sets forth a true, correct, and complete list of organizational documents for the Joint Ventures. The Venture Agreements are in full force and effect, contain the entire agreement between the parties thereto relating to the Joint Ventures and, no Seller Entity that is a party to the Venture Agreement (a " GE Partner ") has received or provided written notice of a default thereunder.

(c) Exit Rights . No GE Partner has exercised any Exit Rights under the Venture Agreements that are currently effective or which would restrict the ability of a GE Partner to exercise Exit Rights under the Venture Agreement, and (ii) as of the date hereof, no GE Partner has received written notice from any Operating Partner of the exercise by such Operating Partner of any such Exit Rights under any Venture Agreement.

(d) Major Decisions . Except as set forth on Schedule 3.4(d) , no GE Partner has granted any approval for a sale or refinance of a Property (directly or indirectly) which has not been completed.

(e) Financial Statements . The Sellers Parties have made available to the Purchaser Parties the audited balance sheets of certain Joint Ventures as of December 31, 2013 (the " Reference Balance Sheet ") and the related audited statements of income, for the year-ended December 31, 2013 (collectively, the " Reference Financial Statements "). To the Knowledge of the Seller Parties, the Reference Financial Statements present fairly, in all material respects, the financial condition of the applicable Joint Venture as of their respective dates.

3.5 Existing Policies and Surveys; Ground Leases .

(a) The Seller Parties have made, or promptly following the date hereof will make, available to the Purchaser Parties copies that, to the Knowledge of the Seller Parties, are true, correct and complete in all material respects of all Existing Policies and Existing Surveys in the Seller Parties' possession as of the date hereof. There are no (i) pending Bankruptcy proceedings against any Seller Entity, or (ii) to Seller Parties' Knowledge, threatened Bankruptcy Proceedings against any Seller Entity.

(b) Schedule 3.5(b) lists each Property (or portion thereof) currently leased by a Seller Entity (the " Ground Leased Properties ") and sets forth the entity holding such leasehold interest, with the name of the applicable lessor and lists the lease and assignments thereof, any amendments or modifications thereto, and any guaranty or other agreements related thereto (collectively, the " Ground Leases "). True and correct copies of all the Ground Leases have been made available to the Purchaser Parties. The Ground Leases contain the entire agreement between the lessee and the lessor named therein and are valid, legal and binding obligations of the lessee that is a party thereto and are enforceable in accordance with their respective terms against such lessee, and, to the Knowledge of the Seller Parties, the other parties thereto. No Seller Entity has delivered or received any written notice of default or termination under any Ground Lease that remains uncured, and, to the Knowledge of the Seller Parties, no event has occurred which, with notice or lapse of time or both, would constitute a material default under any Ground Lease. Other than as set forth in the Ground Leases, no purchase option or extension option has been exercised under any Ground Lease.

(c) Other than this Agreement, no Seller Entity has entered into, consented to or approved any contract or other binding agreement for the sale or other disposition of any Equity Entity, Transferred Property, or Purchased Commercial Loan that is still in effect.

3.6 Absence of Material Adverse Change . Except as set forth in Schedule 3.6 , and for matters arising out of or relating to this Agreement and the Transactions, since March 31, 2015, (i) the Seller Entities have conducted their business relating to the Properties, the Purchased Commercial Loans, and the Equity Entities in the ordinary course consistent in all material respects with past practice, and (ii) there has not been any change, event or occurrence with respect to any Property, Purchased Commercial Loan, or Equity Entity which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

3.7 Litigation . Except (i) for litigation covered by insurance, (ii) as set forth in Schedule 3.7 , and (iii) for routine litigation arising in connection with the ordinary course of business of the Properties, the Purchased Commercial Loans or Equity Entity other than a Joint Venture and, to the Knowledge of the Seller Parties, any Joint Ventures (which, in the case of this clause (iii), does not have a material adverse effect on the use, operation or value of a Property or the value of an Equity Entity or Purchased Commercial Loan), there is no ongoing or pending Action and, to the Knowledge of the Seller Parties, no such Action has been threatened in writing against any Seller Entity with respect to any Equity Entity, Property, or Purchased Commercial Loan.

3.8 Portfolio Tape .

(a) The Seller Parties have furnished or made available to the Purchaser Parties a portfolio tape, in Microsoft Excel format, titled "Signing Portfolio Tape – Project Kensington", dated March 31, 2015 and as made available to the Purchaser Parties in the Data Room (the " Signing Portfolio Tape ") and which is attached as Schedule 3.8(a) . The Loan Portfolio Information set forth on (i) the Signing Portfolio Tape is true and correct as of the date thereof with respect to each Purchased Commercial Loan, and (ii) each Closing Date CL Portfolio Tape shall be true and correct as of the date thereof (subject to updates to reflect changes to the factual information for the period commencing on the date of the Signing Portfolio Tape and terminating on the applicable Closing Date.

(b) The Signing Portfolio Tape was prepared in good faith by the Seller Parties in accordance with the books and records of the applicable Seller Parties consistent with the applicable Seller Parties past practice.

3.9 Tax Matters .

(a) Taxes; Tax Returns . Except as set forth on Schedule 3.9(a) : (i) all income and any other material Tax Returns required to be filed by or on behalf of any Equity Entity have been timely filed; (ii) all such Tax Returns are true, correct and complete in all material respects; (iii) all Taxes (shown as due on such Tax Returns or otherwise) due and payable by any Equity Entity have been timely paid; (iv) there are no pending or, to the Knowledge of the Seller Parties, threatened actions or proceedings, examinations, or audits for the assessment or collection of material Taxes against any Equity Entity; (v) there are no Liens for any material Taxes on any Property or any other assets of any Equity Entity other than liens for Taxes not yet due or payable; (vi) no claim has been made by a Tax Authority in a jurisdiction where Tax Returns are not filed by or on behalf of any of the Equity Entities that any such Equity Entity is or may be subject to taxation by that jurisdiction; (vii) no Equity Entity is a party to a Tax allocation or sharing agreement or similar agreement; (viii) no Equity Entity has participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2); (ix) no Equity Entity (A) has ever been a member of an affiliated group (within the meaning of Code Section 1504(a)) filing a consolidated federal income Tax Return (or any consolidated or unitary returns under any state, local or foreign law) or (B) has any liability for the Taxes of any Person (other than such company) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise; (x) no Equity Entity will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; (B) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; (C) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law); (D) installment sale or open transaction disposition made on or prior to the Closing Date; (E) prepaid amount received on or prior to the Closing Date; or (F) election under Section 108(i) of the Code; (xi) no Equity Entity has, within the two years preceding the Closing Date, been either a "distributing corporation" or a "controlled corporation" in a distribution in which the parties to such distribution treated the distribution as one to which Section 355 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) is applicable; (xii) no Equity Entity is subject to Tax in any country other than its country of incorporation or formation by virtue of having a permanent establishment or other place of business in that country; (xiii) each Equity Entity is in material compliance with all applicable transfer pricing laws (including, without limitation, Section 482 of the Code) and regulations, including the execution and maintenance of contemporaneous documentation substantiating the transfer pricing practices and methodology to the extent required by such laws; (xiv) all material Taxes required to be withheld, collected or deposited by any of the Equity Entities, have been timely withheld, collected or deposited and, to the extent required prior to the date hereof, have been paid to the relevant Tax authority; and (xv) no Equity Entity is liable for the Taxes of any third party or has any secondary liability resulting from a breakup or exit from a tax group or tax consolidation or any other group relief and / or loss surrender arrangement of which it is a member prior to Closing. Nothing in this Section 3.9(a) shall be deemed to be a representation with respect to any Transfer Taxes described in Section 5.5 .

(b) Extension of Statute of Limitations; Rulings . Except as set forth on Schedule 3.9(b) , (i) there are no outstanding waivers or agreements extending the statute of limitations for any period with respect to any Tax to which the Equity Entities may be subject; and (ii) no closing agreements with respect to Taxes, Tax rulings or written requests for Tax rulings are currently outstanding or in effect with respect to any Equity Entity.

(c) Foreign Person/U.S. Real Property . Each Seller Party either (i) is not a foreign person within the meaning of Section 1445 (f) of the Code, or (ii) is not transferring any United States real property interests within the meaning of Section 897(c) of the Code pursuant to this Agreement.

(d) Tax Classification/Status . Schedule 3.9(c) sets forth (i) each Equity Entity, (ii) with respect to each Equity Entity, its legal entity type under the law of the jurisdiction in which it is organized, (iii) with respect to each Equity Entity, whether an entity classification election (other than an "initial classification by a newly-formed entity" election) on an Internal Revenue Service Form 8832 has been filed with an effective date that is within the previous sixty months, and (iv) with respect to each Equity Entity, its classification as of the close of business on the day prior to the Closing Date for U.S. federal income tax purposes. With respect to each Joint Venture, Schedule 3.9(c) sets forth the percentage of its capital and/or profits interests owned by a Seller Entity.

(e) FATCA . Schedule 3.9(c) sets forth the FATCA status, as of the Closing Date, and applicable Global Intermediary Identification Number, if any, of each Equity Entity. Except as set forth on Schedule 3.9(e) , as of the Closing Date, each Equity Entity is compliant with any relevant intergovernmental agreement or FFI agreement (as that term in used in the Treasury Regulations) entered into in order to comply with Sections 1471 to 1474 of the Code, the Treasury Regulations thereunder and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting and/or withholding tax regimes (collectively, " FATCA ").

(f) Passive Foreign Investment Company. Schedule 3.9(c) sets forth each Equity Entity which was a "passive foreign investment company" as that term is defined under Sections 1291 and 1298 of the Code during its most recent taxable year.

(g) Tax Diligence Schedule . The information set forth in Schedule 3.9(c) is true and correct.

(h) Canada Value Added Tax . Each Seller Party organized pursuant to the federal laws of Canada or the laws of any province of Canada is properly registered for applicable federal and provincial Canadian value added taxes.

(i) Canadian Residency . Any Seller Party that is transferring Canadian real property is a Canadian resident for Canadian tax purposes

(j) Spain . The transfer of the Spanish Purchased Interests, Transferred Properties and Purchased Commercial Loans (if any) do not constitute a transfer of a going concern under Article 7.1 Law 37/1992.

(k) Notwithstanding anything to the contrary in this Agreement, no representation set forth in this Section 3.9 or in Section 3.10 , other than Sections 3.9(a)(x) , 3.9(a)(xi) , 3.9(d) and, to the extent it relates solely to the information provided pursuant to 3.9(d) , 3.9(g) , shall form the basis for any claim by any one or more Purchaser Parties against any one or more Seller Parties, whether pursuant to Article XI or otherwise, for indemnification for any Taxes incurred by any Equity Entity with respect to any Tax Period other than a Pre-Closing Tax Period or the portion of any Straddle Tax Period ending at the end of business on the Closing Date.

(l) Notwithstanding anything to the contrary in this Section 3.9 , all representations in this Section 3.9 as to any Equity Entity that is not a Subsidiary either as of the date hereof or on or immediately prior to the Closing Date are limited to the Knowledge of the Seller Parties, provided that as to Section 3.9(d) , the Knowledge limitation shall not apply with respect to any Equity Entity.

(m) Notwithstanding anything to the contrary contained in this Agreement, the representations and warranties made by the Seller Parties in Sections 3.9 and 3.10 are the sole and exclusive representations and warranties made by the Seller Parties regarding Tax matters, including with respect to Tax Returns.

3.10 Employees; Benefit Plans .

(a) Except as set forth on Schedule 3.10(a), no Equity Entity has any employees (including any Business Employees).

(b) Except as set forth on Schedule 3.10(b) , no Equity Entity is a party to and no Property, Underlying Property or Business Employee is subject to any collective bargaining agreement or other contract or agreement with any labor organization, works council or other representative of any of their employees nor is any such contract or agreement presently being negotiated. No Business Employee whose principal place of employment is located outside of Europe is subject to any collective bargaining agreement or other contract or agreement with any labor organization.

(c) No Equity Entity sponsors, maintains, contributes to or has any obligation to contribute to, or has any Liability (contingent or otherwise) with respect to any defined benefit pension plan. No event has occurred and no condition exists that would subject any Equity Entity, either directly or by reason of its affiliation with any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of organizations within the meaning of Section 414 (b), (c), (m) or (o) of the Code that includes such Equity Entity or is under common control with any Equity Entity within the meaning of Section 4001(a)(14) of ERISA), to any Tax, fine, Lien, penalty or other Liability imposed by ERISA, the Code or other applicable U.S. Laws.

(d) To the Knowledge of the Seller Parties, none of the Seller Parties nor any Joint Venture or Subsidiary is, and no portion of any Property or Property Related Interest constitute assets of, a "benefit plan investor" within the meaning of Section 3(42) of ERISA and the regulations promulgated thereunder.

(e) All representations in this Section 3.10 with respect to a Joint Venture or a Subsidiary thereof shall be deemed to be to the Knowledge of the Seller Parties.

3.11 No Condemnation . As of the date hereof, except as set forth on Schedule 3.11 , there are no pending or, to the Knowledge of the Seller Parties, threatened, condemnation, expropriation, requisition or similar proceedings against any Property or any portion thereof that would, individually or in the aggregate, reasonably be expected to have a material adverse effect on such Property.

3.12 Environmental Matters .

(a) Except as set forth in the environmental studies, investigations, reports, audits, assessments, licenses, permits and agreements within the Seller Parties', any Wholly-Owned Purchased Entity's or any Subsidiary's possession or control relating to each of the Properties' compliance or noncompliance with Environmental Laws that the Seller Parties have made available to the Purchaser Parties prior to date hereof (collectively, " Existing Environmental Reports ") or as set forth on Schedule 3.12(a) , through the date hereof, to the Knowledge of the Seller Parties, no Seller Party or Equity Entity has made, within thirty-six (36) months prior to the date hereof, any report or disclosure to any Governmental Entity relating to an Environmental Condition at a Property except to the extent such matters would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the related Property.

(b) Notwithstanding any other provision of this Agreement, this Section 3.12 sets forth the Seller Parties' sole and exclusive representations and warranties with respect to Environmental Conditions,

Hazardous Materials or any matters arising under, related to or regulated pursuant to any Environmental Law or any Action related thereto, the Equity Entities' and the Seller Parties' compliance with or liabilities under Environmental Laws, and other environmental matters.

3.13 Rent Rolls . The Seller Parties have made available to the Purchaser Parties a rent roll for each Property that is wholly owned by a Seller Party or a Wholly Owned Purchased Entity (the " Rent Rolls "). Except as set forth on Schedule 3.13 , there are no Leases at the Properties owned by a Seller Entity or a Wholly-Owned Purchased Entity, other than as set forth on the Rent Rolls and each Rent Roll accurately reflects in all material respects the information set forth thereon with respect to each Lease. Except as set forth on Schedule 3.13 , (i) no Seller Party or Wholly-Owned Purchased Entity that is a party to a Material Lease has delivered or received written notice of a default which remains uncured, and (ii) to the Knowledge of Seller Parties, no Seller Party or Wholly-Owned Purchased Entity that is a party to a Material Lease, or the applicable Tenant under such Material Lease, is in material breach or default thereunder.

3.14 Purchased Commercial Loans .

(a) Except as set forth on Schedule 3.14(a) , (i) each Purchased Commercial Loan (A) is a legal, valid, binding and enforceable by a Seller Party against the Obligor thereunder in accordance with its written terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to the enforcement of creditors' rights and by general principles of equity, (B) constitutes and arose out of an arms-length bona fide business transaction entered into in the ordinary and usual course of business of a Seller Party consistent with its past practices (including, from time to time, Commercial Loan Purchases and seller financing transactions), (C) to the extent originated by a Seller Party or any Affiliate, was originated in all material respects in compliance with applicable Laws (including Anti-Corruption Law and OFAC); and (D) is secured by a valid and enforceable lien on the applicable Commercial Loan Property, and such lien (1) with respect to US and Canada Purchased Commercial Loans is insured by a title insurance policy (or if applicable a UCC policy) issued by a nationally recognized title insurance company (each a " Lender Title Policy "), which Lender Title Policy is in full force and effect and, to the Knowledge of the Seller Parties, all premiums therefor have been paid thereunder, and to the Knowledge of the Seller Parties, (x) no facts or circumstances exist that would impair the applicable Seller Party's or applicable Purchased Entity's coverage under such Lender Title Policy, and (y) no claim has been made under any such Lender Title Policy and (2) with respect to all non-US Purchased Commercial Loans, such security or charge is maintained pursuant to Prudent Financial Industry Standards, except in the case of this Section 3.14(a)(D) (I) as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to the enforcement of creditors' rights and by general principles of equity and (II) as may be otherwise set forth on the Signing Portfolio Tape and (ii) to the Knowledge of the Seller Parties, no Seller Party has received notice that any UK Purchased Commercial Loan is subject to a Claim Impairment. The "know your customer" diligence with respect to the related Obligor under Purchased Commercial Loans was done consistent with the Seller Parties' or Purchased Entity's past practice as of the time such Purchased Commercial Loans were originated or acquired by the Seller Parties or the applicable Purchased Entities and applicable Law.

(b) (i) The Seller Parties have made available to the Purchaser Parties to true, correct and complete copies of all Material Loan Documents with respect to each Purchased Commercial Loan; and except as set forth on Schedule 3.14(b) , none of the Material Loan Documents have been modified, subordinated, waived, extended, cancelled or released, and (ii) except as set forth on Schedule 3.14(b) , subject to the Purchaser Parties' due performance of their obligations under the Purchased Commercial Loans, the right to receive (directly or indirectly) all payments and other compensation associated with each Purchased Commercial Loan shall inure to the benefit of the applicable Purchaser Parties following the applicable Closing.

(c) Except as set forth on Schedule 3.14(c) , (i) no Purchased Commercial Loan is subject to any valid defense, offset, claim, right of rescission, equitable subordination or counterclaim by any Obligor under

such Purchased Commercial Loan, or any Person claiming under any such right, in accordance with the terms and conditions thereof and as regards the Laws governing the specific Purchased Commercial Loan; (ii) no Seller Party (x) is in material breach of or default under any Purchased Commercial Loan, no other event has occurred which, with notice and/or lapse of time, would constitute a material default by any Seller Party or the applicable Purchased Entity thereunder or (y) with respect to any US Purchased Commercial Loan, is required to comply with "bulk sales laws" or regulations relating to transfers governed by Article 6 of the UCC of any state or any other applicable Laws or regulations relating to bulk transfers in connection with the consummation of any of the transactions contemplated hereby; (iii) subject to Section 5.2(g) , as of the applicable Closing, the applicable Purchaser Party shall be the owner and holder of all right, title and interest in each Purchased Commercial Loan; (iv) all payments pursuant to each Purchased Commercial Loan are made directly to the applicable Seller Party to an agent or servicer for such Seller Party; and (v) with respect to the Transfers of any Purchased Commercial Loan, no Seller Party has any Liability or obligation to pay any fees or commissions or any similar payment to any broker, finder, or agent with respect to any Purchased Commercial Loan.

(d) Except as set forth on Schedule 3.14(d) , (i) no Seller Party has, nor to the Knowledge of the Seller Parties, has any other lender, agent or servicer, delivered written notice to any Obligor with respect to a Purchased Commercial Loan of an "Event of Default" with respect to such Purchased Commercial Loan in the twelve (12) month period preceding the date hereof; (ii) to the Knowledge of the Seller Parties, there is no "Event of Default" which is continuing as of the date hereof and has not been waived, (iii) no Seller Party has, nor to the Knowledge of the Seller Parties, has any other lender, agent or servicer, executed any written satisfaction, cancellation or release that would operate to release (A) any Obligor from any material liability with respect to the applicable Purchase Commercial Loan or (B) any portion of any Commercial Loan Property from the lien of the applicable Purchased Commercial Loan; and (iv) no foreclosure or enforcement actions by a Seller Party is pending with respect to or against any Purchased Commercial Loan.

(e) Except as set forth on Schedule 3.14(e), (i) no Seller Party has given to or received from any Person written notice of any alleged Environmental Condition resulting from the release of any Hazardous Material at the applicable Commercial Loan Property in violation of, and as would result in liability under, applicable Environmental Laws of the jurisdiction in which such Commercial Loan Property is located, other than a release (A) with respect to which (1) such Governmental Entity has provided written notice to the applicable Seller Party or Purchased Entity that the release has been remediated to the satisfaction of such Governmental Entity or (2) the required remedial action is being undertaken in the ordinary course by the related Obligor, or (B) that would not reasonably be expected to have a material adverse effect with respect to the current use, value or marketability of the Commercial Loan Property.

(f) Except as set forth on Schedule 3.14(f) , the Purchased Commercial Loans are being transferred on a servicing released basis.

(g) Except as set forth on Schedule 3.14(g) , none of the Purchased Commercial Loans have been defeased in whole or part (the " Defeased Loans "). With respect to such Defeased Loans, the Seller Party or applicable Purchased Entity has valid lien on the collateral delivered in connection with such Defeased Loan free and clear of all Liens.

(h) The applicable Seller Party is the sole (or will be the sole immediately prior to the Closing) legal and beneficial holder of each Purchased Commercial Loan free and clear of all Liens.

(i) The only Commercial Loan Properties (or any portion thereof) currently subject to a ground lease are those Commercial Loan Properties (or portion thereof) described on Schedule 3.14(i) (collectively, the " Debt Ground Leases "). True and correct copies of all the Debt Ground Leases have been made available or will promptly after the date hereof be made available to the Purchaser Parties. No Seller Entity has delivered or received any written notice of default or termination under any Debt Ground Lease that remains uncured.

(j) The documents referred to as "4 Blockers" relating to the Commercial Loan Properties located in Mexico and located in the "North America Debt - 4 Blockers" folder in the dataroom to which the Purchaser Parties had access prior to the date of this Agreement accurately represent in all material respects the financial performance of the Commercial Loan Properties located in Mexico and, directly or indirectly, securing the Purchased Commercial Loans.

3.15 Material Contracts .

(a) Each of the Contracts of the type set forth below to which an Equity Entity (other than a Joint Venture) or a Seller Party with respect to a Transferred Property is a party are known as the " Material Contracts ":

(i) all Contracts which contain restrictions with respect to payment of dividends or any other distribution in respect of the Purchased Interests;

(ii) all Contracts relating to development, construction, capital expenditures or purchase of any properties, in each case, requiring aggregate payments in excess of $1,000,000 during their remaining term following the Closing Date by any Equity Entity or a Seller Party with respect to a Transferred Property (each, a " Major Property Contract ");

(iii) all Contracts constituting Indebtedness (A) of any Equity Entity or (B) of a Seller Party with respect to a Transferred Property;

(iv) all Contracts that limit in any material respect the ability of any Equity Entity to compete in the line of business of such Equity Entity as currently conducted;

(v) all Contracts that involve the future disposition or acquisition of any Property (or any interest therein) owned by a Seller Entity or a Subsidiary of a Seller Entity, or any Purchased Commercial Loan owned by a Seller Entity or a Subsidiary of a Seller Entity, or any merger, consolidation or similar business combination transaction involving any Equity Entity;

(vi) all Contracts involving any joint venture, partnership, strategic alliance or shareholders' agreement to which an Equity Entity is a party;

(vii) all guarantees of third party obligations by any Equity Entity, but, in each case, excluding any guarantee by any Equity Entity to its wholly owned Subsidiary;

(viii) any (A) Contract under which any Equity Entity, has agreed to provide a monetary loan to any Person (other than the Purchased Commercial Loans), but, in each case, excluding any loan by any Equity Entity to its wholly owned Subsidiary or (B) any material property management agreement relating to a Property; and

(ix) with respect to any Property that is a hotel or other lodging facility (a " Hotel "), any license or franchise agreement (a " Franchise Agreement ") and any management agreement for a Hotel where (i) the management agreement is part of the Franchise Agreement (or vice versa) or (ii) the manager is an Affiliate of the franchisor under the Franchise Agreement for such Hotel (collectively, the " Hotel Agreements ").

Notwithstanding anything above in (i) through (ix), " Material Contracts " shall not include any Contract that (1) is a Lease or Ground Lease, (2) constitutes a Purchased Commercial Loan or any documents entered into in connection with a Purchased Commercial Loan, (3) other than a Major Property Contract, is terminable upon sixty (60)-days' (or less) notice without penalty or premium, (4) will be fully satisfied at or prior to the Closing, (5) will be terminated in connection with, or shall not be binding on a Purchaser Party or Equity Entity following, the Closing, or (6) is an Organizational Document of an Equity Entity.

(b) To the Knowledge of the Seller Parties, each Material Contract to which any Equity Entity is a party or by which any Property is bound constitutes a legal, valid and binding obligation of such Equity Entity. No Seller Entity has received or delivered any written notice of default under a Material Contract that remains uncured and to the Knowledge of the Seller Parties, no Seller Entity or any third party is in material violation, breach of, or default under, nor has there occurred an event or condition that with the passage of time or giving of notice (or both) would constitute a material violation, breach of, or default under any such Material Contract by a Seller Entity or third party.

3.16 Financial Advisor . No broker, investment banker, financial advisor or other Person, other than Kimberlite Group, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, the fees and expenses of which will be paid by the Seller Parties pursuant to a separate agreement, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Seller Parties or the Equity Entities.

3.17 Insurance . With respect to each such insurance policy maintained, owned or held by a Seller Entity relating to the Properties or for which any such Seller Entity is obligated to pay all or a part of the premiums, (a) to the Knowledge of the Seller Parties, the policy is valid, binding and enforceable in accordance with its terms and all premiums due and payable thereon have been paid (or will be paid when due), and, except for policies that have expired under their terms in the ordinary course or for which the applicable Seller Entity (or a Seller Party Affiliate, if applicable) obtained a replacement policy covering the Seller Entities that provides substantially equivalent coverage to the Seller Parties is in full force and effect; (b) the Seller Entities, and, to the Knowledge of the Seller Entities, are not in material breach or default (including any such breach or default with respect to the payment of premiums or the giving of notice) and, to the Knowledge of the Seller Entities, no event has occurred which, with notice or the lapse of time, would constitute such a material breach or default, or permit termination or modification, under the policy; and (c) no notice of cancellation or termination has been received.

3.18 Certain Payments . During the past five (5) years, no Seller Entity (other than a Joint Venture) nor, to the Knowledge of the Seller Parties, any Joint Venture thereof, has made, directly or indirectly, any contribution, gift, bribe, payoff, influence payment, kickback or other similar payment to any person, private or public, regardless of form, whether in money, property or services, that would constitute a violation of any Law relating to anti-bribery and corruption applicable to any Seller Entity (including without limitation, the Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010) (a) to obtain favorable treatment in securing business, (b) to pay for favorable treatment for business secured, or (c) to obtain special concessions, in each case for or in respect of any Property, any Purchased Commercial Loan, any Underlying Commercial Loan, or any of the Purchased Entities.

3.19 Compliance with Laws . Except as set forth in Schedule 3.19 , each Seller Entity has complied and is in compliance with all applicable Laws, except as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the assets owned by such Seller Entity.

3.20 Affiliate Transactions .

(a) Except as with respect to any Affiliate Contract that will be terminated at or prior to the applicable Closing or pursuant to the Organizational Documents, there are no Contracts, Leases, Ground Leases, liabilities, obligations or other existing arrangements between any Equity Entity, on the one hand, and either (i) any Seller Party, or (ii) any Affiliate of any Seller Party, on the other hand (each, an " Affiliate Contract ").

(b) Following the transfer of a Purchased Commercial Loan to the applicable Purchaser Entity, (i) neither the Seller Parties nor any of their Affiliates will retain the right to receive any additional payments, fee streams or other amounts under the applicable Commercial Loan-Related Assets from the applicable Obligor or any other lenders, participants or holders of any debt associated with Commercial Loan Property and (ii) neither the Seller Parties nor any of its Affiliates will retain any direct or indirect ownership interest in the applicable Obligor or any other lenders, participants or holders of any debt associated with Commercial Loan Property except as set forth on Schedule 3.20 .

(c) All payments made pursuant to a Purchaser Commercial Loan, including all agency fees and all Origination Fees, are for the benefit of the Seller Parties only and not any other Person (other than agency fees with respect to Purchased Commercial Loans where the Obligor is located in the United Kingdom).

3.21 Existing Loans . Schedule 3.21 sets forth a true and correct list of the material Existing Loan Documents. No Seller Party or nor Equity Entity has received written notice of a default under any Existing Loan which has not been cured, and, to the Knowledge of the Seller Parties, no such defaults have been threatened in writing.

3.22 Compliance . No Seller Party nor, to the Seller Parties' Knowledge, any Person owning, directly or indirectly, more than twenty-five percent (25%) of the direct or indirect ownership interests in any Seller Party, is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control (" OFAC "), and no Seller Party is engaging in the transactions contemplated by this Agreement, directly or indirectly, on behalf of, or instigating or facilitating the transactions contemplated by this Agreement, directly or indirectly, on behalf of, any such Person. No Seller Party nor, to the Seller Parties' Knowledge, any Person owning more than twenty-five percent (25%) of the ownership interests in any Seller Party, is engaging in the transactions contemplated by this Agreement in violation of any Laws relating to drug trafficking, money laundering or predicate crimes to money laundering. To the Seller Parties' Knowledge (based upon the Seller Parties' internal checks and procedures), none of the funds of the Seller Parties have been or will be derived from any unlawful activity with the result that the investment of (i) direct equity owners in any Seller Party or (ii) indirect equity owners in any Seller Party owning more than twenty-five percent (25%) of the ownership interests in such Seller Party is prohibited by Law or that any of the Transactions or this Agreement is or will be in violation of Law. The Seller Parties have and will continue to implement procedures, and have consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to each Closing. No Seller Party is engaging in the Transactions, directly or indirectly, on behalf of, or instigating or facilitating the Transactions, directly or indirectly, on behalf of, any Person or nation, which would contravene the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

3.23 LIMITATIONS ON REPRESENTATIONS AND WARRANTIES . EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT (AND SPECIFICALLY EXCLUDING THE EXCLUDED LIABILITIES), THE PURCHASED ENTITIES (INCLUDING THE UNDERLYING PROPERTIES), THE PURCHASED INTERESTS, THE PROPERTIES AND THE PURCHASED COMMERCIAL LOANS ARE BEING SOLD ON AN "AS IS", "WHERE IS" BASIS AS OF THE APPLICABLE CLOSING AND IN THE CONDITION AS OF SUCH CLOSING WITH "ALL FAULTS" AND, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND AGREEMENTS EXECUTED BY THE SELLER PARTIES, NO SELLER PARTY NOR ANY OTHER PERSON

MAKES, IS DEEMED TO HAVE MADE OR HAS BEEN AUTHORIZED BY ANY SELLER PARTY OR ANY AFFILIATES THEREOF TO MAKE, ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO THE SELLER PARTIES, ANY AFFILIATE OF A SELLER PARTY, THE PURCHASED ENTITIES, THE PURCHASED INTERESTS, THE PROPERTIES, THE PURCHASED COMMERCIAL LOANS, THE COMMERCIAL LOAN PROPERTIES, THE COMMERCIAL LOAN BACKLOG OR THE TRANSACTIONS, AND THE SELLER PARTIES HEREBY DISCLAIM ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER MADE BY A SELLER PARTY, ANY AFFILIATE OF A SELLER PARTY OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, ADVISORS, REPRESENTATIVES OR ANY OTHER PERSON AND IF MADE, SUCH REPRESENTATION OR WARRANTY MAY NOT BE RELIED UPON BY THE PURCHASER PARTIES OR ANY OF THEIR AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, ADVISORS OR REPRESENTATIVES AS HAVING BEEN AUTHORIZED BY THE SELLER PARTIES OR THEIR AFFILIATES OR SUCCESSORS OR ASSIGNS. EXCEPT FOR THE EXCLUDED LIABILITIES AND THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND AGREEMENTS EXECUTED BY THE SELLER PARTIES, THE SELLER PARTIES HEREBY DISCLAIM ANY AND ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, OPINION, REPORT, DATA, PROJECTION, FORECAST, ESTIMATE, VALUATION, APPRAISAL, STATEMENT, MEMORANDUM, PRESENTATION, ADVICE, SUMMARY OR OTHER INFORMATION MADE, COMMUNICATED OR FURNISHED (ORALLY OR IN WRITING) TO THE PURCHASER PARTIES OR THEIR AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, CONSULTANTS, ADVISORS OR REPRESENTATIVES (INCLUDING ANY OPINION, REPORT, DATA, PROJECTION, FORECAST, ESTIMATE, VALUATION, APPRAISAL, STATEMENT, MEMORANDUM, PRESENTATION, ADVICE, SUMMARY OR OTHER INFORMATION THAT HAS BEEN OR IS PROVIDED TO THE PURCHASER PARTIES BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, ADVISOR OR REPRESENTATIVE OF ANY SELLER PARTY OR ANY AFFILIATE OF A SELLER PARTY, INCLUDING ANY INFORMATION MADE AVAILABLE IN ANY ELECTRONIC OR PHYSICAL DATA ROOMS IN CONNECTION WITH THE TRANSACTION). EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT AND AGREEMENTS EXECUTED BY THE SELLER PARTIES, NO SELLER PARTY NOR ANY AFFILIATE THEREOF MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE PURCHASER PARTIES REGARDING THE PROBABLE SUCCESS OR PROFITABILITY OF ANY OF THE PURCHASED ENTITIES, THE PURCHASED INTERESTS, THE PURCHASED COMMERCIAL LOANS, THE UNDERLYING PROPERTIES, THE PROPERTIES OR THE COMMERCIAL LOAN BACKLOG OR THE VALUATION OF ANY OF THE FOREGOING OR THE CREDITWORTHINESS OF ANY OBLIGOR THERETO, AND EXCEPT FOR THE EXCLUDED LIABILITIES, THE PURCHASER PARTIES SHALL BE SOLELY RESPONSIBLE FOR, AND SHALL SOLELY RELY ON, THEIR OWN OPINIONS, REPORTS, DATA, PROJECTIONS, FORECASTS, ESTIMATES, VALUATIONS, APPRAISALS, STATEMENTS, MEMORANDA, PRESENTATIONS, ADVICE, SUMMARIES AND OTHER INFORMATION IN REGARDS TO SUCH SUCCESS, PROFITABILITY OR VALUATION. THE DISCLOSURE OF ANY MATTER OR ITEM IN ANY SECTION OF THE DISCLOSURE SCHEDULES SHALL NOT BE DEEMED TO CONSTITUTE AN ACKNOWLEDGMENT THAT ANY SUCH MATTER IS REQUIRED TO BE DISCLOSED.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER PARTIES

Except as set forth in the Disclosure Schedules delivered by the Purchaser Parties to the Seller Parties and dated of even date herewith, the Purchaser Parties, jointly and severally, represent and warrant to the Seller Parties as follows:

4.1 Organization, Power and Authority of the Purchaser Parties . Each Purchaser Party is a corporation, limited liability company or limited partnership, as applicable, duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation, and has the requisite corporate, limited liability company or limited partnership, as applicable, power and authority to (i) own, license, use, lease and operate its assets and properties and to carry on its business as it is now being conducted, (ii) to enter into this Agreement and all documents contemplated hereunder to be entered into by the Purchaser Parties and any Purchaser Party Designees, (iii) to perform their respective obligations hereunder and thereunder, and (iv) to consummate the Transactions. The execution and delivery by the Purchaser Parties of this Agreement and all documents contemplated hereunder to be executed and delivered by each Purchaser Party and the consummation of the Transactions have been duly authorized by all necessary corporate, limited liability company or limited partnership action, and no other corporate, limited liability or limited partnership proceedings on the part of each Purchaser Party or its members or partners are necessary to authorize any of the foregoing. This Agreement has been, and all documents contemplated hereunder to be executed by the Purchaser Parties, when executed and delivered will have been, duly executed and delivered by each Purchaser Party and shall constitute the valid and binding obligation of the Purchaser Parties, enforceable against them in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to the enforcement of creditors' rights and by general principles of equity. The representatives of each Purchaser Party executing this Agreement in the name and on behalf of each Purchaser Party, have been granted with the sufficient authority or powers of attorney to enter into this Agreement and bind each Purchaser Party pursuant to the terms and conditions hereof, and such authority or powers of attorney have not been limited, modified, amended and/or revoked as of the date hereof.

4.2 Noncontravention; Consents .

(a) Except for any Required Third Party Consents that shall have been obtained at or prior to the applicable Closing, the execution and delivery by each Purchaser Party of this Agreement and all documents contemplated hereunder to be executed and delivered by the Purchaser Parties do not conflict with, and the consummation of the Transactions contemplated hereunder and thereunder and compliance by the Purchaser Parties with the provisions hereof and thereof will not conflict with, or result in any material violation of, material default (with or without notice or lapse of time or both) under, or result in the creation of any Lien upon any of the Purchaser Parties' assets under: (i) the Organizational Documents of any Purchaser Party, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease, management or other agreement or instrument applicable to any Purchaser Party, or (iii) any Laws applicable to any Purchaser Party.

(b) In connection with the execution and delivery of this Agreement and the other Transactions contemplated by this Agreement, as applicable, no material consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or other Person is required under any of the terms, conditions or provisions of any Law applicable to any Purchaser Party, or, except for such other consents, approvals, orders, authorizations, registrations, declarations and filings as shall have been obtained or waived at or prior to Closing.

4.3 Financial Advisor . No broker, investment banker, financial advisor or other Person, other than Eastdil Secured LLC, the fees and expenses of which will be paid by the Purchaser Parties pursuant to a separate agreement, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Purchaser Parties.

4.4 Litigation . There is no Action pending or, to the Purchaser Parties' Knowledge, threatened against or affecting any Purchaser Party that, individually or in the aggregate, if decided adversely to such Purchaser Party, would have a Purchaser Material Adverse Effect.

4.5 Funding . The Purchaser Parties have, or will have as of the applicable Closing, (a) sufficient cash on hand to pay the Unadjusted Purchase Price and all related fees and expenses in connection with the Transaction, (b) the resources and capabilities (financial or otherwise) to perform their obligations hereunder, and (c) not incurred any obligation, commitment, restriction or liability of any kind, which would have a Purchaser Material Adverse Effect. As of the date hereof, the Purchaser has received equity commitments pursuant to which certain equity investors have committed to provide cash for the Transactions in an aggregate amount which, in combination with the funds being provided by the Purchaser Party Designees, is sufficient to pay the full amount of the cash equity required to consummate the Transactions on the terms contemplated by this Agreement and in each case to pay all related fees and expenses.

4.6 Investment Representation . The Purchaser Parties are purchasing the Purchased Interests for their own accounts and not with a view to the sale or distribution thereof (within the meaning of the securities laws). Each Purchaser Party is an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933.

4.7 Solvency . Immediately after giving effect to the transactions contemplated by this Agreement (including any financing arrangements entered into in connection therewith) and assuming (a) the accuracy of the representations under Article III and (b) satisfaction of the conditions set forth in Sections 9.2 and 9.4 , and if applicable, 9.7 , the Purchased Entities, taken as a whole, shall be Solvent. The Purchaser Parties are not entering into the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of the Purchased Entities. For purposes of this Agreement, " Solvent ," when used with respect to the Purchased Entities, means that, as of any date of determination (i) the Present Fair Salable Value of their assets will, as of such date, exceed the probable amount of their debts as of such date, (ii) the Purchased Entities will not have, as of such date, an unreasonably small amount of capital for the business in which they are engaged and (iii) the Purchased Entities will be able to pay their debts as they become absolute and mature, taking into account the timing of any amounts of cash to be received by them and the timing of any amounts of cash to be payable on or in respect of their indebtedness, in each case after giving effect to the transactions contemplated by this Agreement. The term "Solvency" shall have a correlative meaning. For purposes of the definition of "Solvent," (a) "debt" means liability on a "claim"; and (b) "claim" means (i) any right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (ii) the right to an equitable remedy for a breach in performance if such breach gives rise to a right to payment, whether or not such equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured. " Present Fair Salable Value " means the amount that may be realized if the aggregate assets of the Purchased Entities (including goodwill) are sold as an entirety with reasonable promptness in an arm's length transaction under present conditions for the sale of comparable business enterprises.

4.8 Compliance . No Purchaser Party nor, to the Purchaser Parties' Knowledge, any Person owning, directly or indirectly, more than twenty-five percent (25%) of the direct or indirect ownership interests in any Purchaser Party, is named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or is otherwise a banned or blocked person, group, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control, and no Purchaser Party is engaging in the transactions contemplated by this Agreement, directly or indirectly, on behalf of, or instigating or facilitating the transactions contemplated by this Agreement, directly or indirectly, on behalf of, any such Person. No Purchaser Party nor, to the Purchaser Parties' Knowledge, any Person owning more than twenty-five percent (25%) of the ownership interests in any Purchaser Party, is engaging in the transactions contemplated by this Agreement in violation of any Laws relating to drug trafficking, money laundering or predicate crimes to money laundering. To the Purchaser Parties' Knowledge (based upon the Purchaser Parties' internal checks and procedures), none of the funds of the Purchaser Parties have

been or will be derived from any unlawful activity with the result that the investment of (i) direct equity owners in any Purchaser Party or (ii) indirect equity owners in any Purchaser Party owning more than twenty-five percent (25%) of the ownership interests in such Purchaser Party is prohibited by Law or that any of the Transactions or this Agreement is or will be in violation of Law. The Purchaser Parties have and will continue to implement procedures, and have consistently and will continue to consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times prior to each Closing. No Purchaser Party is engaging in the Transactions, directly or indirectly, on behalf of, or instigating or facilitating the Transactions, directly or indirectly, on behalf of, any Person or nation, which would contravene the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

4.9 Canada Value Added Tax . As of the Closing Date, each Purchaser Party, to the extent organized pursuant to the federal laws of Canada or the laws of any province of Canada, is properly registered for applicable federal and provincial Canadian value added taxes.

4.10 No Other Representations and Warranties; No Reliance; Purchaser Parties Investigation .

(a) The Purchaser Parties acknowledge and agree that, except as expressly set forth in this Agreement, and any agreements executed by a Seller Party pursuant hereto, the Seller Parties make no promise, representation or warranty, express or implied, relating to the Purchased Entities, the Properties, the Purchased Commercial Loans, themselves, or any of their respective business, operations, assets, Liabilities, conditions or prospects or the Transactions, including with respect to merchantability, fitness for any particular purpose, or as to the accuracy or completeness of any information regarding any of the foregoing, or as to any other matter, notwithstanding the delivery or disclosure to the Purchaser Parties or any of their Affiliates or representatives of any documents, reports, forecasts, projections, voluntary statements or other information (whether communicated orally or in writing, including in any data room), and any such other promises, representations or warranties, or liability or responsibility therefor, are hereby expressly disclaimed. In addition, the Purchaser Parties acknowledge and agree that the Purchaser Parties have not executed or authorized the execution of this Agreement in reliance upon any promise, representation or warranty not expressly set forth in this Agreement and any agreements executed by a Seller Party pursuant hereto.

(b) The Purchaser Parties acknowledge and agree that, except for the representations and warranties expressly set forth in this Agreement and any agreements executed by a Seller Party pursuant hereto, (i) the Seller Parties have made available to the Purchaser Parties, for the purposes of due diligence, material documents, forecasts, valuations, reports, analyses or other information relating to the Purchased Entities and the Transactions, (ii) the Purchaser Parties are not relying on any representations or warranties of any kind whatsoever, whether oral or written (including in any data room), express or implied, statutory or otherwise, from the Seller Parties as to any matter concerning the Purchased Entities or any other matter or thing whatsoever, and (iii) the Purchaser Parties have made their own independent inquiry and investigation into, and, based thereon, have formed an independent judgment concerning the nature, condition and valuation of the Properties, Purchased Interests, Purchased Entities and the Transactions and, in making its determination to proceed with the Transactions, the Purchaser Parties have relied solely on the results of their own independent investigation.

ARTICLE V

COVENANTS

5.1 Conduct of the Business Pending Transfer . Prior to the applicable Closing Date on which the applicable Purchased Interests, Transferred Properties or Purchased Commercial Loans are Transferred to the Purchaser Parties or the earlier termination of this Agreement, except (i) as set forth on Schedule 5.1 , (ii) as otherwise permitted or required by this Agreement or as required by applicable Law, (iii) as required by the Organizational Documents of any Joint Venture, (iv) with respect to any Joint Venture, for any action or inaction

that may be taken by an Operating Partner without the consent of any Seller Party or any Affiliate of a Seller Party and with respect to which no consent by the Seller Party has been requested by the Operating Partner, (v) with respect to any Joint Venture, actions or inactions with respect to which the applicable Seller Party or Equity Entity does not have the authority to take because it is not the Operating Partner, or (vi) consented to in writing by the Purchaser Parties, which consent may be granted or withheld, delayed or conditioned in the Purchaser Parties sole discretion (except as otherwise provided below), the Seller Parties shall, and shall cause each of the Purchased Entities to:

(a) (i) Operate, manage, lease and maintain the Properties in the usual, regular and ordinary course and in substantially the same manner as heretofore consistent with past practice, subject to ordinary wear and tear and damage by fire or other casualty and (ii) administer each of the Purchased Commercial Loans in the ordinary course of business consistent with past practice of Seller, including, without limitation, funding any future funding obligations pursuant to the terms of the applicable Commercial Loan Security Instruments;

(b) Solely with respect to Equity Entities, duly and timely file, in accordance with past practice, all Tax Returns required to be filed with federal, state, provincial, local and other Tax Authorities, subject to extensions permitted by Law, and pay all Taxes due and payable by any Equity Entity;

(c) Promptly provide or make available to the Purchaser Parties (i) any new or additional documents, records and other information of a material nature constituting part of the Loan Files, and reasonably cooperate with the Purchaser Parties in its examination and review of the Loan Files which have not yet been transferred to the Purchaser Parties, (ii) any written notices or other material communication received by the Seller Parties with respect to any Existing Loan, Ground Lease, Material Contract, Material Leases, Purchased Commercial Loan or any notice of default under any Leases, (iii) notice of any pending or threatened material litigation and (iv) copies of all new Leases (which the Seller Parties shall use Commercially Reasonable Efforts to deliver to the Purchaser Parties within three (3) Business Days following the execution thereof);

(d) With the Purchaser Parties' consent (not to be unreasonably withheld, conditioned or delayed), protect the Commercial Loan Property through protective advances in the ordinary course of business consistent with past practices;

(e) Continue to make capital expenditures in accordance with the budget for such Property or Equity Entity approved in the ordinary course by the Seller Parties prior to the date hereof (the " Existing Budget ") (other than failure to make such capital expenditures as a result of a failure of the Purchaser Parties to approve a third party contract on market terms related to such work);

(f) Continue to make expenditures for Leasing Costs accordance with the Leases in the ordinary course of business consistent with past practice;

(g) Perform in all material respects all the Seller Parties' obligations under the Venture Agreements, the Ground Leases, the Material Contracts, the Leases and the Existing Loan Documents;

(h) If requested in writing by the Purchaser Parties at any time prior to the applicable Closing with respect to a Transferred Property or an Underlying Property owned by a Wholly-Owned Purchased Entity, terminate (with such termination becoming effective at any time prior to or as of the applicable Closing at the election of the Seller Parties) any management agreement, Leasing and Brokerage Agreement or any Contract (other than the Assumed Contracts) or similar arrangements affecting such Property as of or before the applicable Closing. The Seller Parties shall be responsible for any termination fee or other penalty owed in connection with any such termination;

(i) Not do any of the following without the prior written consent of the Purchaser Parties, which consent may be withheld, delayed or conditioned in the Purchaser Parties' sole discretion (except as otherwise provided below), and the Purchaser Parties shall use their Commercially Reasonable Efforts to respond to the Seller Parties regarding such consent within ten (10) Business Days of any request for such consent:

(A) (i) with respect to the Equity Entities, acquire, merge, assign any interest in, sell or ground lease, or enter into any option or agreement to acquire, merge, assign any interest in or sell or ground lease, or exercise an option or contract to acquire any material properties, or (ii) with respect to any Seller Party, sell or ground lease, any of the Properties or Equity Entities or any part thereof or interest therein (except, in each case, (x) as set forth on Schedule 5.1(i)(A) , or (y) the acquisition of any Commercial Loan Properties pursuant to foreclosure, deed in lieu or similar proceedings with respect to any assets underlying any Purchased Commercial Loans) as permitted by this Agreement;

(B) encumber or subject to any Lien any of the Properties or Equity Entities, or take or omit to take any action that results in a Lien being imposed on any of the Properties or Equity Entities (other than in accordance with Section 2.3 of this Agreement);

(C) except as expressly required by the terms of a Material Contract, Material Lease or Ground Lease, (x) terminate, assign, amend or modify any Material Contract, (y) terminate, assign, amend or modify any Existing Loan Document, any Purchased Commercial Loan or Material Loan Documents, any Material Lease or any Ground Lease, or (z) sell, pledge, dispose of or transfer the Purchased Commercial Loans;

(D) enter into any (x) Material Contract, other than in the ordinary course of business, which are terminable upon no more than 60 days prior written notice without any penalty or fee, (y) Leases (other than Leases relating to the leasing of less than 10,000 square feet of rentable space at any Property entered into in accordance with past practice and on market terms), or (y) Ground Lease;

(E) amend any of the Organizational Documents of any Equity Entity, convert the corporate form or classification of any Equity Entity or distribute any reserves from any Equity Entity or liquidate, merge or consolidate any Equity Entity, except as permitted in connection with an Alternative Transaction undertaken in accordance with Section 1.5 or as set forth on Schedule 5.1(i)(E) ;

(F) incur, create, assume, guaranty, repay, prepay or forgive any Indebtedness of any Equity Entity, in each case, other than any (i) scheduled repayments under the terms of third party Indebtedness, or (ii) the advancing or repayment of nominal working capital advances in the ordinary course of business;

(G) authorize the issuance, sale or delivery of (A) any capital stock of, or other equity or voting interest in, any Equity Entity, or (B) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire either (1) any shares of capital stock of, or other equity or voting interest in, any Equity Entity, or (2) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire, any shares of the capital stock of, or other equity or voting interest in, any Equity Entity;

(H) split, combine, redeem, reclassify, purchase or otherwise acquire, directly or indirectly, any shares of capital stock of, or other equity or voting interest in, any Equity Entity, or make any other change in the capital structure of any Equity Entity, except as obligated to do so pursuant to the Organizational Documents of any Equity Entity;

(I) except as required by a liability insurance policy and except with respect to the compromise or settlement of any matter covered by an insurance policy that will not transfer to the Purchaser Entities at the applicable Closing and does not relate to any Properties, Purchased Interests or Equity Entities, compromise or settle any insurance claims or other litigation relating to the Purchased Interests, Equity Entities, Properties, this Agreement or the Transactions contemplated hereby (unless otherwise consented to by the Purchaser Parties, with respect to which, if requested by the Seller Parties, the Purchaser Parties shall not unreasonably withhold, delay or condition their consent), other than any settlements that do not require any payments or admission of fault by the Purchaser Parties or any Equity Entity following the applicable Closing Date or that will be reflected as reductions to the Unadjusted Purchase Price and do not impose any obligations or liabilities on Purchaser Parties or any Equity Entities following the applicable Closing Date;

(J) enter into any commitments or agreements with any Governmental Entity affecting any Property or the Purchased Interests (except in accordance with the terms of Article VIII , in the ordinary course of business or tenant leases to any Governmental Entity permitted by Section 5.1(i)(D) hereof, the execution of which will be governed by the remaining provisions of this Section 5.1) or commence any rezoning proceedings;

(K) except as permitted in connection with an Alternative Transaction undertaken in accordance with Section 1.5 , (i) make, change or rescind any election relating to Taxes with respect to any Property, Equity Entity or Purchased Commercial Loan, including any election relating to the classification of any Equity Entity for U.S. federal income tax purposes, or (ii) change any method of Tax accounting, or amend any Tax Return, settle or compromise any federal, state, local or other Tax liability, audit, claim or assessment, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or enter into any closing agreement related to Taxes, in each case, with respect to any Property, Equity Entity or Purchased Commercial Loan), except that the consent of the Purchaser Parties to the matters in this subparagraph (K)(ii) shall not be unreasonably withheld;

(L) change their credit, pricing or collateral eligibility standards or credit quality classifications in respect of a Purchased Commercial Loan in any material respect, except as required by applicable Law;

(M) grant any waiver (including forgiving any indebtedness) or agreement to forbear the enforcement of, or otherwise grant any consent or approval regarding any of the foregoing relating to, any of the terms, covenants or conditions of any Purchased Commercial Loan;

(N) grant the subordination or release of any security (including any guarantees or other recourse) or loan collateral with respect to any Purchased Commercial Loan (other than releases required under the applicable Commercial Loan-Related Assets or the ordinary course release of funds from escrow or reserve accounts pursuant to the applicable Commercial Loan-Related Assets);

(O) permit the sale, transfer or encumbrance of, or grant of a participation right in, any Purchased Commercial Loan to any third party;

(P) (i) initiate any litigation, proceeding or action against any Obligor or take any action in connection with any litigation, proceeding or action against any Obligor existing as of the date hereof (other than in the ordinary course of business), (ii) exercise any of its other remedies under the Commercial Loan-Related Assets (other than in the ordinary course of business), or (iii) negotiate or discuss with any Obligor or pursue any potential foreclosure actions, deed-in-lieu of foreclosure agreements, discounted payoffs, restructurings, work-outs or other amendments with respect to any of the Purchased Commercial Loans;

(Q) grant any consent or approval requested by an Operating Partner under any Joint Venture (including approving any "major decisions", budget or business plan with respect to any Joint Venture) or make any capital calls for additional capital contributions to a Joint Venture;

(R) forfeit or apply any Security Deposits under any Lease without the consent of the Purchaser Parties;

(S) hire any individual who would be a Business Employee other than (i) any replacement employee (on employment terms and conditions that are not substantially less favorable to the employer) and any individual who received an offer of employment prior to the date hereof to provide services to any Purchased Entity or any Subsidiary thereof, or (ii) employees hired by the Seller Parties to the extent required by applicable Law;

(T) except as disclosed on Schedule 3.10(b), recognize any union or other labor organization as the representative of any of the Business Employees, or enter into any new or amended collective bargaining agreement with any labor organization except as required by applicable Law or as reasonably necessary to implement the provisions of this Agreement; or

(U) consent to, agree or otherwise commit to take, any of the foregoing actions.

(j) Keep in full force and effect policies of insurance for each Transferred Property and each Underlying Property owned by a Wholly-Owned Purchased Entity providing coverage at least as extensive as the policies covering the applicable Property on the date hereof (unless otherwise consented to by the Purchaser Parties, with respect to which, if requested by the Seller Parties, the Purchaser Parties shall not unreasonably withhold, delay or condition their consent). The Purchaser Parties acknowledge and agree that any such policies of insurance maintained by a Purchased Entity or any Subsidiary thereof that is directly or indirectly wholly-owned by the Seller Parties and under which the insurer is an Affiliate of the Seller Parties shall be terminated effective as of the Closing at which such Purchased Entity is transferred to the Seller Parties

5.2 Commercially Reasonable Efforts .

(a) Subject to the terms and conditions set forth in this Agreement including Section 5.2(c) below, the Purchaser Parties and the Seller Parties will use Commercially Reasonable Efforts to promptly take, or cause to be taken, as applicable, all actions, and to promptly do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under applicable Laws to consummate and make effective the Transactions contemplated by this Agreement, including (i) obtaining all actions or nonactions, waivers, exemptions, consents, permits and approvals from Governmental Entities that either Party deems necessary or advisable acting in good faith, and making all necessary registrations as to which such consent, approval or waiver relates and filings and taking such actions as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity, if applicable, (ii) obtaining all necessary consents, approvals or waivers from third parties in accordance with the provisions of Section 5.2(g) below, (iii) subject to the terms of Article XI , defending themselves in any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, and (iv) executing and delivering any additional instruments reasonably necessary to consummate the Transactions and to fully carry out the purposes of this Agreement (including chain of title documentation or similar instruments).

(b) If required by applicable Law, the Seller Parties and the Purchaser Parties shall make an appropriate filing of a notification and report form pursuant to the HSR Act with respect to the Transactions as promptly as reasonably practicable after the date hereof and to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act; provided, no Party shall be required to furnish any information if based on the advice of such Party's counsel, or in such Party's reasonable determination, the furnishing of such information will violate applicable Law. In addition, each Party agrees to make promptly (and in any event within the required time periods for filing under applicable Law) any filing that may be required by Law (or apply for an exemption from such Law) that either Party deems necessary or advisable acting reasonably with respect to the Transactions under any other Antitrust Law, and respond as promptly as practicable to any inquiries or requests for additional information and documentary material received from any Governmental Entity in connection therewith; provided, no Party shall be required to furnish any information if based on the advice of such Party's counsel, or in such Party's reasonable determination, the furnishing of such information will violate applicable Law. Neither Party shall (i) agree to extend any waiting period or agree to refile under any Antitrust Law (except with the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed), or (ii) enter into any agreement with any Governmental Entity agreeing not to consummate the Transactions. Each Party shall have sole responsibility for its respective filing fees associated with the HSR Act filings and any other similar filings required under applicable Antitrust Laws in any other jurisdictions (and where the applicable Law does not stipulate which Party is responsible for the filing fee, the fee shall be shared equally by the Seller Parties, on the one hand, and the Purchaser Parties, on the other hand).

(c) Each Party shall promptly notify the other Party of any oral or written communication it receives from any Governmental Entity relating to the matters that are the subject of this Section 5.2 , permit the other Party and its Representatives to review in advance any communication proposed to be made by such Party to any Governmental Entity and provide the other Party with copies of all correspondence, filings or other communications between them or any of their Representatives, on the one hand, and any Governmental Entity or members of its staff, on the other hand (with such redactions as such Party deems reasonable to make relating to information it deems confidential or proprietary (the " Proprietary Information ")). No Party shall agree to participate in any meeting or discussion with any Governmental Entity in respect of any such filings, investigation or other inquiry unless it consults with the other Party in advance and, to the extent permitted by such Governmental Entity, gives the other Party the opportunity to attend and participate at such meeting. Subject to the Confidentiality Agreement, the Parties will coordinate and cooperate fully with each other in exchanging such information and providing such assistance as the other Party may reasonably request (excluding the Proprietary Information) in connection with the foregoing and in seeking early termination of any applicable waiting periods under the HSR Act and any other applicable Antitrust Law. Nothing in this Section 5.2(c) shall be applicable to Tax matters.

(d) Without limiting any other provision contained in this Section 5.2 , each of the Purchaser Parties and the Seller Parties shall use reasonable best efforts to resolve such objections, if any, as may be asserted by any Governmental Entity with respect to the Transactions under the HSR Act and any other applicable Antitrust Law.

(e) Notwithstanding anything in this Agreement to the contrary, nothing in this Section 5.2 or elsewhere shall require the Purchaser Parties to take any action with respect to itself, any of its Affiliates, the Properties, the Purchased Entities or the Purchased Commercial Loans or their Affiliates including but not limited to (x) selling or otherwise disposing of, or holding separate, any business, assets or properties, (y) terminating or creating any relationships, contractual rights, obligations or other arrangement, or (z) effecting any other change or restructuring, of Purchaser Parties', Purchaser Parties' Affiliates, the Purchased Entities, the Properties, the Purchased Commercial Loans or their Affiliates (each a " Divestiture or Burden "). The Seller Parties shall not and shall not permit any Equity Entity or any Affiliate of the foregoing or any Person under the authority of any Seller Party or Equity Entity to request, cause or approve any Seller Party or Equity Entity to agree to any Divestiture or Burden without the prior written consent of the Purchaser Parties.

(f) Notwithstanding anything in the Agreement to the contrary, in the event that any Governmental Entity shall seek, or shall have indicated that it may seek, an injunction or the enactment, entry, enforcement or promulgation of any Law or Order restraining or prohibiting any of the Transactions, then the Purchaser Parties and the Seller Parties shall cooperate to determine the applicable Equity Assets or Purchased Commercial Loans that shall be excluded, provided that the consideration payable with respect to such Equity Assets or Purchased Commercial Loans, in the aggregate, is de minimis in comparison to the Unadjusted Purchase Price.

(g) Each Party agrees to cooperate to obtain any other consents and approvals from any third party (other than a Governmental Entity) or the waiver of any right (including Exit Rights) of any third party that may be required in connection with the Transactions, which consents, approvals or waivers must be in writing, shall not contain any condition that has not been satisfied prior to the applicable Closing Date and shall not require the payment of any fee or other charge (other than with respect to any Existing Loans, which fee shall be in accordance with the applicable Existing Loan Documents for such Existing Loans) (" Required Third Party Consents "). Except as set forth in this Section 5.2(g) , none of the Seller Parties, the Purchaser Parties, any Equity Entity or any of their respective Affiliates shall be required to compensate any third party, commence or participate in any Action or offer, grant any accommodation (financial or otherwise), terminate any arrangement and/or pay any termination fees to any third party to obtain any such Required Third Party Consent. In the event that any third party from whom a Required Third Party Consent is required requires that its actual out-of-pocket costs be reimbursed as a condition to delivering its Required Third Party Consent, however, then the Seller Parties, on the one hand, and the Purchaser Parties, on the other hand, shall share such costs equally. For the avoidance of doubt, no representation, warranty or covenant of the Seller Parties contained in this Agreement or any of the documents related to the Transactions shall be breached or deemed breached, and no condition to any Closing shall be deemed not satisfied, solely based on the failure to obtain any Required Third Party Consents and to the extent that any Required Third Party Consent shall not have been obtained as of any Closing. Each of the Seller Parties and Purchaser Parties shall have the right to participate in all material communications and discussions between Purchaser Parties or Seller Parties, as the case may be, and the applicable counterparty relating to obtaining the Required Third Party Consent and each of the Seller Parties and Purchaser Parties shall promptly provide copies of all communications received from such counterparty. The Purchaser Parties shall have the right to review and reasonably approve all written requests for, and material communications relating to, Required Third Party Consents prepared by the Seller Parties, including all documents and instruments accompanying any such communication. If requested by the Purchaser Parties, a request for a Required Third Party Consent shall include a request to approve customary changes to the transfer provisions of the applicable agreements to permit certain direct or indirect interests in the applicable Purchaser Parties (or Equity Entities) as applicable the ownership structure of the applicable Purchaser Party acquiring the applicable Purchased Interest, Transferred Property or Purchased Commercial Loan, as applicable.

(h) Notwithstanding anything in this Agreement to the contrary, the Purchaser Parties acknowledge on behalf of themselves and their Affiliates and their respective Representatives, successors and assigns that the operation of the Properties, the Purchased Commercial Loans, and the businesses related thereto shall remain in the dominion and control of the Seller Parties until the applicable Closing and that none of the Purchaser Parties, any of their Affiliates or their respective successors or assigns will provide, directly or indirectly, any directions, orders, advice, aid, assistance or information to any director, officer, Business Employee or other employee of the Seller Parties, the Purchased Entities or their Affiliates, except as specifically contemplated or permitted by this Agreement, including, without limitation, Article V , hereof or as otherwise consented to in writing in advance by the Seller Parties. Nothing contained in this Section 5.2(h) shall be deemed to constitute a waiver by the Purchaser Parties of any covenants, obligations, representations or warranties of the Seller Parties contained in this Agreement.

5.3 Public Announcements . The Purchaser Parties and the Seller Parties shall use their respective Commercially Reasonable Efforts to agree on the description of the Transactions contained in the initial press

releases to be issued by the Parties with respect to their execution and delivery of this Agreement. The Parties agree that the initial press release shall be issued no later than three (3) Business Days following the date hereof; provided that in no event shall the Purchaser Parties be entitled to issue any such press release prior to the issuance of the initial press release by the Seller Parties. Each Party will use Commercially Reasonable Efforts to consult with the other Parties before issuing, and provide the other Parties an opportunity to review and comment upon, any filing made with a Governmental Entity (as required by Law, fiduciary duty or the rules and regulations of applicable securities exchanges; each a " Required Filing "), presentation to investors or securities analysts, press release or other written public statement that contains a description or discussion of the Transactions (other than any description or discussion that contains only information previously agreed between the Parties), and shall not make, issue or deliver any such Required Filing, presentation, press release or public statement prior to such consultation; provided that in no event shall the Purchaser Parties make, issue or deliver any such filing, presentation, press release or public statement prior to the issuance of the initial press release by the Seller Parties, except as required by applicable Law.

5.4 Confidentiality .

(a) Except to the extent (i) modified by Section 5.3 , including, without limitation in connection with any Required Filing, (ii) required or permitted pursuant to the terms of this Agreement, and (iii) with respect to any disclosures to Purchaser Party Designees and their Representatives with respect to the Transaction (provided such Purchaser Party Designees and their respective Representatives enter into a confidentiality agreement with the Seller Representative on the same terms as the Confidentiality Agreement), the Purchaser Parties and their Representatives (as such term is defined in the Confidentiality Agreement) shall treat all nonpublic information obtained in connection with this Agreement and the Transactions as confidential in accordance with the terms of the confidentiality agreement dated as of March 17, 2015 between an Affiliate of the Purchaser Parties and Seller (as amended from time to time, the " Confidentiality Agreement "). Except as provided in this Section 5.4 , the terms of the Confidentiality Agreement are hereby incorporated by reference and shall continue in full force and effect until the Initial Closing, at which time such Confidentiality Agreement shall terminate. If this Agreement is, for any reason, terminated prior to the Initial Closing in accordance with Section 10.1 , the Confidentiality Agreement, as modified by this Section 5.4 , shall continue in full force and effect in accordance with its terms.

(b) For a period of five (5) years following the Initial Closing, (i) the Purchaser Parties shall, and, shall cause the Purchased Entities and the Purchaser Parties' Representatives (as such term is defined in the Confidentiality Agreement) to, keep confidential and not use for any purpose all nonpublic information regarding the Seller Parties or any Person which continues to remain an Affiliate of the Seller Parties from and after the applicable Closing Date of which the Purchaser Parties or any Purchased Entity may be aware, and (ii) the Seller Parties shall keep confidential and not use for any purpose all nonpublic information regarding the Purchaser Parties or Purchased Entities of which the Seller Parties' may be aware. Notwithstanding the foregoing, the restrictions set forth in the foregoing clauses (i) and (ii) shall not apply to confidential information which (x) at the time of disclosure is generally available to the public (other than as a direct or indirect result of a disclosure by the Purchaser Parties or the Seller Parties (as applicable)), and (y) was available to the Purchaser Parties or the Seller Parties (as applicable) on a non-confidential basis from a source that is not and was not prohibited from disclosing such information by a contractual, legal or fiduciary obligation of confidentiality.

5.5 Transfer Taxes .

(a) The Purchaser Parties and the Seller Parties acknowledge that the only Transactions which are Transfers of Purchased Entities are set forth in Schedule 5.5(a) (together with certain other Transfers). The Purchaser Parties and the Seller Parties shall reasonably cooperate in the preparation, execution and filing of all Tax Returns, questionnaires, applications or other documents regarding any Transfer Taxes arising as a result of the

Transactions. Except to the extent provided for in Section 5.5(b) , Transfer Taxes arising as a result of the Transactions shall be for the account of the Seller Parties, other than Transfer Taxes (if any) arising as a result of the Transactions set forth in Schedule 5.5(a) ; provided , however , that the Purchaser Parties shall bear EUR 5,000,000 of Transfer Taxes relating to the transfer of European situated Equity Entities or Properties otherwise to be borne by the Seller Parties under this Section 5.5 , which amount shall be in addition to the amount of any Transfer Taxes which may be due on the Transactions set forth on Schedule 5.5(a) . The provisions of Section 1.5 shall apply to any Alternative Transaction proposed by either Party to minimize Transfer Taxes covered by this Section 5.5 and Schedule 5.5(a) . For the avoidance of doubt, all Transfer Taxes shall be timely paid to the relevant authority by the Party which is responsible therefor pursuant to applicable Law, and if either Party pays in aggregate more than its allocable share under this Section 5.5(a) , the other Party shall reimburse such Party for the difference.

(b) Notwithstanding anything to the contrary set forth in this Agreement, including Section 5.5(a) , the application of UK VAT, Italian value added Tax, Spanish value added Tax, and Polish value added Tax to the Transactions shall be governed by the provisions set forth on Schedule 5.5(b) attached hereto.

5.6 Tax Treatment; Tax Returns; Tax Matters .

(a) For U.S. federal, state and local income Tax purposes (but not including for purposes of property Taxes or Transfer Taxes) to the extent permitted by applicable Law, (i) the sale and purchase of any Property or Purchased Commercial Loan shall be treated as the sale and purchase of an asset and (ii) the sale and purchase of any Purchased Entities to the extent that such Purchased Entity is treated as a partnership or disregarded entity for such income tax purposes, and all of the Interests in such Purchased Entity is purchased by a Purchaser Party under this Agreement, shall be treated as the sale and purchase of the assets of the Purchased Entities subject to the applicable Liabilities, if any, of the Purchased Entities. Both the Seller Parties and the Purchaser Parties shall file all U.S. federal, state and local Tax Returns in a manner consistent with such treatment.

(b) To the extent an Equity Entity is treated as a partnership for U.S. federal income tax purposes, the Seller Parties shall cooperate with the Purchaser Parties to obtain the agreement of such Equity Entity to allocate under Section 706 of the Code, income, gains, losses, deductions or credits attributable to the Interest in such Equity Entity for the tax year of such Equity Entity in which the Closing Date occurs between the Purchaser Party and the Seller Party based on a closing of the books, and to elect to adjust the tax basis of such Equity Entity's properties pursuant to Section 754 of the Code, to the extent such election is not already in effect.

(c) The Seller Parties shall prepare all Tax Returns of the Purchased Entities and any Subsidiaries thereof for periods ending on or prior to the applicable Closing Date (" Pre-Closing Tax Periods "). All such Tax Returns shall be prepared consistent with the past practices of the Seller Parties unless otherwise required by applicable law. Regarding any such Tax Returns prepared after the Closing Date, the Seller Parties shall deliver, or cause to be delivered, to the Purchaser Parties a draft of each such Tax Return (on a stand-alone pro forma basis) at least forty-five (45) days before the due date for filing, including any applicable extensions (unless the applicable due date is less than sixty (60) days after the Closing Date, in which case the Seller Parties shall deliver, or cause to be delivered, to the Purchaser Parties such draft Tax Returns within a reasonable time prior to filing). The Purchaser Parties shall have fifteen (15) days from the receipt thereof to provide the Seller Parties with any comments or proposed adjustments to such draft Tax Returns for the Pre-Closing Tax Periods, and any such comments or proposed adjustments shall be considered by the Seller Parties in good faith. The Seller Parties shall timely file, or cause to be timely filed, such Tax Returns for the Pre-Closing Tax Periods and timely pay, or cause to be timely paid, all Taxes shown as due thereon.

(d) The Purchaser Parties shall prepare and file all Tax Returns of the Purchased Entities and any Subsidiaries thereof for periods including the Closing Date but ending after the Closing Date (" Straddle Tax Periods "). All such Tax Returns for Straddle Tax Periods shall be prepared consistent with the past practices of the

Seller Parties unless (i) otherwise required by applicable law, (ii) to the extent such Seller Parties consent to a change from past practices (such consent not to be unreasonably withheld, delayed or conditioned), or (iii) to the extent such consistency results in a materially adverse Tax consequence for the Purchaser Parties. The Purchaser Parties shall provide to the Seller Parties drafts of such Tax Returns for Straddle Tax Periods no later than forty-five (45) days prior to the applicable due date including any applicable extensions (unless the applicable due date is less than sixty (60) days after the Closing Date, in which case the Purchaser Parties shall provide to the Seller Parties such draft Tax Returns within a reasonable time prior to filing). The Seller Parties shall have fifteen (15) days from the receipt thereof to provide the Purchaser Parties with any comments or proposed adjustments to such draft Tax Returns for the Straddle Tax Periods, and any such comments or proposed adjustments shall be considered by the Purchaser Parties in good faith. If the Seller Parties have no objections to such Tax Returns for Straddle Tax Periods, or if the Purchaser Parties agree to the changes proposed by the Seller Parties, such draft Tax Returns shall be binding upon the Seller Parties. If the Purchaser Parties and Seller Parties cannot resolve any disagreements with respect to the proposed Tax Returns for Straddle Tax Periods within ten (10) days prior to the applicable due date, the Purchaser Parties and Seller Parties jointly shall select an independent tax expert to resolve such differences, with the fees and costs of such tax expert to be borne fifty percent (50%) by the Purchaser Parties and fifty percent (50%) by the Seller Parties, and with the decision of such tax expert as to any matters in dispute between the Purchaser Parties and the Seller Parties to be binding and conclusive on all Parties. The Seller Parties shall pay to the Purchaser Parties no later than three (3) days prior to the due date for filing any such Tax Returns for Straddle Tax Periods the amount of Taxes owing with respect to the portion of such Straddle Tax Periods as determined as if such taxable period ended as of the Closing Date. The Seller Parties shall be entitled to all Tax refunds of or attributable to the Purchased Entities and any Subsidiaries thereof for Pre-Closing Tax Periods and the portion of any Straddle Tax Periods ending on the Closing Date, unless (i) such Tax refund is attributable to the carryback from a taxable period commencing after the Closing Date or the portion of any Straddle Tax Periods beginning after the Closing Date of items of loss, deduction or credit, or other Tax items, of the Purchased Entities or any Subsidiaries thereof (or any of their respective Affiliates, including the Purchaser Entities) or (ii) otherwise specifically provided in this Agreement. The Purchaser Parties shall be responsible for preparing and filing all other Tax Returns of the Purchased Entities and any Subsidiaries thereof and of the Purchaser Parties with respect to the Purchased Entities and any Subsidiaries thereof and their assets and income. Nothing in this Section 5.6(d) shall be interpreted as to require the Seller Parties or Affiliates thereof to provide to the Purchaser Parties or Affiliates thereof any consolidated or group or combined or unitary Tax Returns in which any Purchased Entity or any Subsidiary thereof may be a participant for periods prior to the Closing Date.

(e) The Seller Parties shall prepare all real property Tax Returns related to the Properties or Underlying Properties for Pre-Closing Tax Periods. All real property Tax Returns shall be prepared consistent with the past practices of the Seller Parties unless otherwise required by applicable law. Regarding any such Tax Returns prepared after the Closing Date, the Seller Parties shall deliver, or cause to be delivered, to the Purchaser Parties a draft of each such Tax Return (on a stand-alone pro forma basis) at least forty-five (45) days before the due date for filing, including any applicable extensions (unless the applicable due date is less than sixty (60) days after the Closing Date, in which case the Seller Parties shall deliver, or cause to be delivered, to the Purchaser Parties such draft Tax Returns within a reasonable time prior to filing). The Purchaser Parties shall have fifteen (15) days from the receipt thereof to provide the Seller Parties with any comments or proposed adjustments to such draft real property Tax Returns for the Pre-Closing Tax Periods, and any such comments or proposed adjustments shall be considered in good faith by the Seller Parties. The Seller Parties shall timely file, or cause to be timely filed, such Tax Returns for the Pre-Closing Tax Periods and timely pay, or cause to be timely paid, all Taxes shown as due thereon. The Purchaser Parties shall prepare and file all real property Tax Returns for the Straddle Tax Periods, provided that the Purchaser Parties shall provide to the Seller Parties drafts of such real property Tax Returns for the Straddle Tax Periods no later than forty-five (45) days prior to the applicable due date including any applicable extensions (unless the applicable due date is less than sixty (60) days after the Closing Date, in which case the Purchaser Parties shall provide to the Seller Parties such draft Tax Returns within a reasonable time prior to filing). The Seller Parties shall have fifteen (15) days from the receipt thereof to provide the Purchaser Parties with any

comments or proposed adjustments to such draft real property Tax Returns for the Straddle Tax Periods, and any such comments or proposed adjustments shall be considered in good faith by the Purchaser Parties. The Seller Parties shall pay to the Purchaser Parties no later than three (3) days prior to the due date for filing any such real property Tax Returns for the Straddle Tax Periods the amount of Taxes owing with respect to the portion of such Straddle Tax Periods as determined pursuant to Section 1.4 . The Seller Parties shall be entitled to all real property Tax refunds related to the Properties for Pre-Closing Tax Periods and the portion of any Straddle Tax Periods ending on the Closing Date, unless (i) such Tax refund is attributable to the carryback from a taxable period commencing after the Closing Date or the portion of any Straddle Tax Periods beginning after the Closing Date of items of loss, deduction or credit, or other Tax items, of the Purchased Entities or any Subsidiaries thereof (or any of their respective Affiliates, including the Purchaser Entities), or (ii) otherwise specifically provided in this Agreement. The Purchaser Parties shall be responsible for preparing and filing all other real property Tax Returns related to the Properties. Nothing in this Section 5.6(e) shall be interpreted as to require the Seller Parties or Affiliates thereof to provide to the Purchaser Parties or Affiliates thereof any consolidated or group or combined or unitary Tax Returns in which any Purchased Entity or any Subsidiary thereof may be a participant for periods prior to the Closing Date.

(f) The Purchaser Parties, on the one hand, and the Seller Parties, on the other hand, shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the preparation and filing of any Tax Return, any Tax audit, Tax claim, Tax litigation, claim for Tax refund or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such Tax Return filing, Tax audit, Tax claim, Tax litigation or other Tax proceeding, providing powers of attorney, assisting with the signing and filing of Tax appeals and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Parties agree to retain all books and records with respect to Tax matters pertinent to the Purchased Entity and its Subsidiaries relating to any Pre-Closing Tax Period until the expiration of any applicable statute of limitations, and to abide by all record retention agreements entered into with any Tax Authority for all periods required by such Tax Authority.

(g) On or prior to the Closing Date, the Seller Parties shall identify for the Purchaser Parties each Equity Entity that is classified as a partnership for U.S. federal income tax purposes that does not have in effect on the Closing Date a valid election under Section 754 of the Code.

(h) The Seller Parties shall cause all tax allocation agreements or tax sharing agreements between the Seller Parties or any of its Affiliates, on the one hand, and any Equity Entity, on the other hand, to be terminated as of the Closing Date, and shall ensure that such agreements are of no further force or effect as to any Equity Entity on and after the Closing Date and that there shall be no further liabilities or obligations imposed on any Equity Entity under any such agreements. Although the profit and loss pooling agreement between GE Real Estate Property GmbH (GSP) and GE Real Estate GmbH (GSN), identified in Schedule 3.9(a) of the Disclosure Schedule, would be terminated at or prior to the closing of a sale of GE Real Estate Property GmbH (GSP) to Purchaser Parties, the settlement of the profit and loss pooling required thereunder would occur as set forth in Schedule 5.6(h) to this Agreement.

5.7 Real Property Taxes . Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge that certain of the Seller Parties have appealed certain real property Taxes attributable to the Transferred Properties. Such Seller Parties shall be responsible for, and shall receive the benefit of (less any portion thereof to which a Tenant may be entitled), any additional real property Taxes and any Tax rebates or refunds attributable to Pre-Closing Tax Periods and such appeals; provided that such Seller Parties shall not be responsible for (or receive the benefit of) any such Taxes (or rebates or refunds) to the extent the Unadjusted Purchase Price was adjusted downward (or upward) pursuant to Article I determined after taking into consideration all adjustments provided for therein, on account of such Taxes (or rebates or refunds). If such Seller Parties are entitled to the benefit of any rebate or refund pursuant to the preceding sentence, then within ten (10) days of receipt by or on

behalf of any Purchaser Party or Affiliate thereof of any such rebate or refund, the Purchaser Parties shall pay to the Seller Parties an amount equal to the portion of such rebate or refund to which the Seller Parties are so entitled (less any portion thereof to which a Tenant may be entitled) and net of any Tax cost imposed on any Purchaser Party as a result of receiving such refund or rebate. A Seller Party, at its expense, shall have the right, but not the obligation, to control and continue (but not settle or compromise, except as expressly provided below) any such appeal or related proceedings which are pending as of the date of this Agreement, including the employment of counsel, and shall promptly provide to the applicable Purchaser Parties all material information relating to such appeals or proceedings as and when such information becomes known to a Seller Party, together with such other information as the applicable Purchaser Parties may reasonably request; provided, however, if a Seller Party elects not to control any such appeal or related proceeding, then such Seller Party shall give prompt written notice to the applicable Purchaser Parties of such election, and, thereafter, the applicable Purchaser Parties shall have the right, but not the obligation, to control such appeal or related proceeding and the settlement or compromise thereof. A Seller Party may not settle or compromise any such appeal or related proceeding without prior written consent of the applicable Purchaser Parties, which consent shall not be unreasonably withheld.

5.8 Tax Elections .

(a) Except as set forth on Schedule 5.1(i)(E) or pursuant to an Alternative Transaction undertaken in accordance with Section 1.5 (specifically including any requirements for consent set forth therein), no election pursuant to Section 338(g) of the Code (or any corresponding provision of state, local, or foreign Tax Law) shall be made with respect to the Transactions contemplated by this Agreement without the prior written consent of the applicable Purchaser Parties and applicable Seller Parties. Any request by any Party to make such election shall be given good faith consideration by the other Party. Any state or local Transfer Taxes that arise as a result of any election under Section 338 (g) of the Code with respect to the Transactions contemplated hereunder shall be governed by Section 5.5 hereof.

(b) Subject to the consent of the Seller Parties, which consent shall not be unreasonably withheld, delayed or conditioned, the Purchaser Parties shall have the right, upon timely notice, to cause the Seller Parties to make (or cause their Affiliates to make), with an effective date prior to the Closing Date, any entity classification election on an Internal Revenue Service Form 8832 with respect to the Purchased Entities or Subsidiaries thereof as is permitted by applicable law, provided that the Seller Parties shall have the right to make (or cause their Affiliates to make) (i) without the consent of the Purchaser Parties any elections (with an effective date prior to the Closing Date) specifically set forth on Schedule 5.1 , or (ii) any elections undertaken as part or in connection with an Alternative Transaction undertaken in accordance with Section 1.5 (including any requirements for consent set forth therein).

5.9 Termination of Rights to GE Names and GE Marks .

(a) The Purchaser Parties, on behalf of themselves and their Affiliates (including, for purposes of this Section 5.9 , the Equity Entities following the Closing at which the Purchased Interests therein are sold), acknowledge and agree that, as between the Purchaser Parties and their respective Affiliates, on the one hand, and the Seller Parties and their respective Affiliates, on the other hand, all right, title and interest in and to the GE Names and GE Marks are owned exclusively by the Seller Parties and their respective Affiliates (excluding the Equity Entities following the Closing at which the Purchased Interests therein are sold). Except as set forth below in this Section 5.9 , the Purchaser Parties and their respective Affiliates shall have no rights in or to any GE Names and GE Marks, and the Purchaser Parties and their respective Affiliates shall not use any GE Names and GE Marks. Neither the Purchaser Parties nor any of their respective Affiliates shall contest the ownership or validity of any rights of the Seller Parties or any of their respective Affiliates in or to any of the GE Names and GE Marks. The Purchaser Parties and their respective Affiliates will not expressly, or by implication, do business as or represent themselves as having any affiliation, connection or other association with the Seller Parties or any Person that is an Affiliate of

Seller after the Closing. Furthermore, the Purchaser Parties, on behalf of themselves and their Affiliates, acknowledge and hereby agree that, except as set forth below in this Section 5.9 , (a) the rights of the Equity Entities to any of the GE Names and GE Marks pursuant to the terms of any trademark agreements between the Seller Parties and any of their respective Affiliates, on the one hand, and the Equity Entities, on the other hand, or otherwise shall terminate on the applicable Closing Date; and (b) on the applicable Closing Date, the Purchaser Parties and their respective Affiliates shall cease and discontinue all uses of the GE Names and GE Marks on any and all items and materials of the Equity Entities.

(b) Notwithstanding the foregoing, following the applicable Closing Date, the Purchased Entities and any of their Subsidiaries that own Underlying Properties on which there is signage including the GE Names or GE Marks (the " Licensed Marks "), shall be entitled to continue to use the Licensed Marks solely in connection with such signage and shall promptly, and in any event no later than one hundred twenty (120) days after the applicable Closing Date, replace the signage for such Properties or otherwise remove the Licensed Marks from such Properties.

5.10 Distributions . Nothing in this Agreement shall be deemed to prohibit or limit in any manner, and the Seller Parties and all the Equity Entities shall be permitted to, declare, set aside and/or pay any cash dividend or distribution in respect of capital stock, partnership interests, limited liability company or membership interests or other securities or equity interests, whether or not in the ordinary course of business. Notwithstanding anything to the contrary contained in this Agreement, certain accounts of the Equity Entities shall continue to be subject to the Seller Parties' and their Affiliates' daily cash "sweep". Such cash "sweeps" shall be terminated prior to the Closing .

5.11 Post-Closing Access . After each Closing, each of the Parties shall, from time to time following the applicable Closing Date for a period of three (3) years following such Closing, upon reasonable prior notice and during normal business hours, afford the other Parties reasonable access to the books and records (other than any Confidential Documentation) related to the Properties, the Purchased Commercial Loans, and the Equity Entities for any periods ending on or before the Closing Date (and for any period ending after the Closing Date to the extent reasonably necessary for the Parties to prepare and file their Tax Returns in accordance with applicable law), including all accounting records and data, for tax, accounting or other legal or compliance purposes subject in each case to applicable law, privileged information (including attorney client privilege) and information subject to confidentiality agreements with third-parties. The Purchaser Parties shall, and shall cause the Equity Entities to, maintain all books and records for the maximum time period required to comply with all applicable federal and state audit periods. Notwithstanding any other provision of this Agreement, (i) the Seller Parties shall be under no obligation to provide the Purchaser Parties or the Purchased Entities any U.S. federal, state or local income Tax Returns of any Seller Party or any Affiliate of any Seller Party other than the Equity Entities, and (ii) the Purchaser Parties shall be under no obligation to provide the Seller Parties any U.S. federal, state or local Tax Returns of any Purchaser Party or any Affiliate of any Purchaser Party other than the Equity Entities.

5.12 Mutual Release of the Other Parties .

(a) From and after the applicable Closing Date, each of Purchaser Parties, for itself and its Affiliates and Purchaser Designees and all of their respective successors and assigns, hereby irrevocably and absolutely waives its right to recover from, and forever releases and discharges, and covenants not to file or otherwise pursue any Action against, any Seller Party with respect to any and all Actions, claims, demands, liabilities, fines, penalties, liens, judgments, losses, injuries, damages, settlement expenses or costs of whatever kind or nature, whether direct or indirect, known or unknown, contingent or otherwise (including any Action brought or threatened or ordered by any Governmental Entity), including attorneys' and experts' fees and expenses, and investigation and remediation costs (collectively, " Claims ") that may arise on account of or in any way be connected with any Purchased Interest or Equity Entities or any portion thereof, or any Property or any portion thereof, or any Purchased Commercial Loan including the physical, environmental and structural condition of any

Property, any Commercial Loan Property or any Law applicable thereto, or any other matter arising under Environmental Laws or relating to the use, presence, discharge or release of or exposure to Hazardous Materials, prior to the date hereof; provided , however , the foregoing release shall not apply with respect to any Claim by any Purchaser Party against the Seller Parties for intentional fraud, knowingly committed, or indemnification by the Seller Parties under Section 11.2 , subject to the limitations and conditions provided in Sections 10.2 , 11.1 , 11.4 , 11.5 and 11.6 , as applicable. Each of the Purchaser Parties expressly waives the benefits of any provision or principle of federal or state law or regulation that may limit the scope or effect of the foregoing waiver and release.

(b) From and after the applicable Closing Date, the Seller Parties, each for itself and its Affiliates and all of their respective successors and assigns, hereby irrevocably and absolutely waives its right to recover from, and forever releases and discharges, and covenants not to file or otherwise pursue any Action against any Purchaser Party or Purchased Entities with respect to any and all Claims that may arise on account of or in any way be connected with any Purchased Interest or Equity Entity or any portion thereof, or any Purchased Commercial Loan or any or any portion thereof, including the physical, environmental and structural condition of any Property, any Commercial Loan Property or any Law applicable thereto, or any other matter arising under Environmental Laws or relating to the use, presence, discharge or release of or exposure to Hazardous Materials, whether before or after the date hereof; provided , however , the foregoing release shall not apply with respect to any Claim by the Seller Parties against the Guarantor under the Guarantee or against the Purchaser Parties or the Purchased Entities for intentional fraud, knowingly committed, or indemnification by the Purchaser Parties under Section 11.3 , subject to the limitations and conditions provided in Sections 10.2 , 11.1 , 11.4 , 11.5 and 11.6 , as applicable. The Seller Parties each expressly waives the benefits of any provision or principle of federal or state law or regulation that may limit the scope or effect of the foregoing waiver and release.

(c) This Section 5.12 shall survive the Closing indefinitely.

5.13 Certain State Disclosure Requirements . Each of the Purchaser Parties acknowledges that various federal, state, provincial and local Laws may require a seller of real property to: (a) provide a purchaser of real property a property condition report, inspection report or similar document relating to the characteristics of a property being sold (collectively, " Property Condition Reports "), or (b) include certain disclosure provisions in agreements for the sale of real property (collectively, " General Property Disclosures "), advising a purchaser of real property of certain statutory and regulatory provisions relating generally to the ownership, sale, management or operation of real property in such jurisdiction or of real property characteristics generally of which a purchaser of real property should be aware (such as certain required disclosures relating to radon gas). Each of the Purchaser Parties is a sophisticated purchaser of real property, will have sufficient time prior to Closing to investigate any and all matters that would be contained in or disclosed by Property Condition Reports or General Property Disclosures and hereby voluntarily, knowingly and intentionally waives the receipt of any and all Property Condition Reports and General Property Disclosures. Each of the Purchaser Parties further releases the Seller Parties from any and all Liabilities to the Purchaser Parties relating to the fact that any such Property Condition Reports will not be given to the Purchaser Parties and that this Agreement does not include any such General Property Disclosures. Nothing in this Section 5.13 is intended to modify in any way any of the representations and warranties of the Seller Parties set forth in Article III or the related covenants or indemnities of the Seller Parties contained herein.

5.14 Resignations . The Seller Parties shall obtain and deliver to the Purchaser Parties at each applicable Closing evidence reasonably satisfactory to the Purchaser Parties of the resignation or removal, effective as of the applicable Closing Date, of those directors, officers or managers, as applicable, of the Equity Entities and any Subsidiaries or Joint Ventures to be Transferred to the Purchaser Parties at such Closing (with respect to any Subsidiary or Joint Venture directors, officers or managers appointed by any Seller Party or Affiliate thereof) thereof (the " Seller Resignations ").

5.15 Compliance with ROFRs and Pre-Emptive Rights . Each Seller Party shall, in material compliance with the ROFRs, deliver any and all required ROFR notices as soon as reasonably practicable following the date hereof, after a good faith consultation with the Purchaser Parties with respect to the form and content of each ROFR notice. Each Seller Party shall as soon as reasonably practicable following the date hereof seek a waiver of any Pre-Emptive Rights that are triggered by the Transaction.

5.16 Employment Matters . Notwithstanding anything to the contrary contained herein, with respect to employee matters, the Parties have made the agreements and covenants set forth in Exhibit B to this Agreement, which is hereby incorporated into this Agreement.

5.17 Transition Services Arrangements . The Purchaser Parties and the Seller Parties shall reasonably cooperate and negotiate in good faith to reach agreement on the terms and conditions of a transitional services agreement (the " Transition Services Agreement ") pursuant to which services relating to the operation and conduct of the Properties, the Purchased Entities, and the Purchased Commercial Loans following the applicable Closing Date which are currently provided by the Seller Parties (or an Affiliate of the Seller Parties) will be provided (i) by the Purchaser Parties to the Seller Parties, or (ii) by the Seller Parties to the Purchaser Parties, for a transitional period following the applicable Closing Date. Subject to such good faith negotiations, the Transition Services Agreement will include IT, collection and such other services (including without limitation transition of the servicing and boarding of the Purchased Commercial Loans) as may be mutually agreed upon by the Parties. Each of the Purchaser Parties hereby acknowledges that the Seller Parties' ability to provide certain transition services may be limited by law, third party Contracts, or internal company privacy and security issues (e.g., IT firewall considerations). The period for such transitional services under the Transition Services Agreement shall be agreed upon by the Parties in negotiating the Transition Services Agreement.

5.18 Financing Arrangements .

(a) From the date hereof until the earlier of the Closing or the earlier termination of this Agreement, subject to the limitations set forth below, and unless otherwise agreed by the Purchaser Parties, the Seller Parties shall cooperate and shall instruct their applicable management personnel to cooperate with the Purchaser Parties as reasonably requested by the Purchaser Parties in connection with the Purchaser Parties' arrangement of any financing to be consummated contemporaneous with any Closing in respect of the Transactions; provided , however , that such cooperation does not (i) unreasonably interfere with the ongoing operation of the Properties and the Equity Entities; (ii) include any actions that the Seller Parties (A) reasonably believe would result in a violation of any Contract or confidentiality agreement or the loss of any legal privilege or (B) cause any representation or warranty in this Agreement to be breached or any conditions to the consummation of the Transactions set forth in Article IX to fail to be satisfied; (iii) other than in connection with the Requested Estoppels, involve approaching landlords or any other bailees or other third parties prior to Closing to discuss landlord waivers, leasehold mortgages, bailee waivers, estoppels or other agreements limiting the rights of such third parties; (iv) involve consenting to the pre-filing of UCC-1s or any other grant of Liens or other encumbrances that result in the Seller Parties or any Affiliate of any Seller Party being responsible to any third parties for any representations or warranties prior to the applicable Closing Date; (v) require the giving of representations or warranties to any third parties or the indemnification thereof; (vi) require the delivery of any projections or pro forma financial information; or (vii) require the delivery of any financial statements that have not been previously prepared by the Seller Entities (it being acknowledged and agreed that the Seller Entities shall not be required to incur any liability in connection with the delivery of any such financial statements). Such cooperation will include Commercially Reasonable Efforts to (1) furnish the Purchaser Parties and their financing sources with financial and other pertinent information regarding the Equity Entities, the Properties and the Purchased Commercial Loans, (2) make appropriate officers available for participation in meetings and due diligence sessions, (3) reasonably cooperate in the marketing efforts of the Purchaser Parties and their financing sources for any financing to be raised by the Purchaser Parties to complete the Transactions, and (4) attempt to obtain estoppels, comfort letters, subordination,

attornment and non-disturbance agreements and certifications from ground lessors, tenants, lenders, managers, franchisors, counterparties to reciprocal easement agreements, condominium boards (or similar governing body) or any other third parties to the extent requested by the Purchaser Parties and in form and substance reasonably satisfactory to any potential lender (collectively, the " Requested Estoppels "; provided , however , that notwithstanding anything herein to the contrary, neither Seller nor any Seller Person shall be required to deliver or cause the delivery of any legal opinions or accountants' cold comfort letters or reliance letters. Each of the Purchaser Parties agrees that the effectiveness of any documents executed by or on behalf of Purchased Entity in connection with the financing shall be subject to, and not effective until, the consummation of the applicable Closing. As a condition to the Seller Parties' obligations pursuant to this Section 5.18 , the Purchaser Parties shall promptly, upon request by the Seller Parties, reimburse the Seller Parties for all reasonable out-of-pocket costs and expenses (excluding attorney's fees and expenses and disbursements) incurred by the Seller Parties, the Purchased Entities or any Affiliate thereof in connection with the cooperation contemplated by this Section 5.18 . and shall reimburse, defend, indemnify and hold harmless any Seller Indemnified Party from, against and in respect of any and all Losses resulting from, or that exist or arise due to or in connection with the arrangement of the Financing and any information used in connection therewith.

(b) For the avoidance of doubt, the obligation of the Purchaser Parties to consummate the Transactions, subject to the satisfaction of the applicable conditions set forth in Article IX hereof, shall not be subject to any (i) financing, or (ii) subject to the terms of this Agreement, any due diligence or other contingency.

5.19 Purchaser Party Designee. If a Purchaser Party designates a Purchaser Party Designee to acquire any Purchased Interests, Purchased Commercial Loan, or Property, Purchaser Party Designee shall provide to the Seller Parties (a) customary "know your client" diligence on such Purchaser Party Designee information to enable the Seller Parties to successfully complete such diligence excluding any name of any limited partner or equivalent investor in any Purchaser Party Designee and relating thereto, and (b) prompt notice of any inaccuracies in its representations and warranties set forth in Article IV of this Agreement.

5.20 Existing Loans. At or prior to the applicable Closing, (i) the Purchaser Parties shall cooperate with the Seller Parties in connection with the efforts of the Seller Parties to cause each lender with respect to any Existing Loan that will continue to encumber any Property or the equity interests in an Equity Entity either (x) owned, directly or indirectly, Equity Entity being acquired, directly or indirectly, by the Purchaser Parties at such Closing or (y) being transferred to the Purchaser Parties at such Closing to release the Seller Parties and each of their applicable Affiliates from any Liability in respect of obligations first arising after the applicable Closing Date pursuant to any recourse obligations, guarantees, indemnification agreements, letters of credit posted by a Seller Party as security or other similar obligations (each, a " Existing Loan Release "), or (ii) in the absence of such release described in clause (i), from and after the applicable Closing and until such time as the applicable Existing Loan encumbering any Property (or the directly or indirect equity interests in the entity owning such Property) has been refinanced or repaid in full, or the applicable lender with respect thereto has otherwise agreed in writing to release the Seller Parties and each of their applicable Affiliates from any further Liability arising under such Existing Loan in respect of obligations first arising on or after the applicable Closing Date pursuant to any recourse obligations, guarantees, indemnification agreements, letters of credit by a Seller Party posted as security or other similar obligations, an Affiliate of the Purchaser Parties reasonably acceptable to the Seller Parties shall, if applicable, indemnify the Seller Parties and each of their respective Affiliates in respect of any such further Liabilities that have not been so released (collectively, the " Existing Loan Indemnification Obligations "). In connection with obtaining any Required Third Party Consent from a lender under an Existing Loan, in no event will the Purchaser Parties, for themselves or any of their Affiliates, be required to repay any portion of the outstanding principal balance of the Existing Loan, (ii) fund any additional reserves except to the extent specifically required pursuant to the terms of the Existing Loan Documents, (iii) provide any guaranty or indemnity with respect to an Existing Loan other than the replacement of the most recent existing guarantees and indemnities by the Seller Parties in substantially the same form as the most recent existing guarantees and indemnities and only with respect of obligations first arising on or after the

applicable Closing Date, and (iv) otherwise amend the Existing Loans to increase the obligations or reduce the rights of the borrower and the guarantors thereunder. From the date hereof until the applicable Closing, without the consent of the Purchaser Parties (which consent may be granted or withheld in the Purchaser Parties sole discretion) make any voluntary prepayment of any Existing Loan.

5.21 Seller Financing . At each Closing in which Purchased Commercial Loans secured by properties in Mexico or Australia are closed, the Seller Parties shall provide or cause an Affiliate to provide, first priority financing to the Purchaser Parties acquiring such Purchased Commercial Loans on the terms set forth on the term sheet attached as Schedule 4 to this Agreement, subject to the negotiation and execution and delivery of definitive loan documents (the " Seller Financing Agreements "). The Seller Parties and the Purchaser Parties agree to use their good faith, commercially reasonable efforts to negotiate definitive documents by the applicable Closing Date on the terms and conditions set forth on Schedule 4 .

5.22 Works Councils/Employee Representative Bodies . Each of the Purchaser Parties hereby agrees to (a) cooperate with the Affiliates of the Seller Parties in any applicable non-U.S. jurisdictions with respect to the information consultation process that such Affiliates of the Seller Parties are required to initiate and complete with their works councils, employee representative bodies or directly with their employees in such jurisdictions, and (b) grant such Affiliate of the Seller Parties all reasonable access and information as may be requested by such Affiliates of the Seller Parties in order to carry out this process and the related obligations of such Affiliates of the Seller Parties.

5.23 Commercial Loan Backlog . From and after the date hereof, from time to time, the Seller Parties may deliver to the Purchasers a list of Commercial Loan Backlog and such other information and documentation (including copies of the applicable Loan Documents and loan files) as reasonably requested by the Purchaser Parties in respect of the Commercial Loan Backlog. In the event the Seller Parties elect to fund any Commercial Loan Backlog after March 31, 2015 but prior to an applicable Closing (a " Backlog Asset "), the Purchaser Parties shall have the right, but not the obligation, to acquire such Backlog Asset in accordance with the terms of this Agreement. To the extent the Purchaser Parties elect to acquire such Backlog Assets (a " Designated Backlog Asset "), such Designated Backlog Asset shall be Transferred at the next subsequent Closing in accordance with and subject to the terms and conditions of this Agreement; provided that the Purchase Price payable with respect to each such Designated Backlog Asset shall be as mutually agreed upon by the Purchaser Parties and the Seller Parties. Upon the consummation of any Closing subsequent to the Initial Closing at which any such Designated Backlog Assets are Transferred, this Agreement shall be deemed amended, without any further action on the part of any Party, and each such transferred Designated Backlog Asset shall constitute a Purchased Commercial Loan for all purposes hereunder.

5.24 Loan Transfers .

(a) Each of the Seller Parties and each of the Purchaser Parties hereby acknowledge and agree, in furtherance and not in limitation of any other provision of this Agreement (including Section 12.17 hereof) and at any time (whether before or after any Closing Date), that such Parties shall cooperate and use their Commercially Reasonable Efforts to take any and all actions that are necessary and sufficient in accordance with applicable Laws to Transfer the Purchased Commercial Loans and any related Commercial Loan Note, Commercial Loan Mortgage, Commercial Loan Security Instruments or Commercial Loan-Related Asset from Seller Parties to Purchaser at the Closing Date applicable to such Purchased Commercial Loan, including, if the "security," "administrative" and/or "facility" agent (as any such term may be used or defined in a Purchased Commercial Loan and/or any related Commercial Loan Note, Commercial Loan Mortgage, Commercial Loan Security Instruments or Commercial Loan-Related Asset) is a Seller Party or an Affiliate thereof, to replace such party with a Person designated by the Purchaser Parties in its sole and absolute discretion (other than Seller Parties or any of their Affiliates). Except as expressly provided in this Agreement, the costs, fees and expenses (including any applicable Taxes) related to the Transfers contemplated by this Section 5.24(a) shall be the sole responsibility of the Seller Parties.

(b) In the event a non-U.S. Purchased Commercial Loan is not capable of being directly Transferred to the applicable Purchaser Party pursuant to the terms and conditions of this Agreement as a result of the failure to obtain any Required Third Party Consent with respect to such Purchased Commercial Loan or any other condition to Transfer not having been satisfied either on or before the Applicable Initial Closing Date or by the Outside Closing Date, then the Transfer of such Purchased Commercial Loan to the Purchaser Parties shall (to the extent not prohibited by the terms of the Commercial Loan Note and related documents with respect to such Purchased Commercial Loan) be consummated by the execution by in respect of any non-US Purchased Commercial Loan, the execution by the applicable Parties of a sub-participation or similar arrangement; provided that the proposed course of action will in all cases be subject to (i) applicable Laws, (ii) the terms and conditions of this Agreement, and (iii) the prior written approval of the Purchaser Parties, which may be granted or withheld in the Purchaser Parties' sole and absolute discretion; provided , however , that notwithstanding Section 5.24(b)(iii) , the prior written approval of the Purchaser Parties shall not be required in connection with any Transfer (A) to a Blackstone Affiliate Purchaser Party of any Deferred Commercial Loan that is a UK Purchased Commercial Loan and (B) the Purchased Commercial Loans set forth of Schedule 5.26(b) so long as the terms and condition and form of the applicable documents are reasonably satisfactory to the Purchaser Parties and the Seller Parties obligations thereunder are guaranteed by a creditworthy entity as reasonably approved by the Purchaser Parties.

5.25 Excluded Asset Benefits . From and after any applicable Closing, in the event that any Purchaser Party, Purchaser Party Designee, Purchased Entity or Affiliate of the foregoing receives any Excluded Asset Benefit, then such Person shall promptly pay or assign such Excluded Asset Benefits to the Seller Parties or a designee thereof.

5.26 Certain Prohibited Transfers . If the Transfer of a Purchased Commercial Loan pursuant to this Agreement would result in a violation by the Purchaser Party of the Bank Secrecy Act, the USA Patriot Act or any similar anti-money laundering Laws, then such Purchaser Party shall not be obligated under this Agreement to purchase such Purchased Commercial Loan and such Purchased Commercial Loan shall become an Excluded Asset hereunder.

5.27 Bulk Sales . No Seller Party shall be required to furnish evidence that all or any part of the Transactions are in compliance with the provisions of the Bulk Sales Act (Ontario) and/or another Canadian bulk sales Laws; provided however that each Seller Party hereby covenants and agrees to indemnify and save harmless the Purchaser Parties from and against any and all Losses suffered or incurred by the Purchaser Parties as a result of or arising from the failure of any Seller Party to comply with the requirements of Bulk Sales Act (Ontario) and/or another Canadian bulk sales Laws in respect of all or any part of the Transactions.

5.28 Certain Insurance Matters .

(a) From and after the applicable Closing Date, the Properties, the Purchased Commercial Loans and the Purchased Entities shall cease to be insured by, have access or availability to, be entitled to make claims on, be entitled to claim benefits from or seek coverage under any of the Seller Parties' or any of their applicable Affiliates' insurance policies or any of their self-insured programs, other than (i) insurance policies or self-insurance programs procured directly for the Properties, the Purchased Commercial Loans or by and in the name of the Purchased Entities (" Available Insurance Policies "), and (ii) with respect to any claim, act, omission, event, circumstance, occurrence or loss that occurred or existed prior to the applicable Closing Date (" Triggering Event ") .

(b) At the time of a Triggering Event:

(i) the Purchaser Parties or the Purchased Entities shall notify the Seller Parties' Corporate Insurance departments of all such claims and/or efforts to seek benefits or coverage and shall cooperate with the Seller Parties' or any of their applicable Affiliates' in pursuing all such claims, provided that the Purchaser Parties and the Purchased Entities shall be solely responsible for notifying any and all insurance companies of such claims and complying with all policy conditions for such claims. In addition, the Purchaser Parties and the Purchased Entities shall pursue or cause to be pursued any rights of recovery against third parties with respect to Triggering Events and shall cooperate with the Seller Parties' and their applicable Affiliates' with respect to pursuit of such rights. The order of priority of any such recoveries shall inure first to the Seller Parties to reimburse any and all costs incurred by the Seller Parties directly or indirectly as a result of such claims or losses and then to the Available Insurance Policies;

(ii) the Seller Parties and their applicable Affiliates shall have the right but not the duty to monitor and/or associate with coverage claims or requests for benefits asserted by the Purchaser Parties or Purchased Entities under the Available Insurance Policies, including the coverage positions and arguments asserted therein, provided that the Purchaser Parties and the Purchased Entities (w) shall notify the Seller Parties in advance of such coverage claims, (y) shall not, without the written consent of the Seller Parties, erode, settle, release, commute or otherwise resolve disputes with respect to Available Insurance Policies nor amend, modify or waive any rights under any such insurance policies and programs, and (z) shall not assign the Available Insurance Policies or any rights or claims under the Available Insurance Policies; and

(iii) For avoidance of doubt, Available Insurance Policies shall not include any of the Seller Parties' claims-made or occurrence-reported liability policies, the Seller Parties' data privacy & network security, transit, and construction all risk insurance policies, and/or the Seller Parties' nor any of their Affiliates' aviation liability policies.

(c) Notwithstanding anything contained herein, the Seller Parties and their Affiliates shall retain exclusive right to control all of its insurance policies and programs, including the Available Insurance Policies, and the benefits and amounts payable thereunder, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any Liabilities and/or claims any of the Purchaser Parties or any of Purchased Entities has made or could make in the future, including coverage claims with respect to Triggering Events, provided further that (i) the Purchaser Parties and Purchased Entities shall cooperate with the Seller Parties and their respective Affiliates and share such information as is reasonably necessary in order to permit the Seller Parties and their respective Affiliates to manage and conduct its insurance matters as the Seller Parties and their respective Affiliates deem appropriate, and (ii) each of the Purchaser Parties and Purchased Entities hereby gives consent for the Seller Parties and its Affiliates to inform any affected insurer of the provisions of this Section 5.28 and to provide such insurer with a copy hereof.

(d) Nothing in the agreement is intended to waive or abrogate in any way the Seller Parties or their Affiliates own rights to insurance coverage for any liability, whether relating to the Properties, the Purchased Commercial Loans, the Purchased Entities or otherwise.

5.29 Local Transfer Agreements .

(a) As soon as practicable after the date of this Agreement and to the extent required by any applicable non-U.S. Law in order to properly effect the Transfer of any Purchased Interests, Transferred Properties or Purchased Commercial Loans, the Parties shall execute any applicable local transfer agreements with respect to

the applicable non-U.S. Purchased Interests, Transferred Properties or Purchased Commercial Loans in front of an appropriate notary and shall cooperate to take such other actions and file such agreements or other documents as may be necessary or desirable under applicable Law in order to effect the Transfer of all non-U.S. Purchased Interests, Transferred Properties or Purchased Commercial Loans in accordance with the terms and conditions of this Agreement.

(b) In addition, the Purchaser Parties and the Seller Parties will use their Commercially Reasonable Efforts to agree to customary transfer documentation to convey title, as required, to the Properties and Purchased Interests, as applicable, in each of the European jurisdictions in which a Transfer pursuant to this Agreement shall take place (" European Transfer Documents "). The Parties acknowledge that in each of the Czech Republic, France, Germany, Italy, Poland, Slovakia and Spain, the Transfer of the Transferred Properties and Purchased Interests is subject to the approval and/or involvement of a notary and in each of Belgium, Bulgaria and Switzerland the Transfer of the Transferred Properties is subject to the approval of a notary, and the Parties agree in each case (i) to include in the European Transfer Documents any provisions required or reasonably requested by such notary or is customary for such Transfer, and (ii) to provide to each such notary the documentation in such Party's possession reasonably required by such notary to effect the relevant Transfer.

(c) The Purchaser Parties and the Seller Parties shall use their Commercially Reasonable Efforts to agree to customary transfer documentation to convey title to the Purchased Commercial Loans and all related Commercial Loan-Related Assets in each of the European jurisdictions in which a Transfer of a Purchased Commercial Loan pursuant to this Agreement (" European Loan Transfer Documents "). The European Loan Transfer Documents shall be consistent with the terms and conditions set forth in the applicable Purchased Commercial Loans, any applicable notarial requirements and with applicable Laws, and shall include any documentation required to replace any of the Seller Parties as agent under such Purchased Commercial Loan. Where the term and conditions set forth in the applicable Purchased Commercial Loans allows for different forms or means by which the Transfer may be affected, the Purchaser Parties and the Seller Parties shall reasonably cooperate to determine which form and mean shall apply, consistent with applicable Laws.

5.30 Certain Credit Support Arrangements . At or prior to the applicable Closing, (i) the Purchaser Parties and the Seller Parties shall cooperate to cause the applicable Affiliate of Seller to be released (each, a " Credit Support Release ") at or prior to such Closing from the applicable guaranty, credit support or similar undertaking entered into by such Affiliates of Seller (each, a " Credit Support Arrangement ") relating to the Purchased Interests or Properties Transferred to the Purchaser Parties at such applicable Closing, or (ii) in the absence of such release described in clause (i), from and after the applicable Closing related to the applicable Purchased Interests or Property to which the Credit Support Arrangement relating to Hotel Agreements, Franchise Agreements and/or any ongoing construction arrangements for a Property described in Schedule 5.1(h) relates and until such time as the beneficiary of the applicable Credit Support Arrangement has agreed in writing to release the Seller Parties and each of their applicable Affiliates from any further Liability arising under such Credit Support Arrangements in respect of obligations first arising on or after the applicable Closing Date, an Affiliate of the Purchaser Parties reasonably acceptable to the Seller Parties shall, if applicable, indemnify the Seller Parties and each of their respective Affiliates in respect of any such further Liabilities that have not been so released (collectively, the " Credit Support Indemnification Obligations "). For purposes of clarity, nothing set forth in this Section 5.30 shall in any way limit the obligations of the Purchaser Parties pursuant to Article XI hereof.

5.31 Certain Loan Documentation . The Seller Parties shall deliver to the Purchaser Parties (a) payment histories for each Purchased Commercial Loan that is serviced by GEMSA Loan Services, L.P. or CBRE Loans Servicing Limited and/or affiliates of CBRE Loans Servicing Limited, as applicable, for a period from the date that is the later of the closing of such Purchased Commercial Loan or two (2) years prior to the date hereof, and (b) an organization chart as of June 2015 with headcount and job functions with respect the Seller Parties' operations in Canada, the United Kingdom and France.

ARTICLE VI

OPTION ASSETS

6.1 Option Assets . Subject to the terms and conditions of this Agreement, Seller shall be entitled, at any time within one hundred twenty (120) days after the date hereof (such period, the " Option Period "), to cause all (but not less than all) of the Option Purchased Interests, Option Purchased Entities, Option Underlying Properties and/or Option Properties (as set forth on Schedule 3 hereto) to constitute Purchased Interests, Purchased Entities, Underlying Properties and/or Transferred Properties for all purposes of this Agreement, including the right to cause the Purchaser Parties to acquire all of the applicable Seller Party's right, title and interest in such Option Purchased Interests, Option Purchased Entities, Option Underlying Properties and/or Option Properties, in accordance with the terms and conditions of this Agreement (the " Option "). The Parties shall cooperate in good faith to allocate the applicable purchase price with respect to the Option Assets located in Germany within thirty (30) days after the date hereof.

6.2 Exercise of Option . The Option may be exercised at any time during the Option Period by delivery of a written notice by the Seller Parties to the Purchaser Representative (each, an " Exercise Notice "), stating that the Option is exercised with respect to the Option Assets. If timely exercised, the Option Asset shall be included in the first Closing to occur sixty (60) days or more after receipt of the Exercise Notice, unless the Purchaser Parties elect to include the Option Assets in an earlier Closing.

6.3 Option Unadjusted Asset Purchase Price Amounts . Upon the exercise of the Option by the Seller Parties with respect to all Option Assets, and assuming all conditions to the applicable Closing set forth in this Agreement have been satisfied, the Purchaser Parties shall, in exchange for the applicable Option Assets, pay to the applicable Seller Party on the applicable Closing Date an amount equal to the Unadjusted Asset Purchase Price Amount with respect to the Option Assets (as set forth on Schedule 3 hereto), in accordance with Section 1.2 , subject to the applicable adjustments thereto and applicable Proration Items relating thereto in accordance with Sections 1.2 , 1.3 , and 1.4 , as applicable.

6.4 Effect of Option Exercise . Upon the exercise of the Option by Seller with respect to the Option Assets, any Option Purchased Interests, Option Purchased Entities, Option Underlying Properties and/or Option Properties shall constitute Purchased Interests, Purchased Entities, Underlying Properties and Properties, respectively, hereunder, and this Agreement will be deemed amended, without any further action on the part of any Party, with respect to the Option Assets as follows:

(i) the definitions of Transferred Properties, Underlying Properties, Purchased Interests and Purchased Entities will include the Option Assets;

(ii) all applicable covenants, representations and warranties shall be deemed to be made with respect to the applicable Option Assets with respect to which an Exercise Notice has been delivered as of the date hereof and as of the Initial Equity Closing Date (which covenants, representations and warranties shall, for the avoidance of doubt, be deemed to have been made and effective as of such dates as if the Option Assets were considered Transferred Properties, Underlying Properties, Purchased Interests and Purchased Entities); and

(iii) the Unadjusted Asset Purchase Price Amount for purposes of this Agreement, including Section 1.2(a) and Section 1.2(b) , will be increased by the Option Unadjusted Asset Purchase Price Amounts for the Option Assets.

6.5 Kick-Out Rights. The Seller Parties acknowledge that the Seller Parties shall have the same obligations, and the Purchaser Parties shall have the same rights, with respect to the Option Equity Assets pursuant

to Section 2.4 as it does for the Equity Assets, and in the event the Purchaser Parties exercise rights with respect to an Option Equity Asset under Section 2.4 which results in such Option Asset becoming an Excluded Asset, such removed Option Asset shall not be included as an Option Equity Asset for purposes of this Section 6.1 .

ARTICLE VII

DEFERRED ASSETS AND ROFR AND PRE-EMPTIVE RIGHTS

7.1 Deferred Assets . For the purposes of this Agreement the term " Deferred Assets " shall mean any Purchased Interest, Transferred Property or Purchased Commercial Loan that is expressly deemed to be a " Deferred Asset " pursuant to this Agreement, including Section 7.1 hereof.

(a)

(i) In the event that (A) any Required Third Party Consent and/or any applicable consent or approval of any Governmental Entity, including any required waiver of a Pre-Emptive Right or ROFR, has not been received or waived (including satisfaction of the condition set forth in Section 9.2(a)(i)) prior to any applicable Closing (with respect to each applicable Deferred Asset, the receipt of such consent or waiver being referred to herein as the " Deferral Consent Condition "), and (B) the Parties have not otherwise agreed to the Transfer of any of such Purchased Interests, Transferred Properties, Underlying Properties, Purchased Commercial Loans and/or Underlying Commercial Loans to the Purchaser Parties at the Initial Closing or the applicable Deferred Closing, then, the applicable Purchased Interests, Transferred Properties and/or Purchased Commercial Loans shall be considered Deferred Assets.

(ii) The Purchaser Parties hereby covenant to order (or cause to be ordered) and use diligent efforts to pursue the receipt of an institutional bank ordered appraisal for each property that secures a Purchased Commercial Loan which shall be FIRREA and USPAP compliant (each, a " FIRREA Appraisal "), provided that it shall not be a condition to any of the obligations of the Purchaser Parties under this Agreement that any of the foregoing appraisals indicate a minimum value with respect to the Commercial Loan Properties. Receipt of a FIRREA Appraisal for a Purchased Commercial Loan shall be a condition precedent to the Purchaser Parties' obligations to acquire such Purchased Commercial Loan on the applicable Closing Date, other than the final Closing Date prior to the Outside Debt Date. Each Purchased Commercial Loan with respect to which the Purchaser Parties do not have a FIRREA Appraisal shall be deemed a "Deferred Asset" until to the earlier to occur of (A) the date on which the Deferral Condition set forth in this Section 7.2(a)(ii) is satisfied, and (B) the Outside Debt Date.

(b) (i) The Seller Parties shall notify the Purchaser Parties in writing on the date that is five (5) Business Days prior to the Applicable Initial Closing Date and any applicable Deferred Closing (each, a " Closing Notice Date ") of whether such Seller Parties have received the applicable Required Third Party Consent or consent of a Governmental Entity that is required to satisfy the Deferral Consent Condition in order to Transfer any Purchased Interests, Transferred Properties, and/or Purchased Commercial Loans hereunder. In the event the Seller Parties have not received a Required Third Party Consent on or prior to the Closing Notice Date, but such Required Third Party Consent is received prior to the Closing Date to which the Closing Notice Date relates, Purchaser shall have the option, but will not be required to, close the Transfer of the applicable Purchased Interest, Transferred Properties or Purchased Commercial Loan on such Closing Date. If the Purchaser Parties do not elect to close the Transfer on such Closing Date, subject to the terms and conditions of this Agreement, the Closing with respect to such Purchased Interest, Transferred Property or Purchased Commercial Loan shall be deferred to the next occurring Closing Date.

(ii) The Purchaser Parties shall notify the Seller Parties on the applicable Closing Notice Date of whether the Purchaser Parties have received FIRREA Appraisals for the Purchased Commercial Loans that have not yet been the subject of a Closing. In the event the Purchaser Parties have not received the FIRREA Appraisal for any Purchased Commercial Loans on or prior to the Closing Notice Date, but such FIREEA Appraisal is received prior to the Closing Date to which the Closing Notice Date relates, the Purchaser Parties (following receipt of prior written consent of the Seller Representative, which may be withheld in the Seller Representative's sole and absolute discretion) shall have the option, but will not be required, to close the Transfer of the applicable Purchased Commercial Loans on such Closing Date. If the Purchaser Parties do not elect to close the Transfer on such Closing Date, subject to the terms and conditions of this Agreement including Section 7.1(a)(ii) , the Closing with respect to such Purchased Commercial Loan shall be deferred until the next Closing Date.

7.2 Effect of Deferring the Transfer of the Deferred Interests .

(a) If any Purchased Interest, Transferred Property or Commercial Loan is a Deferred Asset under this Agreement and the Deferral Condition has not been satisfied, then the following provisions shall apply:

(i) for purposes of the applicable Closing for which the Deferral Condition has not been met, the Transferred Properties, Purchased Interests and Purchased Commercial Loans that are to be Transferred at such Closing shall not include the Deferred Assets and the obligations of Purchaser and Seller with respect to such Closing shall not apply to the Deferred Assets;

(ii) the Seller Parties will not remake any representation or warranty with respect to the Deferred Assets as of the applicable Closing Date for which the Deferral Condition has not been met;

(iii) at the Initial Closing, the Unadjusted Purchase Price will be reduced by the Unadjusted Asset Purchase Price Amount with respect to the affected Deferred Assets;

(iv) at any applicable Deferred Closing, the aggregate Unadjusted Asset Purchase Price Amount will not be payable at such Deferred Closing with respect to the affected Deferred Assets; and

(v) the Seller Parties will not have any obligations to Transfer to the Purchaser Parties, and the Purchaser shall have no obligation to acquire from the Seller, any Purchased Interests, Transferred Properties, or Purchased Commercial Loans that relate to a Deferred Asset.

(b) Once the Deferral Condition has been satisfied with respect to any Deferred Asset, such Deferred Asset shall be Transferred to the Purchaser Parties in accordance with the terms and conditions set forth in this Agreement at the (i) the Initial Closing if the Deferral Condition is satisfied prior to the Closing Notice Date relating to the Applicable Initial Closing Date or as otherwise agreed by the Purchaser Parties, or (ii) a Deferred Closing if Deferral Condition is satisfied prior to the Closing Notice Date occurring with respect to the next applicable Deferred Closing Date or as otherwise agreed by the Purchaser Parties pursuant to Section 9.5 hereof.

(c)

(i) In the event that a Deferral Consent Condition relating to an Operating Partner has not been satisfied on or before May 31, 2015, the Parties shall have a ten (10) day period to discuss the strategy for exercising Exit Rights that may be available to the Seller Parties under the applicable Venture Agreement (the " Buy-Sell Discussion Period ").

(ii) If the Parties have not agreed to an alternate strategy prior to the end of the Buy-Sell Discussion Period and the Venture Agreement permits the exercise of a "buy-sell" right by the applicable Seller Party in such circumstances, then the Seller Parties shall be entitled to exercise the "buy-sell" rights under the applicable Venture Agreement for the Operating Partner's equity interests in the Joint Venture (the " Venture Buy-Sell ") at the BS/S Value. The " BS/S Value " shall mean the aggregate amount of the Unadjusted Asset Purchase Price Amounts for the Underlying Properties owned, directly or indirectly, by the Joint Venture and included in the Transaction. Seller will exercise the Exit Right established pursuant to this Section 7.2 (c) (the " Buy-Sell ") pursuant to a written notice to the Operating Partner in a form reasonably agreed by the Parties using a gross value attributed to the applicable Underlying Properties then owned directly or indirectly by the Joint Venture (a " Buy/Sell Sale Price ") equal to such BS/S Value or such greater price designated in writing by Purchaser Parties and reasonably approved by Seller Parties. Prior to the exercise by the Seller Parties of the Buy-Sell, the Purchaser Parties shall confirm that all of the conditions to the sale by Seller Parties to the Purchaser Parties of the Underlying Property or Underlying Properties owned by the applicable Joint Venture have been satisfied to the extent that they can be satisfied as of such date, other than the delivery of documents to effect such sale at the applicable Deferred Closing.

(iii) In the event the Buy-Sell is exercised and the Seller Parties acquire the Underlying Property or 100% of the interests in the applicable Joint Venture, such Underlying Property shall be deemed to be a "Transferred Property" and there shall be no Transfer of the related Purchased Interest at the applicable Closing Date. In the event the Buy-Sell is exercised and the Operating Partner elects to acquire the Purchased Interests or interests in any Subsidiary of the Joint Venture, the Purchased Interests and Purchased Vehicle shall be removed from Schedule 1 and the Purchaser Parties shall be entitled to receive 100% of the proceeds of such sale received by Seller Parties from a sale to the Operating Partner or a third party of Seller Parties' interests or Underlying Property and resulting from the Buy/Sell Sale Price being used in lieu of the BS/S Value.

7.3 ROFR and Pre-Emptive Right Assets .

(a) The Parties acknowledge that certain third parties have ROFRs, and certain Governmental Entities have Pre-Emptive Rights. Additionally, the Parties acknowledge that the Seller Parties and GE Partner have certain Exit Rights with respect to certain Joint Ventures which may be triggered by third parties prior to the applicable Closing Date for the certain Equity Assets. In the event a third party is entitled to and does exercises an Exit Right, the Seller Parties shall promptly provide the Purchaser Parties with a copy of such notice and any related documentation provided by the applicable third party.

(b) In the event an Operating Partner triggers a Seller Exit Right, then the Purchaser Parties shall have the right to elect, no later than three (3) Business Days prior to the date upon which a response is due under that Seller Exit Right to (i) instruct the Seller Parties to acquire the applicable equity interests or Transferred Properties included in the notice, or (ii) to sell or authorize the sale of such equity interests or Transferred Properties, as applicable, and the Purchaser Parties shall have the right to approve of the related response notice and any documentation to be provided to the applicable third party with respect thereto. In the event the Purchaser Parties elect to have the Seller Parties acquire the applicable equity interests or Properties, Schedule 1 reflecting the Purchased Interests and Properties shall be adjusted to reflect such acquired interests at the price to be paid by the Seller Parties for such interests, the Underlying Property shall become a Transferred Property and there shall be no Transfer of the Purchased Interests at the applicable Closing. In the event the Purchaser Parties elect to have the Seller Parties sell or authorize the sale of such equity interests or Properties, then (i) the applicable Purchased Interests or Transferred Properties shall be removed from Schedule 1 , (ii) the Unadjusted Purchase Price shall be reduced by the applicable Unadjusted Asset Purchase Price Amount, and (iii) the Purchaser Parties shall be entitled to receive 100% of the proceeds of such sale received by Seller in excess of the purchase price for such Purchased

Interests or Properties (or any indirect interest of the applicable Seller Party in the Equity Entity that is subject to the Exit Right) in excess of the Unadjusted Asset Purchase Price Amount for such Purchased Interest, with such proceeds credited to the applicable Purchaser Party at the next succeeding Closing (provided that the Purchaser Parties shall not be entitled to elect to have the Seller Parties sell any such equity interests or Properties if the price offered by such third party upon exercise of the Exit Rights is less than the purchase price that would be payable by a Purchaser Party with respect to such Purchased Interests or Properties under this Agreement (as determined in accordance with Section 1.2 of this Agreement and the applicable adjustments under Section 1.4 hereof)), and (iii) at any time following such election by the Purchaser Parties to have the Seller Parties sell or authorize the sale of such equity interests or Properties, in no event shall any such Purchased Interests or Properties with respect to which such election has been exercised constitute Specified Equity Assets or be deemed to have Material Title Exceptions hereunder (and the Purchaser Parties shall not be entitled to deliver an Objection Notice or Exclusion Notice with respect to such Purchased Interests or Properties).

(c) In the event that (i) a third party is entitled to and actually exercises any ROFR or Pre-Emptive right or the Seller Parties accept a Seller Exit Right in accordance with the terms of this Section 7.3 , and (ii) such third party acquires the applicable Purchased Interests, Properties or Underlying Properties (such assets, the " ROFR Assets ") in connection therewith, then this Agreement will be deemed amended, without any further action on the part of any Party, with respect to the such Purchased Interests, Properties or Underlying Properties as follows:

(i) the definitions of Properties and Purchased Interests will not include any such ROFR Assets, except to the extent that any provision that is stated to survive the termination of this Agreement would be applicable to a Property or a Purchased Interest, as applicable, and with respect to this Section 7.3 to the extent necessary to implement this Section 7.3 ;

(ii) the definition of Purchased Entities will not include any Purchased Entities that solely hold ROFR Assets, except to the extent that any provision is stated to survive the termination of this Agreement would be applicable to a Purchased Entity, and with respect to this Section 7.3 to the extent necessary to implement this Section 7.3 ;

(iii) the Seller Parties will not have any obligations with respect to the ROFR Assets, nor will any covenant, representation or warranty be deemed made with respect to the ROFR Assets except to the extent that any such covenant, representation or warranty was made as of the date of this Agreement, is contained in this Section 7.3 or is stated to survive the termination of this Agreement, and the Purchaser Parties will not have any rights or obligations under this Agreement with respect to the ROFR Assets;

(iv) at the Initial Closing, the Unadjusted Asset Purchase Price Amount with respect to the affected ROFR Assets will not be payable at the Initial Closing;

(v) at any applicable Deferred Closing, the Unadjusted Asset Purchase Price Amount will not be payable at such Deferred Closing with respect to the affected ROFR Assets; and

(vi) the Seller Parties will not have any obligations to Transfer to the Purchaser Parties any ROFR Assets.

ARTICLE VIII

CASUALTY AND CONDEMNATION

8.1 In General . If, prior to the Closing Date, a Property suffers damage by fire or other casualty (a " Casualty ") or if a Seller Entity receives notice or a Seller Entity obtains Knowledge of a condemnation or threatened condemnation of a Property (a " Condemnation "), the Seller Parties shall promptly notify the Purchaser Parties of that event and provide the Purchaser Parties with details of the extent of the Casualty or Condemnation. The Purchaser Parties shall be bound to purchase the Transferred Property or the Purchased Interests relating to the Underlying Property, in each case, for the Unadjusted Purchase Price (after taking into account the price adjustments set forth in Section 8.2 or Section 1.2 (b)) as required by the terms hereof without regard to the occurrence or effect of any such Casualty or Condemnation.

8.2 Insurance and Condemnation Proceeds . With respect to any Casualty or Condemnation affecting a Property after the date of this Agreement, the Seller Parties will allow the Purchaser Parties to participate in the negotiations regarding the settlement of any such claim for insurance and condemnation proceeds in excess of an amount equal to five percent (5%) of the Unadjusted Asset Purchase Price Amount for the applicable Property and will not settle or compromise any such claims related to the damage, destruction or condemnation under the relevant insurance policies or against a Governmental Entity effecting the Condemnation without the Purchaser Parties' consent, which consent may be granted or withheld in the Purchaser Parties' sole discretion. The Seller Parties will provide to the Purchaser Parties copies of any material correspondence relating to any such claims and will advise the Purchaser Parties of all material developments concerning such claims. The applicable Seller Party will give the applicable Purchaser Party an assignment of such Seller Party's right to receive insurance or condemnation proceeds if any portion of the insurance or condemnation proceeds are not collected before the Closing and shall provide a credit to the Purchaser Parties at the applicable Closing in an amount equal to the sum of (i) any insurance or condemnation proceeds received by the Seller Parties or their Affiliates prior to the Closing less any reasonable costs actually incurred by the Seller Parties or their Affiliates to repair or restore the Property, and (ii) the amount of any deductible payable by the Seller Entities in connection with casualty insurance. The Seller Parties will cooperate with the Purchaser Parties to effect the assignment of the right to receive insurance or condemnation proceeds to the Purchaser Parties and will execute and deliver all such instruments as are reasonably necessary to complete such assignment. This obligation will survive the Closing. The proceeds of any rent interruption insurance received by the landlord under the applicable lease in respect of any Casualty will be apportioned between the applicable Seller Party and the Purchaser Parties as if same were Fixed Rent in accordance with Section 1.4(b)(i) .

8.3 Restoration Plans . The Seller Parties will obtain the Purchaser Parties' approval, which will not be unreasonably withheld, delayed or conditioned, concerning any restoration, repair or re-construction plans for any Property affected by a Casualty or Condemnation, the cost of which (as reasonably estimated by the applicable Seller Party) will exceed $2,500,000. The applicable Seller Party shall conduct all such restoration, repair and reconstruction substantially in accordance with such restoration, repair and reconstruction plans approved by the Purchaser Parties and in accordance with applicable Law. Notwithstanding the foregoing, the Seller Parties will be permitted to incur or enter into an agreement to incur any amount reasonably necessary to effect emergency or necessary repairs related to preservation of the Properties or health and safety matters or which are required by the terms of any Lease or other agreement to which any Seller Party or Purchased Entity is a party.

ARTICLE IX

CLOSING

9.1 Initial Closing . Unless this Agreement shall have been terminated pursuant to Article X and subject to the satisfaction or waiver of all of the applicable conditions contained in Sections 9.2 , 9.3 , and 9.4 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of

those conditions) and subject to the provisions set forth in Section 9.5 , the initial closing of the Transactions with respect to the Purchased Commercial Loans (the " Initial Debt Closing ") and the initial closing of the Transactions with respect to the Equity Assets (the " Initial Equity Closing ", and together with the Initial Debt Closing, the " Initial Closings " and, as the context may require, each an " Applicable Initial Closing " and the Transactions that close at the Initial Closings, the " Initial Transactions ") will each take place at the New York City office of Hogan Lovells US LLP, unless another time, date or place is agreed by the Seller Parties and the Purchaser Parties, as follows:

(a) The Initial Debt Closing shall occur on May 20, 2015 (the " Initial Debt Closing Date "); so long as the Purchaser Parties shall have the notified the Seller Parties of applicable Purchased Commercial Loans to be Transferred at such Initial Debt Closing no later than ten (10) Business Days prior to such Initial Debt Closing Date; provided that the Wells Designee shall have the right, by written notice to the Seller Parties delivered no later than May 10, 2015, to elect to defer the Initial Debt Closing with respect to Purchased Commercial Loans to be purchased by the Wells Designees to June 18, 2015 (the " Wells Initial Closing Date "). If the Wells Designee elects to defer to the Initial Debt Closing Date with respect to the Purchased Commercial Loans to be purchased by it, then (a) the Initial Debt Closing for the purchase by the Wells Designees of such Purchased Commercial Loans shall be June 18, 2015 and all references in this Agreement to Initial Closing, Initial Debt Closing, Initial Debt Closing Date and Applicable Initial Closing Date, including, without limitation, all references in Article X, shall be deemed to include the Initial Debt Closing, the Initial Debt Closing Date and the Applicable Initial Closing Date of both the Purchaser Parties and the Wells Designee, and (b) the Outside Debt Date for the purchase of Commercial Property Loans by the Wells Designees shall be October 1, 2015 (the " Wells Designee Outside Date ") and all references in this Agreement to the Outside Debt Date shall be deemed to include both the Outside Debt Date for the Purchaser Parties and the Wells Designee Outside Date.

(b) The Initial Equity Closing shall occur on July 15, 2015 (the " Initial Equity Closing Date "). For purposes of this Agreement the " Applicable Initial Closing Date " shall mean the Initial Equity Closing Date, the Wells Initial Closing Date or the Initial Debt Closing Date as the context requires.

In the event that the Applicable Initial Closing shall not have occurred as of the Applicable Initial Closing Date and the only conditions to the obligations of the Parties to effect the Transactions that have not been satisfied as of such date are the conditions set forth in Section 9.2(b) , then the Seller Parties, on the one hand, or the Purchaser Parties, on the other hand, shall be entitled, by notice to the other no later than 11:59 p.m. (Eastern Time) on the Applicable Initial Closing Date, to extend the Applicable Initial Closing Date by an additional number of days not to exceed thirty (30) days, in each instance. The Applicable Initial Closing Date may be extended pursuant to the immediately preceding sentence up to the Outside Debt Date or the Outside Equity Date, as applicable.

9.2 Conditions to each Party's Obligation to effect the Transactions . The respective obligations of each Party to effect the Transactions will be subject to the satisfaction or waiver by the Purchaser Parties and the Seller Parties on or prior to the applicable Closing Date, as applicable, of the following conditions:

(a) Governmental and Regulatory Approvals .

(i) With respect to any applicable Antitrust Laws, either (a) (x) with respect to the HSR Act, any applicable waiting period under the HSR Act with respect to Transactions shall have expired or been terminated, and (y) with respect to any other Antitrust Laws, any clearance shall have been granted or any applicable waiting period shall have expired or been terminated under other Antitrust Laws in jurisdictions where filings are made or to be made with respect to the Transactions as a whole pursuant to Sections 5.2(a) and 5.2(b) without action by any Governmental Entity to prevent consummation of the Transactions, or (b) any action commenced by any Governmental Entity under Antitrust Laws in relation to the Transactions as a whole shall have been resolved in a manner that permits the consummation of the applicable Closing; provided , however , that if the condition specified in

this Section 9.2(a)(i) is not satisfied with respect to any specific Purchased Commercial Loan or Equity Asset as of the applicable Closing, such Equity Asset or Purchased Commercial Loan shall be designated a Deferred Asset, as provided in Article VII hereof and the applicable Closing shall proceed; and

(ii) With respect to any other required consents, approvals and actions of, filings with, and notices to, any Governmental Entity that are required to be made with respect to any Purchased Commercial Loan or Equity Assets to be Transferred at the applicable Closing shall have been obtained or made and remain in full force and effect; provided , however , that if the condition specified in this Section 9.2(a)(ii) is not satisfied with respect to any specific Purchased Commercial Loans or Equity Assets as of the applicable Closing, such Equity Assets or Purchased Commercial Loans shall be designated as Deferred Assets as provided in Article VII hereof and the applicable Closing shall proceed.

(b) No Injunction or Restraint . No Law or preliminary or permanent injunction, order or decree issued by any court or other Governmental Entity of competent jurisdiction shall be in effect, or any proceeding brought by any Governmental Entity before a court of competent jurisdiction seeking any such injunction, order or decree be pending (collectively, " Restraints "), in each case with the effect of, prohibiting or materially restricting the consummation of all of the Transactions taken as a whole; provided , however , that if the conditions specified in this Section 9.2(b) are not satisfied with respect to any specific Purchased Commercial Loan or Equity Asset as of the applicable Closing, such Equity Asset or Purchased Commercial Loan shall be designated as a Deferred Asset as provided in Article VII hereof and the applicable Closing shall proceed.

(c) Closing Deliverables . Each Party shall have delivered to the other Party the applicable deliverables set forth on Schedule 9.2(c) .

9.3 Conditions to Obligations of the Seller Parties to the Initial Closing . The obligations of the Seller Parties to effect the Initial Transactions will be further subject to satisfaction on or prior to the Applicable Initial Closing Date of each of the following conditions precedent, any of which may be waived exclusively by the Seller Parties:

(a) Representations and Warranties of the Purchaser Parties . The representations and warranties of the Purchaser Parties set forth in this Agreement shall be true and correct in all respects as of the date of this Agreement and as of the applicable Closing Dates as though made on and as of such dates (except to the extent that such representations and warranties are expressly limited by their terms to another date, in which case such representations and warranties shall be true and correct in all respects as of such other date), except where the failure of such representations and warranties to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Purchaser Material Adverse Effect, determined for purposes of this Section 9.3(a) without regard to any qualifications and exceptions contained in such representations and warranties relating to materiality or Purchaser Material Adverse Effect. As used in this Agreement, a " Purchaser Material Adverse Effect " means any fact, circumstance, event, occurrence, change or effect that has materially adversely affected, or that would reasonably be expected to materially adversely affect, the ability of the Purchaser Parties to timely perform their obligations under this Agreement or to consummate the Transactions.

(b) Performance of Covenants of Purchaser Parties . The Purchaser Parties shall have performed in all material respects the material covenants required to be performed by them under this Agreement on or prior to such applicable Closing Date.

(c) Intentionally Omitted.

(d) Seller Financing . Solely with respect to the Closing of the purchase of any Purchased Commercial Loans originated in Mexico and Australia (the " Seller Financed Assets "), the Purchaser Parties shall

have (i) delivered to the Seller Parties an executed counterpart of the Seller Financing Agreements applicable to the Seller Financed Assets; and (ii) shall have performed in all material respects all obligations required to be performed under the Seller Financing Arrangements on or prior to the applicable Closing Date.

9.4 Conditions to Obligations of Purchaser Parties to the Initial Closing . The obligations of the Purchaser Parties to effect the Transactions will be further subject to satisfaction on or prior to the Applicable Initial Closing Date of each of the following conditions precedent, any of which may be waived exclusively by the Purchaser Parties:

(a) Representations and Warranties of the Seller Parties . The representations and warranties of the Seller Parties set forth in this Agreement shall be true and correct in all respects (i) as of the date of this Agreement, and (ii) (x) with respect to any representations or warranties relating to the Transfer of any Purchased Commercial Loans or with respect to the representations and warranties under Section 3.18 , Section 3.20 or Section 3.22 , as of the applicable Closing Date, (y) with respect to any representations and warranties relating to the Equity Assets, as of the applicable Closing Date (except to the extent that the failure of any such representations and warranties to be true and correct results from any actions, inactions, circumstances or events outside the control of the Seller Parties), and (z) with respect to all other representations and warranties, as of the applicable Closing Date, in each case as though made on and as of such dates (except to the extent that such representations and warranties are expressly limited by their terms to another date, in which case such representations and warranties shall be true and correct in all respects as of the such other date), except where the failure of such representations and warranties of the Seller Parties to be true and correct would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, determined for purposes of this Section 9.4(a) without regard to any qualifications and exceptions contained in such representations and warranties relating to materiality or a Material Adverse Effect (other than the representations in Section 3.4(e) and clause (ii) of Section 3.6).

(b) Performance of Covenants of the Seller Parties . The Seller Parties, as applicable, shall have performed in all material respects the material covenants required to be performed by them under this Agreement on or prior to applicable Closing Date.

(c) Absence of Material Adverse Effect . Since the date of this Agreement, no event, circumstance or change shall have occurred that, individually or in the aggregate with one or more other events, circumstances or changes, has had or would be reasonably expected to have, a Material Adverse Effect. As used in this Agreement, a " Material Adverse Effect " means any fact, circumstance, event, occurrence, change or effect that is materially adverse to (x) the ability of the Seller Parties to timely perform their obligations under this Agreement or to consummate the Transactions, taken as a whole, or (y) the Purchased Entities, the Purchased Interests, the Properties, the Purchased Commercial Loans, the Commercial Loan Properties, taken as a whole, provided , however , that no facts, circumstances, events, occurrences, changes or effects proximately caused by any of the following shall be deemed in itself to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: (i) the negotiation, execution, announcement, performance, pendency or consummation of this Agreement or the Transactions; (ii) any adverse change that results from general legal, tax, regulatory, political or business conditions which affect the real estate industry in the geographic regions where the Properties or the Commercial Loan Properties are located (except to the extent such adverse fact, circumstance, event, occurrence, change or effect affects the Properties, the Commercial Loan Properties, the Purchased Interests or the Purchased Commercial Loans, taken as a whole, in a disproportionate manner as compared to other Persons in such industry); (iii) compliance with the terms of, or the taking of any action required by, this Agreement; (iv) changes in the United States of America, any country in which the Properties or Commercial Loan Properties are located or global economies (except to the extent such adverse fact, circumstance, event, occurrence, change or effect affects the Purchased Entities, the Properties, the Commercial Loan Properties, the Purchased Interests or the Purchased Commercial Loans, taken as a whole, in a disproportionate manner as compared to similar assets); or (v) acts of God or other calamities, national or

international political or social conditions, including the commencement, continuation or escalation of a war, armed hostilities or acts of terrorism directly or indirectly involving or affecting the United States of America or any other country in which the Properties or Purchased Commercial Properties are located.

(d) Seller Financing . Solely with respect to the Closing of the purchase of any Seller Financed Assets, so long as the Purchaser Parties shall have and delivered the Seller Financing Agreements related to the applicable Seller Financed Assets and shall have performed in all material respects all of their obligations required to be performed at or prior to the Closing Date with respect thereto, the Seller Parties shall have (i) delivered to the Purchaser Parties an executed counterpart of the Seller Financing Agreements applicable to the Seller Financed Assets, and (ii) shall have funded the applicable funding amounts for each of such Seller Financed Assets pursuant to the terms and conditions of the Seller Financing Agreements.

(e) Intercreditor Agreement . To the extent any Seller Party or any Affiliate thereof (other than an Equity Entity) holds any portion of a Commercial Loan or any other loan secured directly or indirectly by a Commercial Loan Property (including through any participating vehicle sponsored by a Seller Party or its Affiliates) and such portion held by the Seller Parties and/or its Affiliates that is not being conveyed to a Purchaser Party as a Purchased Commercial Loan at such Closing, such Seller Party and/or Affiliate thereof shall have entered into an intercreditor or co-lender agreement with respect to any such Purchased Commercial Loan on capital market standards and otherwise reasonably satisfactory to the Purchaser Parties.

9.5 Deferred Closing . In the event that any Equity Assets and/or Purchased Commercial Loans are deemed Deferred Assets pursuant to the terms of this Agreement, including Section 7.1 hereof, as of the Applicable Initial Closing Date, then the applicable closing (each, a " Deferred Closing ") of the purchase (each, a " Deferred Transaction ") of each of the Deferred Assets, shall be postponed until a date following the Applicable Initial Closing Date that is the later of (a) the date that is the last Thursday of the applicable calendar month (or in the case of a Deferred Closing occurring in November 2015, the last Tuesday of such calendar month) in which the Purchaser Parties are notified in writing by the Seller Parties that the Deferral Consent Condition with respect to the applicable Deferred Asset has been satisfied or waived, and (b) the date mutually agreed upon by the Parties with respect to the applicable Deferred Closing (each such date on which a Deferred Closing actually occurs, the " Deferred Closing Date "), at the New York City office of Hogan Lovells US LLP, unless another time, date or place is mutually agreed by the Seller Parties and the Purchaser Parties.

9.6 Conditions to Obligations of the Seller Parties to the Deferred Closing . The obligations of the Seller Parties to effect each Deferred Transaction, if any, will be further subject to the satisfaction on or prior to the Deferred Closing Date of the satisfaction or waiver of the applicable Deferral Consent Condition referred to in Section 7.1(a) with respect to the applicable Deferred Asset to be Transferred (in addition to the conditions set forth in Sections 9.2 , Section 9.3(a) (to the extent applicable to such Deferred Closing), Section 9.3(b) and, if applicable, Section 9.3(d) , to the extent relating to any Deferred Assets to be Transferred as such Deferred Closing), any of which may be waived exclusively by the Seller Parties.

9.7 Conditions to Obligations of the Purchaser Parties to the Deferred Closing . The obligations of the Purchaser Parties to effect each Deferred Transaction, if any, will be further subject to the satisfaction on or prior to the Deferred Closing Date of the satisfaction or waiver of the applicable Deferral Consent Condition referred to in Section 7.1(a) with respect to the applicable Deferred Asset to be Transferred (in addition to the conditions set forth in Sections 9.2 , Section 9.4(a) (to the extent applicable to such Deferred Closing) and Section 9.4(b) and, if applicable, Section 9.4(d) and Section 9.4(e) , to the extent relating to any Deferred Assets to be Transferred at such Deferred Closing) any of which may be waived exclusively by the Purchaser Parties. If, in connection with any Deferred Closing, the Seller Parties shall provide written notice to the Purchaser Parties specifying that a representation or warranty of the Seller Parties with respect to an applicable Equity Asset or an applicable Purchased Commercial Loan is inaccurate, the Seller Parties may elect not to Transfer such Equity Asset or such

Purchased Commercial Loan and such Purchased Commercial Loan shall constitute an Excluded Asset hereunder, unless the Purchaser Parties irrevocably waive their rights to seek indemnification with respect such inaccuracy and any Losses related thereto.

9.8 Non-United States Properties and Purchased Interests. The Initial Closing and any Deferred Closing to the extent relating to Properties or Underlying Properties located outside of the United States, shall include such other deliveries to effect such Closing as may be required by the Laws of the jurisdiction in which such Property is located; it being understood that in some jurisdictions an instrument of transfer may not be recorded immediately following the applicable Closing.

ARTICLE X

TERMINATION; DEFAULT AND REMEDIES

10.1 Termination . This Agreement may be terminated at any time prior to the occurrence of both the Initial Debt Closing and the Initial Equity Closing (provided that, the Parties acknowledge and agree that if only the Initial Debt Closing or the Initial Equity Closing has previously been consummated at the time of any termination pursuant to this Section 10.1 , then this Agreement shall only be terminated with respect to the remaining Purchased Interests, Transferred Properties and/or Purchased Commercial Loans that have not yet been Transferred to the Purchaser Parties as of the applicable date of termination):

(a) by mutual written consent signed by or on behalf of a duly authorized officer of each of the Purchaser Representative (on behalf of the Purchaser Parties) and the Seller Representative (on behalf of the Seller Parties) at any time prior to the consummation of both Initial Closings;

(b) by the Purchaser Representative (on behalf of the Purchaser Parties), on the one hand, or the Seller Representative (on behalf of the Seller Parties), one the other hand, if any Restraint having the effects set forth in Section 9.2(b) shall be in effect and shall have become final and non-appealable; provided that neither the Purchaser Representative nor the Seller Representative shall be entitled to terminate this Agreement pursuant to this Section 10.1(b) unless such Party and its Affiliates shall have used its Commercially Reasonable Efforts to prevent entry of and to remove such Restraint; and provided further that the right to terminate this Agreement under this Section 10.1(b) shall not be available to (i) the Purchaser Representative, if the material failure by any Purchaser Party to fulfill its obligations under this Agreement shall have been a principal cause of, or resulted in, the imposition of such Restraint, or (ii) the Seller Representative, if the material failure by any Seller Party to fulfill its obligations under this Agreement shall have been a principal cause of, or resulted in, the imposition of such Restraint;

(c) by either the Purchaser Representative (on behalf of the Purchaser Parties), on the one hand, or the Seller Representative (on behalf of the Seller Parties), on the other hand, (x) with respect to the Purchased Commercial Loans if the Initial Debt Closing shall not have occurred on or prior to September 1, 2015 (the " Outside Debt Date "), and (y) with respect to the Equity Assets if the Initial Equity Closing shall not have occurred on or prior to December 31, 2015 (the " Outside Equity Date "); provided , however , that the right to terminate this Agreement under this Section 10.1(c) shall not be available to (i) the Purchaser Representative, if the material failure of the Purchaser Parties to fulfill any of their obligations under this Agreement has been the cause of, or resulted in, the failure of such Initial Closing to occur on or prior to such date, or (ii) the Seller Representative, if the material failure of the Seller Parties to fulfill any of their obligations under this Agreement has been the cause of, or resulted in, the failure of such Initial Closing to occur on or prior to such date;

(d) by the Seller Representative (on behalf of the Seller Parties), if, upon satisfaction of the conditions set forth in Sections 9.2 and 9.4 (other than those conditions that by their nature are to be satisfied at the applicable Initial Closing), the Purchaser Parties fail to pay the applicable portion of the Estimated Initial Purchase

Price, or (ii) the Purchaser Parties failure to perform any of their other obligations required to be performed on the Applicable Initial Closing Date in any material respect and (A) such failure to perform is not reasonably capable of being cured, or (B) such failure to perform is reasonably capable of being cured, but shall not have been cured within twenty (20) days after the Seller Parties' written notice to the Purchaser Parties; provided that the right to terminate pursuant to this Section 10.1(d) shall not be available if the Seller Parties shall have breached in any material respect their respective obligations under this Agreement so as to cause the conditions set forth in Sections 9.2, 9.4(a) , 9.4(b) , 9.4(d) or 9.4(e) not to be satisfied; or

(e) by the Purchaser Representative (on behalf of the Purchaser Parties), if, upon satisfaction of the conditions set forth in Sections 9.2 and 9.3 (other than those conditions that by their nature are to be satisfied at the applicable Initial Closing), a breach of any representation or a failure to perform any material covenant or agreement on the part of the Seller Parties set forth in this Agreement shall have occurred that would cause the conditions set forth in Sections 9.2, 9.4(a) , 9.4(b) , 9.4(d) or 9.4(e) to be unable to be satisfied by the applicable Closing Date and (i) such breach or failure to perform is not reasonably capable of being cured, or (ii) such breach or failure to perform is reasonably capable of being cured, but shall not have been cured within twenty (20) days after the Purchaser Parties' written notice to Seller; provided , however , that the right to terminate this Agreement pursuant to this Section 10.1(e) shall not be available if the Purchaser Parties shall have breached in any material respect their respective obligations under this Agreement so as to cause any of the conditions set forth in Sections 9.2 , 9.3(a) , 9.3(b) , or 9.3(d) not to be satisfied.

The Party desiring to terminate this Agreement pursuant to this Section 10.1 shall give written notice of such termination to the other Parties.

10.2 Effect of Termination . Except as set forth in Section 10.3 , in the event of termination of this Agreement by either the Seller Parties or the Purchaser Parties as provided in Section 10.1 , and subject to the first sentence of Section 10.1, this Agreement will forthwith become void and have no further effect, without any liability or obligation on the part of the Purchaser Parties or the Seller Parties, neither party shall have any further rights or obligations hereunder (other than Sections 2.2 , 5.4 and 10.3 , this Section 10.2 and Article XII , which provisions shall survive such termination along with any other provisions of this Agreement which by their terms expressly survive such termination).

10.3 Defaults and Remedies .

(a) Notwithstanding anything to the contrary contained in this Agreement, if this Agreement is terminated by the Purchaser Representative in accordance with Section 10.1(e) or Section 10.4(e) following the delivery by the Purchaser Parties of notice to the Seller Parties, on or after the date that the applicable Closing should have occurred pursuant to Article IX , to the effect that all conditions set forth in Section 9.2 and Section 9.3 (in the case of an Initial Closing) or Section 9.2 and Section 9.6 (in the case of a Deferred Closing) have been satisfied (or waived by the Seller Parties), other than those conditions that by their nature are to be satisfied at Closing, and that the Purchaser Parties are prepared to consummate the applicable Closing and the Seller Parties fail to consummate the applicable Closing on or before the third (3 rd) Business Day after the delivery of such notice, then the Seller Parties shall be fully liable for any and all Losses incurred or suffered by the Purchaser Parties as a result of the Seller Parties' default. In lieu of terminating this Agreement in accordance with Section 10.1(e) or Section 10.4(e) , the Purchaser Parties may sue for specific performance of the Seller Parties' obligations under this Agreement.

(b) Notwithstanding anything to the contrary contained in this Agreement, if this Agreement is terminated by the Seller Representative in accordance with Section 10.1(d) or Section 10.4(d), following the delivery by the Seller Parties of notice to the Purchaser Parties, on or after the date that the applicable Closing should have occurred pursuant to Article IX , to the effect that all conditions set forth in Section 9.2 and Section 9.4

(in the case of an Initial Closing) or Section 9.2 and Section 9.7 (in the case of a Deferred Closing) have been satisfied (or waived by the Purchaser Parties), other than those conditions that by their nature are to be satisfied at Closing, and that the Seller Parties are prepared to consummate the applicable Closing and the Purchaser Parties fail to consummate the applicable Closing on or before the third (3rd) Business Day after the delivery of such notice, then in such event, upon written demand from the Seller Parties, the Purchaser Parties shall pay or cause to be paid to the Seller Parties as promptly as reasonably practicable (and, in any event, within three Business Days following such demand), the Termination Fee.

10.4 Termination with respect to Deferred Closings . The obligations of the Seller Parties and the Purchaser Parties with respect to any Deferred Closing that has not yet occurred may be terminated:

(a) by mutual written consent signed by or on behalf of a duly authorized officer of each the Purchaser Representative (on behalf of the Purchaser Parties) and the Seller Representative (on behalf of the Seller Parties) at any time prior to the applicable Deferred Closing;

(b) by the Purchaser Representative (on behalf of the Purchaser Parties), on the one hand, or the Seller Representative (on behalf of the Seller Parties), on the other hand, if any Restraint having the effects set forth in Section 9.2(b) shall be in effect and shall have become final and non-appealable; provided that neither the Purchaser Representative nor the Seller Representative shall be entitled to terminate this Agreement pursuant to this Section 10.4(b) unless such Party and its Affiliates shall have used its Commercially Reasonable Efforts to prevent entry of and to remove such Restraint; and provided further that the right to terminate this Agreement under this Section 10.4(b) shall not be available to (i) the Purchaser Representative, if the material failure by any Purchaser Party to fulfill its obligations under this Agreement shall have been a principal cause of, or resulted in, the imposition of such Restraint, or (ii) the Seller Representative, if the material failure by any Seller Party to fulfill its obligations under this Agreement shall have been a principal cause of, or resulted in, the imposition of such Restraint;

(c) by the Purchaser Representative (on behalf of the Purchaser Parties), on the one hand, or the Seller Representative (on behalf of the Seller Parties), on the other hand, if (x) with respect to any Purchased Commercial Loan, the applicable Deferred Closing shall not have occurred on or prior to the Outside Debt Date, and (y) with respect to any Equity Asset, the applicable Deferred Closing shall not have occurred on or prior to December 31, 2015 (or, in the case of Equity Assets in France, if the Seller Parties believe in good faith that the consultation with the Works Councils or Employee Representative Bodies in France may not be concluded until after December 31, 2015, then the date that is thirty (30) days following the conclusion of such consultations, but in no event later than March 31, 2016); provided , however , that the right to terminate this Agreement under this Section 10.4(c) shall not be available to (i) the Purchaser Representative, if the material failure of the Purchaser Parties to fulfill any of their obligations under this Agreement has been the cause of, or resulted in, the failure of any Deferred Closing to occur on or prior to such date, or (ii) the Seller Representative, if the material failure of the Seller Parties to fulfill any of their obligations under this Agreement has been the cause of, or resulted in, the failure of any Deferred Closing to occur on or prior to such date;

(d) by the Seller Representative (on behalf of the Seller Parties), if, upon satisfaction of the conditions set forth in Sections 9.6 (other than those conditions that by their nature are to be satisfied at the applicable Deferred Closing), the Purchaser Parties fail to pay the applicable portion of the Estimated Initial Purchase Price or the Purchaser Parties fail to perform the other obligations required to be performed on the applicable Deferred Closing Date in any material respect and (A) such failure to perform is not reasonably capable of being cured, or (B) such failure to perform is reasonably capable of being cured, but shall not have been cured within twenty (20) days after the Seller Parties' written notice to the Purchaser Parties; provided that the right to terminate pursuant to this Section 10.4(d) shall not be available if the Seller Parties shall have breached in any material respect their respective obligations under this Agreement so as to cause the conditions set forth in Sections 9.2, 9.4 (a) , 9.4(b) , 9.4(d) or 9.4(e) not to be satisfied; or

(e) by the Purchaser Representative (on behalf of the Purchaser Parties), if, upon satisfaction of the conditions set forth in Sections 9.7 (other than those conditions that by their nature are to be satisfied at the applicable Deferred Closing), a breach of any representation or a failure to perform any covenant or agreement on the part of the Seller Parties set forth in this Agreement shall have occurred that would cause the conditions set forth in Sections 9.2, 9.4(a) , 9.4(b) , 9.4(d) or 9.4(e) to be unable to be satisfied by the applicable Deferred Closing Date and (i) such breach or failure to perform is not reasonably capable of being cured, or (ii) such breach or failure to perform is reasonably capable of being cured, but shall not have been cured within twenty (20) days after the Purchaser Parties' written notice to Seller; provided , however , that the right to terminate this Agreement pursuant to this Section 10.4(e) shall not be available if the Purchaser Parties shall have breached in any material respect their respective obligations under this Agreement so as to cause any of the conditions set forth in Sections 9.2 , 9.3(a) , 9.3(b) , or 9.3(d) not to be satisfied.

The Party desiring to terminate this Agreement with respect to the applicable Deferred Asset pursuant to this Section 10.4 shall give written notice of such termination to the other Parties. Notwithstanding anything to the contrary contained in this Section 10.4 , the Parties acknowledge and agree that at the time of any termination pursuant to this Section 10.4 , then this Agreement shall only be terminated with respect to the remaining Deferred Assets that have not yet been Transferred to the Purchaser Parties as of the applicable date of termination.

10.5 Termination Fee .

(a) The payment of the Termination Fee due in accordance with Section 10.3 shall be made by wire transfer of immediately available funds to an account designated by the Seller Parties. In the event the Purchaser Parties fail to pay the Termination Fee when due in accordance with Section 10.3 , if the Seller Parties commence an action to enforce its rights under Section 10.3 and prevail in such action, then the Purchaser Parties shall pay on demand all reasonable and documented third-party costs and out-of-pocket expenses (including reasonable fees and expenses of counsel) actually incurred by the Seller Parties in respect of such action (collectively, " Enforcement Costs ") and interest at a rate equal to five and one-quarter percent (5.25%) per annum on the amount of the unpaid Termination Fee from the date that such Termination Fee was due through the actual date of payment in full of the Termination Fee to the Seller Parties (the " Termination Fee Interest "). The Parties recognize that it would be extremely difficult to ascertain the extent of actual damages caused by the Purchaser Parties' breach or default, and that receipt of the payment of such liquidated damages amount by the Seller Parties represents a fair an approximation of such actual damages as the Parties can now determine.

(b) Notwithstanding anything to the contrary in this Agreement, the maximum aggregate liability of the Purchaser Parties in respect of any losses, damages, costs or expenses of the Seller Parties relating to the failure of a Closing to occur as a result of a breach of this Agreement by the Purchaser Parties shall be limited to an amount equal to (i) the amount of the Termination Fee, *plus* (ii) all Enforcement Costs *plus* (iii) all Termination Fee Interest (collectively, the " Liability Limitation "), and in no event shall the Seller Parties or any of its Affiliates seek any amount in excess of the Liability Limitation in connection with any such breach in respect of any other document or theory of law or equity or in respect of any oral representations made or alleged to be made in connection herewith or therewith, whether at law or in equity, in contract, tort or otherwise. Recourse against the Guarantor under the Guarantee shall be the sole and exclusive remedy of the Seller Parties and their Affiliates against the Guarantor and any of the other Affiliates of the Purchaser Parties in connection with any termination of this Agreement pursuant to this Article X or in respect of any other document or theory of law or equity or in respect of any oral representations made or alleged to be made in connection herewith or therewith, whether at law or in equity, in contract, in tort or otherwise.

ARTICLE XI

SURVIVAL; INDEMNIFICATION

11.1 Survival of Representations and Warranties . The rights of the Parties to indemnification under this Agreement with respect to the representations and warranties made hereunder shall survive each Closing for a period of twelve (12) months; provided , however that the rights of the Parties to indemnification under this Agreement with respect to the representations and warranties in Sections 3.1 , 3.2 , 3.4 , 3.8(a) , 3.9 , 3.10 , 3.14(b)(i) , 3.14(d)(i) , 3.14(d)(ii) , 3.14(h) , 3.16 and 3.22 (collectively, the " Fundamental Seller Representations ") and Sections 4.1 , 4.3 , 4.6 , 4.7 and 4.8 (collectively, the " Fundamental Purchaser Representations "), shall survive each Closing for a period of five (5) years.

11.2 Indemnification by the Seller Parties . From and after, and subject to the occurrence of, an Applicable Initial Closing, the Seller Parties, jointly and severally, shall, subject to the provisions of this Article XI , indemnify and hold harmless each of the Purchaser Parties and their respective Affiliates (collectively, the " Purchaser Indemnified Parties ") from and against any and all Losses that are suffered or incurred by any Purchaser Indemnified Party arising out of, resulting from or relating to any of the following matters:

(a) the inaccuracy of any representation or warranty made by the Seller Parties in Article III (in each case, other than the Fundamental Seller Representations), (i) as of the date of this Agreement, or (ii) (x) with respect to any representations or warranties relating to the Transfer of any Purchased Commercial Loan or the representations and warranties under Section 3.18 , Section 3.20 or Section 3.22 , as of the applicable Closing Date, (y) with respect to any representations and warranties relating to the Equity Assets, as of the applicable Closing Date (except to the extent that the failure of any such representations and warranties to be true and correct results from any actions, inactions, circumstances or events outside the control of the Seller Parties), or (z) with respect to all other representations and warranties, as of the applicable Closing Date (or, in the case of any such representation or warranty that is expressly limited by its terms to the date hereof or another date, the inaccuracy as of such date), provided that each such representation or warranty shall be read disregarding any Material Adverse Effect, materiality or similar qualification (other than in the case of Section 3.4(e) and clause (ii) of Section 3.6);

(b) the inaccuracy of any of the Fundamental Representations (i) as of the date of this Agreement, or (ii) (x) with respect to any Fundamental Representations relating to the Transfer of any Purchased Commercial Loans, as of the applicable Closing Date, (y) with respect to any Fundamental Representations relating to the Equity Assets, as of the applicable Closing Date (except to the extent that the failure of any such representations and warranties to be true and correct results from any actions, inactions, circumstances or events outside the control of the Seller Parties), and (z) with respect to any representations and warranties relating to the Equity Assets, as of the applicable Closing Date;

(c) the failure by the Seller Parties to perform any material covenant or material agreement made by the Seller Parties in this Agreement;

(d) any Pre-Closing Refunds;

(e) any Pre-Closing Taxes; and

(f) any Excluded Liabilities.

11.3 Indemnification by the Purchaser Parties . From and after, and subject to the occurrence of, an Applicable Initial Closing, the Purchaser Parties, jointly and severally, shall, subject to the provisions of this Article XI , indemnify and hold harmless the Seller Parties and their respective Affiliates (collectively, the " Seller Indemnified Parties ") from and against any and all Losses that are suffered or incurred by any Seller Indemnified Party arising out of, resulting from or relating to any of the following matters:

(a) the inaccuracy of any representation or warranty made by the Purchaser Parties in Article IV (other than the Fundamental Purchaser Representations), as of the date of this Agreement or as of the applicable Closing Date (or, in the case of any such representation or warranty that is expressly limited by its terms to the date hereof or another date, the inaccuracy as of such date), provided that each such representation or warranty shall be read disregarding any Purchaser Material Adverse Effect, materiality or similar qualification;

(b) the inaccuracy, as of the date of this Agreement or as of the applicable Closing Date, of any of the Fundamental Purchaser Representations;

(c) the failure by the Purchaser Parties to perform any material covenant or material agreement made by the Purchaser Parties in this Agreement;

(d) any Assumed Liabilities;

(e) any Existing Loan Indemnification Obligations; and

(f) any Credit Support Indemnification Obligations.

11.4 Character of Indemnity Payments . The Parties agree that any indemnification payments made with respect to this Agreement shall be treated for all Tax purposes as an adjustment to the Unadjusted Purchase Price, unless otherwise required by law (including by a determination of a Tax Authority that, under applicable law, is not subject to further review or appeal).

11.5 Notice and Resolution of Claims .

(a) Notice . Each Person entitled to indemnification pursuant to Section 11.2 or 11.3 (an " Indemnified Party ") shall give written notice to the indemnifying party or parties from whom indemnity is sought (the " Indemnifying Party ") promptly after obtaining knowledge of any claim that it may have under Section 11.2 or 11.3 , as applicable. The notice shall set forth in reasonable detail the claim and the basis for indemnification. Failure to give notice shall not release the Indemnifying Party from its obligations under Section 11.2 or 11.3 , as applicable, except to the extent that the failure prejudices the ability of the Indemnifying Party to contest that claim.

(b) Defense of Third Party Claims . If a claim for indemnification pursuant to Section 11.2 or 11.3 shall arise from any Action made or brought by a third party that would reasonably be expected to result in indemnifiable Losses (a " Third Party Claim "), the Indemnifying Party may assume the defense of the Third Party Claim. If the Indemnifying Party assumes the defense of the Third Party Claim, the defense shall be conducted by counsel chosen by the Indemnifying Party, who shall be reasonably acceptable to the Indemnified Party, provided that the Indemnified Party shall retain the right to employ its own counsel and participate in the defense of the Third Party Claim at its own expense (which shall not be recoverable from the Indemnifying Party under this Article XI unless (i) the Indemnified Party is advised by counsel that (x) there may be one or more legal defenses available to the Indemnified Party which are not available to the Indemnifying Party, or available to the Indemnifying Party the assertion of which would be adverse to or in conflict with the interests of the Indemnified Party, or (y) that representation of both parties by the same counsel would be otherwise inappropriate under applicable standards of professional conduct, (ii) the Indemnifying Party shall not have employed counsel to represent the Indemnified Party within thirty (30) Business Days after notice of the assertion of any such claim or institution of any such Third Party Claim, or (iii) the Indemnifying Party shall authorize the Indemnified Party in writing to employ separate counsel at the expense of the Indemnifying Party, in each of which cases the reasonable expenses of counsel to the

Indemnified Party shall be reimbursed by the Indemnifying Party). Notwithstanding the foregoing provisions of this Section 11.5(b) , (A) no Indemnifying Party shall be entitled to settle any Third Party Claim for which indemnification is sought under Section 11.2 or 11.3 without the Indemnified Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, unless it has assumed the defense of such Third Party Claim and as a part of the settlement the Indemnified Party is released from all liability with respect to the Third Party Claim and the settlement does not impose any equitable remedy on the Indemnified Party or any Property, as applicable, or require the Indemnified Party to admit any fault, culpability or failure to act by or on behalf of the Indemnified Party, and (B) no Indemnified Party shall be entitled to settle any Third Party Claim for which indemnification is sought under Section 11.2 or 11.3 without the Indemnifying Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing provisions of this Section 11.5(b) , if the Indemnifying Party does not notify the Indemnified Party within thirty (30) Business Days after receipt of the Indemnified Party's notice of a Third Party Claim of indemnity hereunder that it elects to assume the control of the defense of any Third Party Claim, the Indemnified Party shall have the right to contest the Third Party Claim but shall not thereby waive any right to indemnity therefor pursuant to this Agreement and the costs of such Actions by the Indemnified Party shall be paid by the Indemnifying Party.

(c) Intentionally Omitted.

(d) The provisions of this Section 11.5(d) shall apply, to the extent applicable, to any Claim relating to or arising from Seller Parties' obligation to indemnify Purchaser Indemnified Parties under Section 11.2(a) as to any breaches of the representations and warranties contained in Section 3.12 , including any associated investigative, remedial or corrective action or monitoring (" Environmental Response ") (collectively, " Environmental Claims ").

(i) The Seller Parties shall have the right, which right must be exercised within twenty (20) Business Days after receipt of notice of any Environmental Claim of indemnity hereunder or deemed waived, but not the obligation, to assume the defense or control of or settle any Environmental Claim, or undertake any Environmental Response, with counsel, consultants or contractors selected by any Seller Party (to be reasonably acceptable to the Purchaser Parties), provided that the Seller Parties shall, to the extent relevant to the Properties or the Equity Entities, (A) keep the Purchaser Parties reasonably informed as to the status of the foregoing, (B) promptly provide the Purchaser Parties with any material information, documentation and correspondence relating to the Environmental Claim or Environmental Response, and (C) consult with the Purchaser Parties prior to exchanges of material documentation, material information or material negotiations with any Person (the Purchaser Parties to make themselves and their Representatives reasonably available and without delay as to same). The provisions of Section 11.5(d)(ii) shall apply to the defense, control or settlement by any Seller of an Environmental Claim.

(ii) To the extent that any Seller Party has timely chosen, at its discretion, to undertake any Environmental Response, the Purchaser Parties shall, and shall cause each of its Affiliates and Representatives to, provide any Seller Party and its Representatives with reasonable access to such asset or property (subject to the rights of tenants) to permit any Seller Party or its Representatives to undertake such Environmental Response at reasonable times, on reasonable advance written notice and without unreasonable interference with the Purchaser Parties' business operations. The Purchaser Parties agree that they will not, to the extent practicable, unreasonably interfere with or disturb any Seller Party's performance of such Environmental Response and, as is reasonably necessary, shall provide access to site utilities.

(iii) To the extent that costs or liabilities relating to an environmental condition which is the subject of an Environmental Claim for which the Purchaser Parties seek indemnification from any Seller Party are exacerbated or increased after the Applicable Initial Closing Date due to an act or omission

of the Purchaser Parties, their respective Affiliates, their respective contractors and subcontractors or third parties acting on their own or under the supervision or direction of the Purchaser Parties or any Governmental Entity, the Seller Parties shall not be responsible to the extent of any such increase in costs.

(iv) The Seller Parties shall have no obligation for any Environmental Claim to the extent that the Loss for which the Purchaser Parties are seeking indemnification relates to, arises out of or results from (A) the closure, transfer, sale or termination of a Lease after the Closing Date, (B) any change in the use of all or part of any of the Properties after the Closing Date, or (C) any investigation, cleanup, remedial or similar activity other than as required to comply with the minimum applicable standards acceptable to the relevant Governmental Entity under applicable Environmental Law not in effect and enforceable as of the Closing Date.

(v) The Seller Parties' indemnification obligation for any Environmental Claim shall be extinguished and of no further force or effect to the extent that any Purchaser Indemnified Party conducts or grants any third party permission to conduct any environmental sampling or testing of soil, subsurface strata, surface water, groundwater, sediments or ambient air at, on, under or within any portion of the Properties unless (A) in response to an immediate, imminent and substantial threat to human health or the environment as required under applicable Environmental Law, (B) in connection with the proposed closure of all or a portion of any Property were required by a Governmental Entity or Third Party Claim under Environmental Law or (C) if Seller Parties elects (or is deemed to have elected) not to assume the defense or control of or settle any Environmental Claim pursuant to Section 11.5(d)(i) .

(e) The representations, warranties and covenants of the Indemnifying Party, and the Indemnified Party's right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Indemnified Party (including by any of its Representatives) or by reason of the fact that the Indemnified Party or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Indemnified Party's waiver of any condition set forth in Article IX .

11.6 Limitations on Liability .

(a) Exclusion of Certain De Minimis Matters . No Indemnifying Party shall have any obligation or liability to any Indemnified Party pursuant to Section 11.2(a) , or Section 11.3(a) with respect to any single event or condition, or series of related events, conditions or items arising out of substantially the same facts, with respect to which the Losses incurred or suffered by the Indemnified Party (i) with respect to any Purchased Commercial Loan, shall not have exceeded Twenty-Five Thousand U.S. Dollars ($25,000) (any such event or condition or series of related events, conditions or items being hereinafter referred to as a " De Minimis Debt Matter "), and (ii) with respect to any Transferred Properties or Purchased Interests, shall not have exceeded One Hundred Thousand U.S. Dollars ($100,000) (any such event or condition or series of related events, conditions or items being hereinafter referred to as a " De Minimis Equity Matter ").

(b) Deductibles .

(i) The Seller Parties shall not have any obligation or liability to any Purchaser Indemnified Party under Section 11.2(a) , unless and until the aggregate amount of Losses incurred or suffered by the Purchaser Indemnified Parties arising out of the matters referred to in Section 11.2(a) (and exclusive of any Losses arising out of De Minimis Matters), shall have exceeded (A) with respect to Transferred Properties and the Purchased Interests, Twenty Million U.S. Dollars ($20,000,000), in which case, the Seller Parties shall only be obligated and liable with respect to the applicable excess amount over Twenty Million U.S. Dollars ($20,000,000), and (B) with respect to Purchased Commercial Loans, Twenty Million U.S. Dollars ($20,000,000), in which case, the Seller Parties shall only be obligated and liable with respect to the applicable excess amount over Twenty Million U.S. Dollars ($20,000,000).

(ii) The Purchaser Parties shall not have any obligation or liability to any Seller Indemnified Party under Section 11.3(a) unless and until the aggregate amount of Losses incurred or suffered by the Seller Indemnified Parties arising out of the matters referred to in Section 11.3(a) (and exclusive of any Losses arising out of De Minimis Matters), shall have exceeded Forty Million U.S. Dollars ($40,000,000), in which case the Purchaser Parties shall only be obligated and liable under Section 11.3(a) with respect to the applicable excess amount over Forty Million U.S. Dollars ($40,000,000).

(c) Limit of Liability .

(i) The liability of the Seller Parties pursuant to Section 11.2(a) shall not exceed (A) Two Hundred Fifty Million U.S. Dollars ($250,000,000) in the aggregate with respect to any Losses attributable to any Purchased Interests and Transferred Properties, and (B) Two Hundred Fifty Million U.S. Dollars ($250,000,000) with respect to any Losses attributable to any Purchased Commercial Loans.

(ii) The liability of the Purchaser Parties for the Losses pursuant to Section 11.3(a) shall not exceed Five Hundred Million U.S. Dollars ($500,000,000) in the aggregate.

(iii) Under no circumstances shall the aggregate liabilities of the Seller Parties or the aggregate liabilities of the Purchaser Parties, as the case may be, pursuant to this Article XI exceed Six Billion U.S. Dollars ($6,000,000,000); provided that under no circumstances, except with respect to liability under Section 11.2(e) , shall the aggregate liability of the Seller Parties or the aggregate liabilities of the Purchaser Parties, as the case may be, with respect to any Losses attributable to any Purchased Interests, Transferred Property or Purchased Commercial Loan exceed an amount equal to the Unadjusted Asset Purchase Price Amount or Unadjusted Loan Purchase Price, as applicable, for such Purchased Interests, Transferred Property or Purchased Commercial Loan on an asset-by-asset basis.

(d) Limit on Time for Assertion of Claims .

(i) None of the Seller Parties or the Purchaser Parties shall have any obligation or liability pursuant to Section 11.2(a) or Section 11.3(a) , respectively, for any breach of any representation or warranty unless notice of a claim asserting such breach shall have been given in accordance with Section 11.5 prior to the termination of the survival period applicable to such representation or warranty as set forth in Section 11.1 .

(ii) None of the Seller Parties or the Purchaser Parties shall have any obligation or liability pursuant to Section 11.2(c) or Section 11.3(c) , respectively, for any breach of any covenant contained in this Agreement that occurred prior to the applicable Closing unless notice of a claim asserting such breach shall have been given in accordance with Section 11.5 on or before the date that is six (6) months following the applicable Closing Date.

(iii) None of the Seller Parties or the Purchaser Parties shall have any obligation or liability pursuant to Sections 11.2(b) , 11.2(d) , 11.2(e) , 11.2(f), 11.3(b) , 11.3(d) , 11.3(e) or 11.3(f) , respectively, unless notice of a claim asserting such breach shall have been given in accordance with Section 11.5 on or before the date that is the five (5) years following the applicable Closing Date.

(iv) It is the express intent of the Parties that, if the applicable period for an item as contemplated by this Section 11.6(d) is shorter than the statute of limitations that would otherwise have been applicable to such item, then, by contract, the applicable statute of limitations with respect to such item shall be reduced to the shortened survival period contemplated hereby. The Parties further acknowledge that the time periods set forth in this Section 11.6(d) for the assertion of claims, under this Agreement are the result of arms' length negotiation among the Parties and that they intend for the time periods to be enforced as agreed by the Parties.

(e) Other Limitations .

(i) None of the Seller Parties or the Purchaser Parties shall have any obligation or liability under Section 11.2 or Section 11.3 , as applicable, with respect to any Losses that are (A) caused by the actions of any Indemnified Party, (B) exacerbated by any Indemnified Party to the extent of the exacerbation, or (C) recovered by any Indemnified Party from any third party (including insurers). The Indemnified Party shall seek full recovery under all insurance policies covering any Losses to the same extent as it would if such Losses were not subject to indemnification hereunder. If the amount of any Losses suffered by any Indemnified Party is reduced, at any time subsequent to any payment in respect thereof by an Indemnifying Party pursuant to Section 11.2 or Section 11.3 , as applicable, by recovery from any other third party (including any insurer), an amount equal to the amount of such reduction (not to exceed, in any event, the amount so previously paid in respect thereof by the Indemnifying Party) shall promptly be repaid by the Indemnified Party to the Indemnifying Party.

(ii) An Indemnifying Party shall not be required to indemnify any Indemnified Party to the extent of any Losses that a court of competent jurisdiction shall have determined by final judgment to have resulted from the fraud, gross negligence or willful misconduct of the Party seeking indemnification.

(iii) Notwithstanding anything to the contrary in this Agreement, no Party shall, in any event, be liable under this Article XI to any other Person for any consequential, incidental, indirect, special or punitive damages of such other Person, including loss of revenue, loss of income or profits, diminution of value or loss of business reputation or opportunity relating to the breach or alleged breach hereof and, in particular, no “multiple of profits”, “multiple of operating income” or “multiple of cash flow” or similar valuation methodology shall be used in calculating the amount of any Losses; provided that the foregoing does not limit such Party’s liability under this Article XI with respect to actual loss of revenue, actual loss of income or profits or actual realized diminution in value.

(iv) In connection with any claim for indemnification pursuant to Section 11.2(a) , an indemnifiable Loss will arise only to the extent that the Loss is caused by the facts which constitute a breach of such representation and warranty and not by a deterioration (i) in the creditworthiness of an Obligor in respect of a Purchased Commercial Loan, or (ii) the value of the underlying real estate collateral based on general economic or market conditions in respect of such Purchased Commercial Loan.

(v) In the event of any breach giving rise to an indemnification obligation under this Article XI , an Indemnified Party shall take and cause its Affiliates to take, or cooperate with an Indemnifying Party if so requested by the Indemnifying Party in order to take, all commercially reasonable measures to mitigate the consequences of the related breach.

(vi) Notwithstanding anything in this Agreement, any amounts payable pursuant to the indemnification obligations under this Article XI shall be paid without duplication and in no event

shall any Party hereto be indemnified under different provisions of this Agreement for the same Losses. Without limiting the generality of the foregoing, the Purchaser Parties (A) shall make no claim for, and shall not be entitled to any indemnification under this Article XI in respect of, any matter that is taken into account in the calculation of the Estimated Initial Purchase Price or Estimated Deferred Purchase Price, as applicable, pursuant to Section 1.2 and (B) shall be limited to a single price adjustment without duplication to the extent any price adjustment arises from or out of any facts, circumstances, conditions or events that overlap.

11.7 Exclusive Remedy; Nature of Representations and Warranties . Following the applicable Closing, the sole and exclusive remedy for any inaccuracy or breach of any representation, warranty, covenant, obligation or other agreement contained in this Agreement or otherwise relating to the Purchased Interests, Purchased Entities, the Properties, the Underlying Properties, or the Purchased Commercial Loans or the subject matter of this Agreement shall be indemnification in accordance with this Article XI , except with respect to any claim based on intentional fraud, knowingly committed, and no Person will have any other entitlement, remedy or recourse, whether in contract, tort, by statute or otherwise. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted by Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, obligation or other agreement set forth herein (or otherwise relating to the Purchased Entities or the subject matter of this Agreement) it may have against the other Parties hereto and its Affiliates following the applicable Closing arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Article XI . Notwithstanding the foregoing, this Section 11.7 shall not operate to limit the rights of the Parties to seek equitable remedies (including specific performance or injunctive relief). Nothing contained in this Section 11.7 or otherwise in this Agreement shall affect or limit the rights of the Seller Parties under the Guarantee.

ARTICLE XII

GENERAL PROVISIONS

12.1 Amendment . This Agreement may not be amended except by an instrument in writing signed by the Purchaser Representative (on behalf of the Purchaser Parties) and the Seller Representative (on behalf of the Seller Parties).

12.2 Extension; Waiver . At any time prior to the Closing Date, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Party if requested by the other Party, (b) waive any inaccuracies in the representations and warranties of any Party contained in this Agreement or in any document delivered pursuant to this Agreement, or (c) waive compliance with any of the agreements, covenants or conditions of any Party contained in this Agreement. Any agreement on the part of a Party to any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to this Agreement to assert any of its rights under this Agreement or otherwise will not constitute a waiver of those rights.

12.3 Representatives .

(a) Seller (or its successors or assigns) is hereby authorized and appointed to act for and on behalf of any or all of the Seller Parties (together with their permitted successors or assigns, the " Seller Representative ") in connection with the Transactions or this Agreement, including any assertion of any and all Claims for satisfaction of a loss by a Seller Indemnified Party pursuant to the terms of this Agreement and all actions and determinations in connection therewith. The Seller Parties hereby agree that the Purchaser Parties shall be entitled to deliver notices solely to the Seller Representative and that the Purchaser Parties shall only be required to respond to notices received from, elections made by or Claims asserted by the Seller Representative on behalf of the various Seller Parties and the Seller Indemnified Parties. The Purchaser Parties may rely upon the authority of the Seller Representative to act on behalf of the Seller Parties and Seller Indemnified Parties without any inquiry.

(b) BRE Imagination Holdco LLC (or its respective successors or assigns) is hereby authorized and appointed to act for and on behalf of any or all of the Purchaser Parties (together with such successors or assigns, the " Purchaser Representative ") in connection with the Transactions or this Agreement, including any assertion of any and all Claims for satisfaction of a loss by a Purchaser Indemnified Party pursuant to the terms of this Agreement and all actions and determinations in connection therewith. The Purchaser Parties hereby agree that the Seller Parties shall be entitled to deliver notices solely to the Purchaser Representative and that the Seller Parties shall only be required to respond to notices received from, elections made by or Claims asserted by the Purchaser Representative on behalf of the various Purchaser Parties and the Purchaser Indemnified Parties except that any Purchaser Party Designee shall be permitted to exercise rights under Article XI of this Agreement independently of the Purchaser Representative with respect to any Purchased Interests, Transferred Properties or Purchased Commercial Loans acquired by such Purchaser Party Designee. Each of the Seller Parties may rely upon the authority of the Purchaser Representative to act on behalf of the Purchaser Parties and Purchaser Indemnified Parties without any inquiry.

12.4 Notices . All notices, requests, claims, demands and other communications under this Agreement will be in writing (including a writing delivered by facsimile transmission) and shall be deemed given (a) when delivered, if sent by registered or certified mail (return receipt requested); (b) when delivered, if delivered personally or sent by facsimile (with proof of transmission); or (c) on the Business Day after deposit (with proof of deposit), if sent by overnight mail or overnight courier; in each case, unless otherwise specified or provided in this Agreement, to the Parties at the following addresses (or at such other address or fax number for a Party as will be specified by like notice):

if to the Seller Parties and/or Seller Representative, to:

General Electric Capital Corporation
901 Main Avenue
Norwalk, Connecticut 06851
Attention: Mark Landis, Executive Counsel – Mergers & Acquisitions
Telecopy: (203) 286-2181

with a copy (which shall not constitute notice) to:

Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, DC 20004
Attention: J. Warren Gorrell, Jr.
Telecopy: (202) 637-5910

if to the Purchaser Parties to:

c/o The Blackstone Group
345 Park Avenue, 42nd Floor
New York, New York 10154
Attention: William Stein and Judy Turchin

with a copy (which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10154
Attention: Krista Miniutti

12.5 Interpretation . As used in this Agreement, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural. Unless the context otherwise requires, the term "party" when used in this Agreement means a Party to this Agreement. References in this Agreement to a Party or other Person include their respective successors and assigns. When a reference is made in this Agreement to a Section, Exhibit or Schedule such reference will be to a Section, Exhibit or Schedule of or to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they will be deemed to be followed by the words "without limitation." Unless the context otherwise requires, the words "hereof," "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision hereof. Except when used together with the word "either" or otherwise for the purpose of identifying mutually exclusive alternatives, the term "or" has the inclusive meaning represented by the phrase "and/or". No provision of this Agreement will be interpreted in favor of, or against, any of the Parties to this Agreement by reason of the extent to which such Party or its counsel participated in the drafting thereof or by any reason of the extent to which such provision is consistent with any prior draft hereof. All references in this Agreement to "dollars" or "$" shall mean United States Dollars. Any period of time hereunder ending on a day that is not a Business Day shall be extended to the next Business Day.

12.6 Counterparts . This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. This Agreement may be executed by facsimile signature or in portable document format (PDF).

12.7 Entire Agreement; No Third-Party Beneficiaries . This Agreement and the Schedules and Exhibits attached hereto and the documents and instruments delivered and to be delivered hereunder, including the Guarantee, constitute the entire agreement of the Parties and their respective Affiliates and supersede all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter of this Agreement. Notwithstanding the foregoing, the Confidentiality Agreement will remain in full force and effect in all respects, except to the extent modified by the provisions of Section 5.4 . This Agreement shall not confer any rights or remedies upon any Person other than the Parties hereto, the Persons entitled to indemnification hereunder, and in each case their respective successors, heirs, legal representatives and permitted assigns. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of the Purchased Entities shall have any liability for any obligations or liabilities of the Seller Parties under this Agreement or agreements contemplated hereby or for any claim based on, in respect of, or by reason of, the Transactions.

12.8 Governing Law . This Agreement will be governed by, and construed and enforced in accordance with, the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable conflicts of law principles thereof.

12.9 Assignment; Binding Agreement . This Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective permitted successors and permitted assigns. Neither this Agreement, nor any of the rights, interests or obligations under this Agreement, may be assigned or delegated, in whole or in part, by operation of law or otherwise by any of the Parties without the prior written consent of the other Parties. Any attempted or purported assignment in violation of this Section 12.9 shall be null and void and of no force or effect. Notwithstanding the foregoing, (a) the Seller Parties shall have the right to assign or delegate, in whole or in part, by operation of law or otherwise, any of its rights, interests or obligations under this Agreement to

any Affiliate of the Seller Parties, provided that no such assignment shall release any Seller Party from its obligations hereunder; (b) the Purchaser Parties shall have the right to designate one or more Purchaser Party Designees on or at any time following the date hereof, and such Purchaser Party Designees shall take title to any or all of the Purchased Interests, Transferred Properties or Purchased Commercial Loans by notice to the Seller Parties given at least ten (10) Business Days prior to the Closing, provided that there is no increase in the costs borne by the Seller Parties under Section 12.13 (unless paid by the Purchaser Parties); and provided further that no such assignment shall release any Purchaser Party from its obligations hereunder; and (c) the Purchaser Parties shall have the right to collaterally assign their rights in this Agreement to any lender.

12.10 Enforcement .

(a) Injunctive Relief and Specific Performance . The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the Parties in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties will be entitled to seek an injunction or injunctions to prevent breaches of this Agreement by the Parties and to seek to enforce specifically the terms and provisions of this Agreement in any court of the United States of America located in the State of New York or in any New York state court, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the Seller Parties further agrees not to assert that a remedy of specific performance is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy. Each of the Parties hereby waives any requirement under any law to post a bond or other security as a prerequisite to obtaining equitable relief. Notwithstanding the foregoing, the Parties agree that the Seller Parties shall not be entitled to an injunction or injunctions to enforce specifically the closing of any of the Transactions in accordance with Article IX hereof and that the sole and exclusive remedy of the Seller Parties relating to the failure of the Purchaser Parties to consummate any of the Transactions shall be the remedies set forth in Sections 10.3 and 10.5 .

(b) Jurisdiction . Each Party (i) irrevocably consents to submit itself to the exclusive jurisdiction of any federal or state court sitting in Manhattan, New York in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, and (ii) waives any objection that it may now or hereafter have to the venue or jurisdiction of any such dispute in any such court or that such dispute was brought in an inconvenient forum, and agrees not to plead or claim the same.

(c) Right to Jury Trial . EACH PARTY HERETO IRREVOCABLY WAIVES ITS RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

(d) Notwithstanding anything to the contrary set forth in this Agreement, other than with respect to the right of the Parties to seek equitable remedies as described in Section 12.10(a)), the Seller Parties and the Purchaser Parties shall comply with the provisions of this Section 12.10(d) prior to filing or commencing any Action against the other Parties arising out of, or relating to, this Agreement, any related agreement or the transactions contemplated hereby or thereby. The Seller Parties or the Purchaser Parties, as the case may be, shall deliver a written notice (a " Litigation Notice ") to the other Parties stating its intention to commence such Action and setting forth in reasonable detail the material disputed issues that would be the subject matter of such proposed Action. For a period of ninety (90) calendar days after receipt by the Seller Parties or Purchaser, as the case may be, of a Litigation Notice, (i) none of the Seller Parties or the Purchaser Parties shall file or commence (of cause any other Person to file or commence) any Action against the other Parties with respect to the disputed issues that are the subject of the Litigation Notice, except that any Party may file or commence any Action against any other Party with respect to such disputed issue if the relevant statute of limitations would otherwise expire during such ninety (90) day period if such Action was not filed or commenced; (ii) the Seller Parties and the Purchaser Parties shall each

make reasonably available from time to time to discuss the subject matter of the Litigation Notice (A) one or more of its officers, (B) at least one member of its in-house or outside legal counsel and (C) such other employees or representatives as the other Parties may reasonably request; and (iii) the Seller Parties and the Purchaser Parties shall cooperate in good faith to resolve the disputed issues that are the subject-matter of the Litigation Notice prior to the expiration of such ninety (90) day period.

12.11 Severability . If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions are not affected in any manner materially adverse to any Party. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

12.12 Time is of the Essence . The Parties hereto acknowledge and agree that TIME IS OF THE ESSENCE for the performance of all actions required or permitted to be taken under this Agreement and the consummation of the Transactions. Whenever an action must be taken under this Agreement, prior to the expiration of, by no later than or on a particular date, unless otherwise expressly provided in this Agreement, such action must be completed by 5:00 p.m. (Eastern Time) on such date, provided , that such action must be completed by 3:00 p.m. (Eastern Time) with respect to the payment of any portion of the Unadjusted Purchase Price and other payments by the Purchaser Parties on the applicable Closing Date.

12.13 Expenses . Except as provided in this Section 12.13 and as expressly provided in the other provisions of this Agreement, each Party will bear its own costs and expenses related to the negotiation and execution of this Agreement, and obtaining third party consents to the performance of such Party's obligations under this Agreement (it being acknowledged that the costs incurred in obtaining third party consents shall be borne by the Seller Parties). The Purchaser Parties will be responsible for all fees and costs of any financial advisor to the Purchaser Parties or any Affiliate thereof with respect to the Transactions. The Seller Parties will be responsible for the fees and costs of any financial advisor to Seller, the Seller Parties or any Affiliates thereof with respect to the Transactions. The Purchaser Parties will be responsible for all of its own diligence costs and inspection fees, including the costs of environmental and engineering reviews and audits, appraisals, accounting and other financial reviews. The Purchaser Parties will be responsible for any premiums and other charges and fees including, to the extent applicable, any cancellation fees, for the Title Commitments, any title policies, any UCC or other searches, any surveys and for any lender's policy of title insurance. Except as otherwise provided in Section 5.5 with respect to the Transfer Taxes, the Purchaser Parties will be responsible for all Property Transfer Costs and the Seller Parties will have no responsibility for obtaining or paying for any Surveys, Title Commitments or Property Transfer Costs.

12.14 Schedule References and Sections . Any item disclosed in one Section or Schedule shall be deemed to be disclosed in any other Section or Schedule where such disclosure is relevant to the extent the relevance of such disclosure in such Section or Schedule where the item has not been disclosed is reasonably apparent. Any disclosure with respect to a Section of this Agreement shall be deemed to be disclosed for other Sections of this Agreement, to the extent that such disclosure is reasonably sufficient so that the relevance of such disclosure would be reasonably apparent to a reader of such disclosure. Matters reflected in any Section of this Agreement are not necessarily limited to matters required by this Agreement to be so reflected. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. No reference to or disclosure of any item or other matter in any Section of this Agreement shall be construed as an admission or indication that such item or other matter is material for purposes of this Agreement or that such item or other matter is required to be referred to or disclosed in this Agreement. Without limiting the foregoing, no such reference to or

disclosure of a possible breach or violation of, or default under, any Contract, Law or judgment or order of a Governmental Entity shall be construed as an admission or indication that any breach, violation or default exists or actually occurred.

12.15 Joint and Several Liability; Post-Closing Rights; Joint Action . Each Seller Party shall be jointly and severally liable for the obligations of the Seller Parties under this Agreement. Any termination of this Agreement pursuant to Article X shall be effective only if it is signed by the Seller Representative (on behalf of all Seller Parties). Each Purchaser Party shall be jointly and severally liable for the obligations of the Purchaser Parties under this Agreement. Any termination of this Agreement pursuant to Article X shall be effective only if it is signed by the Purchaser Representative (on behalf of all Purchaser Parties). Notwithstanding anything to the contrary contained in this Agreement, the Seller Parties agree that (i) the Purchaser Party Designees that are Wells Fargo Bank, N.A. or are Affiliates of Wells Fargo Bank, N.A. (the " Wells Designees ") shall have no liability to the Seller Parties prior to Closing (including on account of the Termination Fee), and (ii) from and after any Closing under which the Wells Designees acquire any Purchased Commercial Loans, Purchased Interests or Transferred Properties, such Wells Designees shall have joint and several liability under this Agreement among such entities that are Affiliates of Wells Designees for their respective obligations but not joint and several liability with respect to the obligations of any other Purchaser Parties.

12.16 Effect of Pre-Closing Actions . If any representation or warranty of the Seller Parties shall fail to be true and correct in any respect on the Closing Date and such failure is the result of the Seller Parties taking any action after the date of this Agreement that is consented to in writing by the Purchaser Parties, such representation or warranty shall be deemed true and correct on the Closing Date to the extent of such failure for all purposes of this Agreement, including for purposes of Article IX , Article X and Article XI .

12.17 Further Assurances . The Parties agree that, from time to time, whether before, at or after the Closing Date, each of them will execute and deliver such further instruments of assignment, conveyance and other Transfers and take such other actions as may be necessary to carry out the purposes and intents of this Agreement

12.18 Schedule 5.5(b) . The provisions of Schedule 5.5(b) shall have effect in relation to the matters with which they deal notwithstanding any other provision of this Agreement, which other provisions shall accordingly be read subject to and in conformity with the provisions of Schedule 5.5(b) .

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Purchase Agreement to be signed and delivered by their respective officers thereunto duly authorized all as of the date first written above.

SELLER :

GENERAL ELECTRIC CAPITAL CORPORATION ,
a Delaware corporation

By: /s/ Aris Kekedjian
Name: Aris Kekedjian
Title: Vice President

[Signatures continue on the following page]

THE PURCHASER PARTIES:

BRE IMAGINATION HOLDCO LLC,
a Delaware limited liability company

By: /s/ Kenneth A. Caplan
Name: Kenneth A. Caplan
Title: Senior Managing Director and Vice President

BRE IMAGINATION GERMANY I LLC,
a Delaware limited liability company

By: /s/ Kenneth A. Caplan
Name: Kenneth A. Caplan
Title: Senior Managing Director and Vice President

BRE IMAGINATION GERMANY II LLC,
a Delaware limited liability company

By: /s/ Kenneth A. Caplan
Name: Kenneth A. Caplan
Title: Senior Managing Director and Vice President

DEFINITIONS

Certain Definitions. As used in this Agreement, the following terms have the following meanings when used herein:

" Action " means any action, suit, claim, complaint, demand, administrative or other proceeding, charge, grievance, dispute, assertion, arbitration or investigation by any Person.

" Accountants " shall have the meaning set forth in Section 1.4(i)(iii) .

" Additional Rent " shall have the meaning set forth in Section 1.4(b)(iii)(A) .

" Adjusted Closing Date Portfolio Tape " means a Portfolio Tape, in Microsoft Excel format, delivered to Purchaser and labeled "Project Kensington – CL Portfolio Tape" setting forth as of the applicable Closing Date, the Loan Portfolio Information for each Purchased Commercial Loan to be Transferred to Purchaser on such Closing Date.

" Adjusted Closing Statement " shall have the meaning set forth in Section 1.4(i)(iii) .

" Adjusted Deferred Closing Statement " shall have the meaning set forth in Section 1.4(i)(ii) .

" Adjusted Initial Closing Statement " shall have the meaning set forth in Section 1.4(i)(ii) .

" Adjusted Unpaid Principal Balance Statement " means an accounting statement setting forth the Unpaid Principal Balances of all Purchased Commercial Loans to be Transferred to Purchaser through the applicable Closing Date, determined based on the Adjusted Closing Date Portfolio Tape for such Closing and giving effect to the adjustments set forth in Section 1.2(c) (together with all relevant supporting documentation).

" Adjustment Time " shall have the meaning set forth in Section 1.4(a)(ii) .

" Affiliate " means, with respect to any Person, another Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person; provided that, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise and provided , further , that an Affiliate of any Person shall also include (i) any Person that, directly or indirectly, owns more than ten percent (10%) of any class of capital stock or other equity interest of such Person, and (ii) any officer, director, trustee or beneficiary of such Person.

" Affiliate Contract " shall have the meaning set forth in Section 3.20(a) .

" Alternative Transactions " shall have the meaning set forth in Section 1.5 .

" Agency Fees " means all fees collected by or on behalf of the Seller Parties and any of their Affiliates with respect to Agented Loans.

" Agented Loans " means, collectively, all Purchased Commercial Loans with respect to which a Seller Party or any Affiliate thereof is the servicer, administrative agent, collateral agent, security agent or similar role.

" Agreement " shall have the meaning set forth in the Preamble.

" Anti-Corruption Law " means each of the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010, the *Corruption of Foreign Public Officials Act* (Canada) and any other applicable Law of similar effect, in each case as such law may be amended from time to time.

" Antitrust Laws " means the HSR Act, the *Competition Act* (Canada) and any other Laws applicable to the Purchaser Parties, the Seller Entities under any applicable jurisdiction that are designed to prohibit, restrict or regulate actions having the purpose or effect of lessening or preventing competition, or enabling or promoting monopolization or restraint of trade.

" Applicable Initial Closing " shall have the meaning set forth in Section 9.1 .

" Applicable Initial Closing Date " shall have the meaning set forth in Section 9.1(b) .

" Applicable Prepayment Reduction Amount " means, (a) with respect to a Fully Prepaid Commercial Loan, an amount equal to the difference, if positive, between (i) the sum of the Unpaid Principal Balance of the Fully Prepaid Commercial Loan as of the date such Purchased Commercial Loan becomes a Fully Prepaid Commercial Loan and all Commercial Loan Prepayment Fees paid with respect to the applicable Fully Prepaid Commercial Loan and (ii) the Unadjusted Loan Purchase Price, *less* the credits provided for in Section 1.4(h)(iii) as of the date such Purchased Commercial Loan becomes a Fully Prepaid Commercial Loan and (b) with respect to a Purchased Commercial Loan that is partially prepaid, an amount equal to the Commercial Loan Prepayment Fees.

" Assumed Contracts " means (i) all of the Material Contracts set forth on Schedule 5.1(h) hereto; (ii) all Hotel Agreements; (iv) all Contracts that are terminable without penalty or fee on 60 days' notice; (v) Contracts with respect to the provision of any services for or to any applicable Property that require payments of less than $250,000 per annum and which extend no longer than one (1) year following the applicable Closing Date (other than Contracts that are required to be terminated pursuant to Section 5.1(h)); (vi) any other customary agreements related to multiple Properties (such as rooftop antenna leases) and no other properties and that require payments of less than $500,000 per annum; and (vii) any other Contracts assigned to a Purchaser Party at the applicable Closing at such Purchaser Party's request.

" Assumed Liabilities " shall have the meaning set forth in Section 1.1(c) .

" Available Insurance Policies " shall have the meaning set forth in Section 5.28(a)(i) .

" Backlog Asset " shall have the meaning set forth in Section 5.23 .

" Bankruptcy " means the commencement of any proceeding under any applicable bankruptcy, reorganization, liquidation, insolvency, creditor's rights, or similar law now or hereafter in effect or commencement of a proceeding in which a receiver, liquidator or trustee is sought to be appointed.

" Blackstone Affiliate Purchaser Party " each Purchaser Party pursuant to the terms of this Agreement that is an Affiliate of The Blackstone Group L.P. or Blackstone Real Estate Advisors L.P. Such Blackstone Affiliate Purchaser Parties are referred to on certain Schedules to this Agreement as "BXMT" and "BREDs".

" BS/S Sale Value " shall have the meaning set forth in Section 7.2(c)(ii) .

" Business Day " means a day other than Saturday, Sunday or any day on which commercial banks in New York, New York are authorized or obligated to close.

" Business Employees " means all employees, officers, or directors of (x) the Seller Parties, any of their Affiliates, in each case, who are employed by or performing services for or with respect to the Equity Entities, the Properties, the Underlying Properties, the Purchased Commercial Loans or the Underlying Commercial Loans or (y) the Equity Entities.

" Buy-Sell " shall have the meaning set forth in Section 7.2(c)(ii) .

" Buy-Sell Discussion Period " shall have the meaning set forth in Section 7.2(c)(i) .

" Buy/Sell Sale Price " shall have the meaning set forth in Section 7.2(c)(ii) .

" Cash " means, as of the applicable Adjustment Time, an amount equal to an applicable Purchased Entity's cash and cash equivalent balances in the applicable currency required to be used hereunder.

" Casualty " shall have the meaning set forth in Section 8.1 .

" CL Arbitrator " shall mean JPMorgan Bank, DB and BAML.

" Claims " shall have the meaning set forth in Section 5.12(a) .

" Closing " means an Applicable Initial Closing or an applicable Deferred Closing (if any), as applicable.

" Closing Date " means an Applicable Initial Closing Date or the applicable Deferred Closing Date (if any), as applicable.

" Closing Date CL Portfolio Tape " means a Portfolio Tape, in Microsoft Excel format, delivered to the Purchaser Parties and labeled "Project Kensington – CL Portfolio Tape" setting forth (a) as of three (3) Business Days prior to the applicable Closing Date, the same Loan Portfolio Information as contained in the Signing Portfolio Tape for each Purchased Commercial Loan to be Transferred to the Purchaser Parties on such Closing Date, and (b) as of the Adjustment Time, with respect to any Fully Prepaid Commercial Loan or partially prepaid Purchased Commercial Loan, the adjustments set forth in Article I , in each case, reflecting solely factual changes to the Loan Portfolio Information for each such Purchased Commercial Loan for the period commencing on the date of the Signing Portfolio Tape and terminating on the applicable Closing Date.

" Closing Notice Date " shall have the meaning set forth in Section 7.1(b) .

" Closing Unpaid Principal Balance Statement " means an accounting statement setting forth the Unpaid Principal Balances of all Purchased Commercial Loans Transferred to the Purchaser Parties on the applicable Closing Date, determined based on the Closing Date CL Portfolio Tape for such Closing, and giving effect to the adjustments set forth in Section 1.2(c) as of the date of such Portfolio Tape, together with all relevant supporting documentation.

" Closing Statement " means an Initial Closing Statement or Deferred Closing Statement, as applicable.

" Closing Year Additional and Percentage Rent " shall have the meaning set forth in Section 1.4(b)(iv)(A) .

" Code " means the United States Internal Revenue Code of 1986, as amended.

" Commercial Loan " means any contract in existence on the date hereof or the applicable Closing (including, in each case, any amendment or modification thereto or extension, renewal, novation, assignment or assumption thereof), and any ancillary agreements relating thereto, that evidences a payment obligation and is in the form of a secured or unsecured financing and with respect to which any of the Purchased Entities or Seller Parties is, as of the date hereof or will be as of Closing, the lender, secured party or obligee, including, without limitation, any Agented Loans.

" Commercial Loan Backlog " means any financing transaction similar in type to a Purchased Commercial Loan originated by Seller Parties but not included on the Signing Portfolio Tape.

" Commercial Loan Mortgage " means, with respect to each Purchased Commercial Loan, the mortgage, deed of trust, security deed (deed to secure debt), or other instrument creating a lien, mortgage or charge over or on a fee simple, freehold or leasehold estate in real property and securing a Purchased Commercial Loan.

" Commercial Loan Note " means, with respect to a Purchased Commercial Loan, the original executed promissory note or credit or facility agreement evidencing the indebtedness of an Obligor, together with the original of any allonge, rider, addendum or amendment thereto and any assignments thereof and any amendments or modifications thereto.

" Commercial Loan Property " means, with respect to any Commercial Loan, any real property (excluding any personal property covered by a security instrument other than a Commercial Loan Mortgage) securing such Commercial Loan.

" Commercial Loan-Related Asset " means with respect to a Purchased Commercial Loan, all of the right, title, and interest of the applicable Seller Party or Purchased Entity in, to and under (i) the Loan Files, the books, ledgers, files, reports, plans, records, manuals and other materials (in whatever form or medium) relating to such Purchased Commercial Loan, including, as applicable, the Commercial Loan Note, and any Commercial Loan Security Instruments related thereto; and (ii) all derivatives, swaps, hedging instruments and related instruments related to such Purchased Commercial Loan (if any), to the extent transferable; provided however that Commercial Loan-Related Assets shall not include Seller Parties' obligations under any derivatives, swaps, or hedging instruments in respect of a Purchased Commercial Loan.

" Commercial Loan Prepayment Fees " means all exit fees, equity kickers, default interest, late fees, prepayment fees, defeasance payments, yield maintenance, breakage and similar charges, as well as default interest and late fees, paid by an Obligor and received by a Seller Party with respect to the Seller Parties' interest in the applicable Purchased Commercial Loan.

" Commercial Loan Security Instruments " means, with respect to each Purchased Commercial Loan, any loan agreement, subordination or intercreditor agreement, mortgage, deed of trust, assignment of leases and rents, security agreement, promissory note, guaranty, pledges, assignment of receivables, assignment of hedging arrangements and other assignments, debentures, duty of care agreements, letters of credit, bonds, assignment of life insurance policies, assignment of deposit accounts, title insurance policy and casualty insurance policy, in each case, whether printed or in electronic format.

" Commercially Reasonable Efforts " means the commercially reasonable efforts that a reasonably prudent Person desirous of achieving the contemplated result would use in similar circumstances to ensure that such result is achieved as expeditiously as possible; provided that a Party's commercially reasonable efforts shall not be deemed to include causing any action to be taken that is beyond such Party's authority under the Organizational Documents of any applicable entity.

" Condemnation " shall have the meaning set forth in Section 8.1 .

" Confidential Documentation " means (i) any document or correspondence which would be subject to the attorney-client privilege; (ii) the Seller Parties' income Tax Returns and associated workpapers; (iii) any document or item which any Seller Party is contractually or otherwise bound to keep confidential and would be in breach of if disclosed to the Purchaser Parties; (iv) any internal memoranda, reports or assessments of any Seller Party or any of its Affiliates, including with respect to the Seller Parties' valuation of the Properties or Underlying Properties; and (v) appraisals of the Transferred Properties whether prepared internally by a Seller Party or any of its Affiliates or externally.

" Confidentiality Agreement " shall have the meaning set forth in Section 5.4(a) .

" Contract " means any written agreement, contract, instrument, lease or sublease (including any lease or sublease of real property), license, franchise, trust, note, bond, deed, mortgage, indenture, sale or purchase order, delivery order, change order, understanding, arrangement, commitment, obligation, promise or undertaking of any kind that is legally binding (but excluding any Licenses and Permits).

" Credit Support Arrangement " shall have the meaning set forth in Section 5.30 .

" Credit Support Indemnification Obligations " shall have the meaning set forth in Section 5.30 .

" Credit Support Release " shall have the meaning set forth in Section 5.30 .

" Debt Ground Leases " shall have the meaning set forth in Section 3.14(i) .

" Debt Removal Exceptions " shall have the meaning set forth in Section 2.4(g)(ii) .

" Defeased Loans " shall have the meaning set forth in Section 3.14(g) .

" Deferral Condition " shall mean with respect to any Deferred Asset, the specified condition to Closing relating to such Deferred Asset set forth in this Agreement, including those specifically set forth in Section 7.1(a) hereof, that, unless satisfied or waived, results in the Closing with respect to such Deferred Asset being delayed.

" Deferral Consent Condition " shall have the meaning set forth in Section 7.1(a) .

" Deferred Assets " shall have the meaning given to such term in Section 7.1(a) .

" Deferred Closing " shall have the meaning set forth in Section 9.5 .

" Deferred Closing Date " shall have the meaning set forth in Section 9.5 .

" Deferred Closing Statement " shall have the meaning set forth in Section 1.4(i)(ii) .

" Deferred Commercial Loan " means any Commercial Loan that is determined to be a Deferred Asset pursuant to, and in accordance with the provisions of this Agreement, together with any related Commercial Loan-Related Assets.

" Deferred Commercial Loan Property " means any Commercial Loan Property that is security for a Deferred Commercial Loan.

" Deferred Interests " means any Purchased Interests that are determined to constitute Deferred Assets pursuant to, and in accordance with, Section 7.1(a) .

" Deferred Property " means any Transferred Property that is determined to be a Deferred Asset pursuant to, and in accordance with, Section 7.1(a) .

" Deferred Underlying Property " means any Underlying Property (or the applicable Purchased Interests relating thereto) that is determined to be a Deferred Asset pursuant to, and in accordance with, Section 7.1(a) .

" Deferred Transactions " shall have the meaning set forth in Section 9.5 .

" Delinquent Rent " shall have the meaning set forth in Section 1.4(b)(v) .

" Designated Backlog Asset " shall have the meaning set forth in Section 5.23 .

" Designated Commercial Loan " shall mean each of the Purchased Commercial Loans as set forth on Schedule 2.5(b) .

" Designated Equity Asset " means such Purchased Interest, Purchased Entity, Option Asset or Property designated by the Purchaser Parties as having a defect or adverse condition which the Purchaser Parties have reasonably determined in good faith has a negative impact on the value in excess of ten percent (10%) of the Unadjusted Asset Purchase Price Amount with respect to such Purchased Interest or Property.

" De Minimis Debt Matter " shall have the meaning set forth in Section 11.6(a) .

" De Minimis Equity Matter " shall have the meaning set forth in Section 11.6(a) .

" De Minimis Matter " shall mean either a De Minimis Debt Matter or a De Minimis Equity Matter.

" Diligence Materials " shall mean the following items:

(a) copies of all Existing Title Policies, Existing Surveys and European Title Documentation in the Sellers Parties' possession and control;

(b) copies of all Material Contracts.

(c) copies of all the Material Leases, together with any addenda, amendments and letters of credit relating thereto;

(d) copies of all Ground Leases; and

(e) the Loan Files for each Purchased Commercial Loan and copies of all Material Loan Documents.

" Disclosure Schedules " means the disclosure schedules that the applicable Party delivered to the other Parties as of the date of this Agreement.

" Divestiture or Burden " shall have the meaning set forth in Section 5.2(e) .

" Due Diligence " shall have the meaning set forth in Section 2.1(a) .

" Employee Plan " means (a) any "employee benefit plan" (within the meaning of Section 3(3) of ERISA), any "single-employer plan," within the meaning of Section 4001(a)(15) of ERISA or any "multiemployer plan," within the meaning of Section 3(37) of ERISA, (b) any retirement, welfare benefit, bonus, stock option, equity purchase, restricted stock, equity-based, incentive, supplemental retirement, retention, transaction bonus, change of control, deferred compensation, retiree health, life insurance, severance, Code Section 125 flexible benefit, vacation and all other employee benefit plans, programs, policies, arrangements or agreements, or (c) any employment, consulting, termination, severance, collective bargaining or similar agreement, in each case, (x) which are contributed to (or for which there is an obligation to contribute to), sponsored by or maintained by any of the Seller Parties or any Equity Entities or any of their respective Affiliates for the benefit of any current or former Business Employee, or (y) pursuant to which any of the Equity Entities has, or could reasonably be expected to have, any Liabilities.

" Environmental Claims " shall have the meaning set forth in Section 11.5(d) .

" Environmental Condition " means the presence of any Hazardous Materials in, on, under, or migrating to or from a Property in violation of Environmental law; or noncompliance with any Environmental Law at a Property, in either case, which presence or noncompliance would be reasonably likely to materially and adversely affect the Property.

" Environmental Law " means all applicable federal, state, provincial and local statutes, Laws, regulations, directives, ordinances, rules, guidelines, court orders, judicial or administrative decrees, arbitration awards and the common law, in existence on or before the date hereof, which pertain to the environment, soil, water, air, or flora and fauna, as such have been amended, modified or supplemented as of the date hereof (including all amendments thereto and reauthorizations thereof). Environmental Laws include, without limitation, those Laws in existence on or before the date hereof relating to: (a) the manufacture, processing, use, distribution, treatment, storage, disposal, discharge, release, threatened release, generation or transportation of Hazardous Materials; (b) air, soil, surface, subsurface, groundwater or noise pollution; (c) protection of endangered species, wetlands or natural resources; (d) the operation and closure of underground storage tanks; (e) health and safety of employees and other persons; and (f) notification and reporting requirements relating to the foregoing. Without limiting the above, Environmental Laws also include the following as they existed on or before the date hereof: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§ 9601 et seq .), as amended (" CERCLA "); (ii) the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq .), as amended (" RCRA "); (iii) the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. §§ 11001 et seq .), as amended; (iv) the Clean Air Act (42 U.S.C. §§ 7401 et seq .), as amended; (v) the Clean Water Act (33 U.S.C. §§ 1251 et seq .), as amended; (vi) the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq .), as amended, to the

extent it governs exposure to Hazardous Materials; (vii) any state, county, municipal or local statutes, laws or ordinances similar or analogous to (including counterparts of) any of the statutes listed above; and (viii) any rules, regulations, guidelines, directives, orders or the like adopted pursuant to or implementing any of the above.

" Environmental Response " shall have the meaning set forth in Section 11.5(d) .

" Equity Arbitrator " shall mean CBRE, JLL, Eastdil Secured (other than in Europe) and Savills (in Europe).

" Equity Arbitration Notice " shall have the meaning set forth in Section 2.4(b)(i) .

" Equity Assets " shall have the meaning set forth in Recital A .

" Equity FMV Estimate " shall have the meaning set forth in Section 2.4(b)(ii) .

" Equity Response Notice " shall have the meaning set forth in Section 2.4(b)(i) .

" Equity Response Period " shall have the meaning set forth in Section 2.4(b)(i) .

" Equity Entity " means a Purchased Entity, Joint Venture or a Subsidiary of either of the foregoing.

" ERISA " means the Employee Retirement Income Security Act of 1974, as amended.

" Escrow Agent " shall have the meaning set forth in Section 1.3 .

" Estimated Deferred Closing Statement " shall have the meaning set forth in Section 1.4(i)(ii) .

" Estimated Deferred Debt Purchase Price " shall have the meaning set forth in Section 1.2(c).

" Estimated Deferred Equity Purchase Price " shall have the meaning set forth in Section 1.2(b)(ii).

" Estimated Deferred Purchase Price " means the sum of the Estimated Deferred Equity Purchase Price and the Estimated Deferred Debt Purchase Price.

" Estimated Initial Closing Statement " shall have the meaning set forth in Section 1.4(i)(ii) .

" Estimated Initial Debt Purchase Price " shall have the meaning set forth in Section 1.2(c) .

" Estimated Initial Equity Purchase Price " shall have the meaning set forth in Section 1.2(b) .

" Estimated Initial Purchase Price " means the sum of the Estimated Initial Equity Purchase Price and the Estimated Initial Debt Purchase Price.

" European Title Documentation " means, in respect of the Properties and Purchased Entities located in Europe, such documentation as is customarily provided by a seller in a transaction between professional investors for the Transfer of similar properties or entities in the applicable jurisdiction, including any documentation reasonably required by a notary to effect the Transfer of a Property (or which, in connection with

the Transfer of a Purchased Entity, would have reasonably been required by a notary had the Underlying Properties been Transferred instead of such Purchased Entity) and including those documents specifically identified as "European Title Documentation" on Annexes 1 through 14 .

" European Loan Transfer Documents " shall have the meaning set forth in Section 5.29(c) .

" European Transfer Documents " shall have the meaning set forth in Section 5.29(b) .

" Excluded Asset " has the meaning set forth in Section 1.1(d) .

" Excluded Asset Benefit " means (i) any payments or other property received by a Purchased Entity or Subsidiary thereof that was wholly owned by the Seller Parties prior to the Closing with respect to assets previously held by such Purchased Entity or Subsidiary that are not related, directly or indirectly, to the Properties, the Underlying Properties or the Purchased Commercial Loans (including, without limitation, any deferred sale proceeds related to real properties or other assets owned by such Purchased Entities or Subsidiaries prior to the applicable Closing Date and that have not yet been paid to the applicable Purchased Entity or Subsidiary as of such applicable Closing Date), and (ii) any payments or proceeds received by an Equity Entity following the applicable Closing Date with respect to the recovery of amounts paid by the applicable Equity Entity on behalf of, or in satisfaction of obligations of, Tenants.

" Excluded Liabilities " means any Liabilities (a) of the Purchased Entities or Equity Entities not related, directly or indirectly, to the Properties or the Purchased Commercial Loans (Liabilities related to properties previously owned by a Purchased Entity or an Equity Entity but not a Property shall not for purposes of this clause (a) be deemed related to the Properties); (b) relating to the Purchased Commercial Loans relating to the period prior to the applicable Closing Date; (c) of the Seller Parties, or any of their respective directors, officers, employees, stockholders or agents, arising out of the terms and conditions of this Agreement or the Transactions, including any and all fees and expenses of any attorneys of the Seller Parties; (d) for which the Seller Parties have agreed to indemnify the Purchaser Parties or which the Seller Parties have agreed to retain or bear, in each case, as set forth in Exhibit B ; and (e) Pre-Closing Taxes.

" Exclusion Notice " has the meaning set forth in Section 2.4(a).

" Exercise Notice " has the meaning set forth in Section 6.2 .

" Existing Environmental Reports " shall have the meaning set forth in Section 3.12(a) .

" Existing Loan " means (i) the existing loans as of the date hereof encumbering the Properties set forth on Schedule 3.21 , and (ii) as of the applicable Closing Date, the Existing Loans, as modified by any refinancings in accordance with this Agreement.

" Existing Loan Documents " means all loan agreements, notes, mortgages, guarantees, indemnities and other loan documents evidencing the Existing Loans (together with any amendments, modifications or supplements thereto).

" Existing Loan Indemnification Obligations " shall have the meaning set forth in Section 5.20 .

" Existing Loan Release " shall have the meaning set forth in Section 5.20 .

" Existing Policy " or " Existing Policies " shall have the meaning set forth in Section 2.3(a) .

" Existing Survey " or " Existing Surveys " shall have the meaning set forth in Section 2.3(a) .

" Exit Rights " means the "buy/sell", "right of sale", "right of first refusal", "right of First offer" or similar mechanism contained in any Venture Agreement, by the terms of which any partner, member or manager may offer to purchase the interest of the other or require the sale of the Underlying Property or Underlying Properties owned by the Joint Venture.

" FATCA " shall have the meaning set forth in Section 3.9(e) .

" FIRPTA Certificate " shall have the meaning set forth in Schedule 9.2(c) .

" Fixed Rent " shall have the meaning set forth in Section 1.4(b)(i) .

" Franchise Agreement " has the meaning set forth in Section 3.15(a)(ix) .

" French Accession and Amendment Agreement " shall have the meaning set forth in Recital C .

" Fundamental Seller Representations " shall have the meaning set forth in Section 11.1 .

" Fundamental Purchaser Representations " shall have the meaning set forth in Section 11.1 .

" GAAP " means the United States of America generally accepted accounting principles as in effect from time to time, consistently applied.

" GE Names and GE Marks " means the names or marks of General Electric Company or any of its Affiliates, including "GE" (in block letters or otherwise), the GE monogram, "General Electric Company" and "General Electric" either alone or in combination with other words and all marks, trade dress, logos, monograms, domain names and other source identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words.

" GE Partner " means a Seller Entity that has an ownership interest in a Joint Venture.

" General Property Disclosures " shall have the meaning set forth in Section 5.13(b)

" Governmental Entity " shall have the meaning set forth in Section 3.3(b) .

" Ground Leased Properties " shall have the meaning set forth in Section 3.5(b) .

" Ground Leases " shall have the meaning set forth in Section 3.5(b) .

" Guarantor " means Blackstone Real Estate Partners VIII L.P., a Delaware limited partnership.

" Guarantee " means that certain guarantee to the Seller Parties pursuant to which the Guarantor is guaranteeing payment of the Termination Fee, if and when due and payable hereunder, and certain other amounts as provided therein.

" Hazardous Materials " means substances, wastes, radiation or materials (whether solids, liquids or gases) (i) which are hazardous, toxic, infectious, explosive, radioactive, carcinogenic, or mutagenic, (ii) which are listed, regulated or defined under any Environmental Law, and shall include "hazardous wastes," "hazardous substances," "hazardous materials," "pollutants," "contaminants," "toxic substances," "radioactive materials" or "solid wastes," (iii) the presence of which on property cause or threaten to cause a nuisance pursuant to applicable statutory or common law upon the property or to adjacent properties, or (iv) which contain without limitation polychlorinated biphenyls (PCBs), asbestos or asbestos-containing materials, lead-based paints, urea-formaldehyde foam insulation, or petroleum or petroleum products (including, crude oil or any fraction thereof).

" HMRC " means Her Majesty's Revenue and Customs.

" Hotel " has the meaning set forth in Section 3.15(a)(ix) .

" Hotel Agreements " has the meaning set forth in Section 3.15(a)(ix) .

" HSR Act " means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

" Hypothetical Sale " shall have meaning given to such term in Section 1.4(a)(iv)(A) .

" Improvements " means all of the buildings, structures, fixtures, facilities, installations and other improvements, of every kind and description now or hereafter located on the applicable land parcel, including any and all plumbing, air conditioning, heating, ventilating, mechanical, electrical and other utility systems, parking lots and facilities, landscaping, roadways, sidewalks, security devices, signs and light fixtures.

" Indebtedness " means, as to any Person, (a) all obligations of such Person for borrowed money (including reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers' acceptances, whether or not matured) but not including trade payables incurred in the ordinary course of business, (b) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments, (c) all obligations of such Person to pay the Unadjusted Asset Purchase Price Amount of property or services, except trade accounts payable and accrued commercial or trade liabilities arising in the ordinary course of business, (d) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency, (e) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (f) all obligations of such Person under leases which have been or should be, in accordance with GAAP, recorded as capital leases, (g) all indebtedness secured by any Lien on any property or asset owned or held by such Person, and (h) all guarantees by such Person of the Indebtedness of any other Person; provided that Indebtedness shall not include any amounts set forth on the Closing Statement and taken into account for the purposes of calculating any Unadjusted Asset Purchase Price Amount.

" Indemnified Party " shall have the meaning set forth in Section 11.5(a) .

" Indemnifying Party " shall have the meaning set forth in Section 11.5(a) .

" Initial Closing " shall have the meaning set forth in Section 9.1 .

" Initial Closing Statement " shall have the meaning set forth in Section 1.4(i)(ii) .

" Initial Debt Closing " shall have the meaning set forth in Section 9.1 .

" Initial Debt Closing Date " shall have the meaning set forth in Section 9.1(a) ,

" Initial Equity Closing " shall have the meaning set forth in Section 9.1 .

" Initial Equity Closing Date " shall have the meaning set forth in Section 9.1(b) ,

" Initial Transactions " shall have the meaning set forth in Section 9.1 .

" Interest " means the stock, equity interest, partnership interest, limited liability company membership interest, interests in French OPCI (*Organisme de Placement Collectif en Immobilier*), units in an Italian closed-end real estate fund (*fondo commune di investimento immobiliare chiuso*), and/or units in an open-ended fund under German capital investment law, in each case, held by any Seller Party in a Purchased Entity.

" Inspections " shall have the meaning set forth in Section 2.1(b) .

" Investment Lien " means any Lien pertaining to the sale, assignment, disposition or transfer of the Purchased Interests (including any consents or approvals of transfers, ROFRs, Exit Rights and similar rights) set forth in any Venture Agreement. For purposes of clarification, Investment Lien does not include any third-party Lien on Purchased Interests with respect to indebtedness incurred by a Seller Party, a GE Partner, an Operating Partner, a Joint Venture or a Subsidiary, regardless of whether or not such Lien arises out of or is based on any Venture Agreement.

" Irrevocable Offer " shall have the meaning set forth in Recital C .

" Joint Venture " means (i) each Purchased Entity that is not one hundred percent (100%) owned, directly or indirectly, by the Seller Parties, and (ii) each Person in which a Purchased Entity owns an interest, directly or indirectly, which is not one hundred percent (100%) directly or indirectly owned by such Purchased Entity.

" JV Reserve Items " has the meaning given to such term in Section 1.4(a)(iv)(B) .

" Knowledge of the Seller Parties " (or words of similar import) means the current, actual, conscious (and not constructive, imputed or implied) knowledge of the persons named on Schedule A-1 . No such person shall have any personal liability or obligation whatsoever with respect to any of the matters set forth in this Agreement and any other documents, agreements or instruments related thereto or any of the representations made by the Seller Parties being or becoming untrue, inaccurate or incomplete in any respect.

" Laws " shall have the meaning set forth in Section 3.3(a) .

" Leases " means all leases, subleases, tenancy and occupancy agreements with respect to any of the Properties, Underlying Properties or any portion thereof (other than a Ground Lease).

" Leasing and Brokerage Agreements " means agreement in effect on the date of this Agreement pursuant to which any brokerage commissions, tenant inducement costs, finder's fees or similar payments are or will be owed with respect to any Properties.

" Leasing Costs " means, with respect to any Lease, all capital costs, expenses for capital improvements, equipment, painting, decorating, portioning and other items to satisfy the initial construction obligations of the landlord under such lease (including expenses for any architectural or engineering services with respect to the foregoing), "tenant allowances" in lieu of or as a reimbursement for the foregoing items, payments made for the purposes of satisfying or terminating the obligations of the tenant under such lease to the landlord under another lease (buyout costs), relocation costs, temporary leasing costs, leasing commissions, brokerage commissions, legal, design and other professional fees and costs, free rent obligations, in each case to the extent the landlord under the Lease or other relevant agreement is responsible for such costs or expenses.

" Lender Title Policy " shall have the meaning set forth in Section 3.14(a) .

" Liabilities " means all debts, liabilities or obligations including all costs and expenses relating thereto.

" Licensed Marks " shall have the meaning set forth in Section 5.9(b) .

" Licenses and Permits " means, collectively, all licenses, registrations, franchises, permits, concessions, orders, approvals, certificates of occupancy, dedications, subdivision maps and entitlements now or hereafter issued, approved or granted by any Governmental Entity in connection with the Purchased Entities, the Properties or the Underlying Properties, together with all renewals and modifications thereof.

" Liens " means all liens, charges, claims, security interests, pledges, rights of first refusal, restrictions and other encumbrances.

" Litigation Notice " shall have the meaning set forth in Section 12.10(d) .

" Loan Files " means, with respect to a Purchased Commercial Loan, the Commercial Loan-Related Assets, loan payment history, and third party reports, title reports, surveys, ground leases, operating statements, borrower and guarantor financial statements, advance certificates, correspondence from or with borrowers, co-lenders, servicers, and agents under a Purchased Commercial Loan to the extent received from the agent with respect to such Purchased Commercial Loan and other documents of each Seller Party contained in the credit and transaction files.

" Loan Portfolio Information " means each of the following columns on the applicable Portfolio Tape with respect to each Purchased Commercial Loan: (a) the outstanding principal amount; (b) the current interest rate; (c) the name of the Obligor; (d) the initial maturity date; (e) the accrued and unpaid interest due; (f) the last payment amount received by the applicable Seller Party and the date of such payment; (g) any unfunded loan commitments; and (h) the balance under escrow, letters of credit, security deposits or such other reserves held by a Seller Party or its Affiliates on behalf of the Obligor.

" Loan Portfolio Percentage Premium " means, as of the applicable date of determination, (a) with respect to any Purchased Commercial Loan reflected on the Signing Portfolio Tape and designated as a Purchased Commercial Loan to be Transferred to a Blackstone Affiliate Purchaser Party as reflected on Schedule A-3 , the applicable percentage as of such date as reflected on Schedule A-3(a) to this Agreement; provided , however , that, notwithstanding the foregoing, if any Purchased Commercial Loan is Transferred to a Blackstone Affiliate

Purchaser Party after June 30th, 2015 due to any Transfer delay (other than the Purchaser Parties' election to defer pursuant to Section 7.1(b)), then, only with respect to Purchased Commercial Loans for which the Loan Portfolio Percentage Premium is greater than 100%, no Loan Portfolio Percentage Premium shall be payable, and (b) with respect to any Purchased Commercial Loan reflected on the Signing Portfolio Tape, and designated as a Purchased Commercial Loan to be Transferred to a Non-Blackstone Purchaser Party as reflected on Schedule A-3, the applicable percentage as of such date as reflected on Schedule A-3(a) to this Agreement.

"Losses" means all losses, damages, costs, expenses, Taxes, and liabilities actually suffered or incurred and paid (including reasonable attorneys' fees), but expressly (i) excluding any consequential, incidental, indirect, special or punitive damages of any Person (including loss of revenue, loss of income or profits, diminution of value or loss of business reputation or opportunity relating to a breach or an alleged breach and, in particular, no "multiple of profits", "multiple of operating income" or "multiple of cash flow" or similar valuation methodology shall be used in calculating the amount of any Losses), and (ii) including actual loss of revenue, actual loss of income or profits and actual realized diminution in value.

"Mandatory Removal Exceptions" shall have the meaning set forth in Section 2.3(g)(ii).

"Material Action" means any action which is (a) brought by an Operating Partner or any borrower, co-lender, administrative agent, counterparty to a Purchased Commercial Loan, or (b) affects any Property, excluding, with respect to this clause (b), any Action that is (i) covered by insurance or (ii) is not reasonably expected to result in Liabilities in excess of $1,000,000 individually or $15,000,000 when aggregated with all other Actions relating to the Properties, or (c) affects the Seller Parties' ability to consummate the Transactions

"Major Property Contract" shall have the meaning set forth in Section 3.15(a)(ii).

"Material Adverse Effect" shall have the meaning set forth in Section 9.4(c).

"Material Contracts" shall have the meaning set forth in Section 3.15(a).

"Material Lease" means any Lease that is both (i) ten percent (10%) of all base rents collected with respect to the applicable Property during the most recently ended calendar year, and (ii) a Lease demising more than 10,000 square feet of the rentable square footage of such Property.

"Material Loan Documents" means all material loan documents, including the loan agreements, notes, co-lender agreements, intercreditor agreements, mortgages/deeds of trust, participation agreements, guaranties, indemnities and swap/hedge agreements relating to the Purchased Commercial Loans, including any modifications, amendments, supplements or replacement thereto.

"Material Third Party Option" means a "buy/sell", "option to purchase", "right of first refusal", "right of First offer" or similar mechanism by the terms of which any Person may acquire Equity Assets representing more than twenty-five percent (25%) of the Unadjusted Asset Purchase Price Amounts of the Equity Assets or Purchased Commercial Loans representing more than twenty-five percent (25%) of Unadjusted Loan Purchase Prices of the Purchased Commercial Loans.

"Material Title Exceptions" shall have the meaning set forth in Section 2.3(c)(iii).

"New Survey" shall have the meaning set forth in Section 2.3(b).

" Non-Submitting Party " shall have the meaning set forth in Section 2.4(b)(ii) .

" Non-Transferable LOC " shall have the meaning set forth in Section 1.4(f) .

" Objection Date " shall have the meaning set forth in Section 2.3(c)(i) .

" Obligor " means, with respect to any Purchased Commercial Loan, the applicable borrower, mortgagor, grantor under a deed of trust, guarantor or indemnitor or other person who owes payments or provides security under such Purchased Commercial Loan.

" OFAC " shall have the meaning set forth in Section 3.22 .

" Operating Partner " means with respect to each Joint Venture, any Person other than an Affiliate of a Seller Entity that owns an ownership interest in such Joint Venture.

" Option " shall have the meaning set forth in Section 6.1(a) .

" Option Asset " means each of the Option Purchased Entities, Option Interests and Option Properties set forth on Schedule 3 hereto.

" Option Period " has the meaning set forth in Section 6.1(a) .

" Option Property " means a real property (other than an Option Underlying Property) described on Schedule 3 hereto.

" Option Purchased Entities " means each of the entities set forth on Schedule 3 hereto.

" Option Purchased Interests " means each of the Interests in each of the Option Purchased Entities described on Schedule 3 hereto.

" Option Underlying Property " means a real property owned by an Option Purchased Entity or any applicable Subsidiary or Joint Venture thereof.

" Order " means any order, writ, judgment, injunction, temporary restraining order, decree, stipulation, determination or award entered by or with any Governmental Entity.

" Organizational Documents " means, as to any Person, its (i) certificate or articles of incorporation, or similar corporate charter or other instruments of organization; (ii) articles of association, by-laws or other similar instruments; and (iii) shareholder agreements, limited partnership agreements, limited liability company agreements or operating agreements and other similar governing corporate documents.

" Origination Fees " all origination, commitment, underwriting or similar fees collected by or on behalf of a Seller Party or an Affiliate thereof.

" Outside Debt Date " shall have the meaning set forth in Section 10.1(c) .

" Outside Equity Date " shall have the meaning set forth in Section 10.1(c) .

" Party " or " Parties " shall have the meaning set forth in the Preamble.

" Percentage Rent " shall have the meaning set forth in Section 1.4(b)(ii) .

" Percentage Rent Period " shall have the meaning set forth in Section 1.4(b)(ii) .

" Permitted Encumbrances " shall have the meaning set forth in Section 2.3(e) .

" Person " means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

" Portfolio Tape " means, as applicable, any Adjusted Closing Date Portfolio Tape, any Closing Date CL Portfolio Tape or the Signing Portfolio Tape.

" Pre-Closing Refunds " shall have the meaning set forth in Section 1.4(b)(iv)(B) .

" Pre-Closing Tax Periods " shall have the meaning set forth in Section 5.6(c) .

" Pre-Closing Taxes " means: (i) any and all liability for Taxes that are allocated to the Seller Parties pursuant to this Agreement, including pursuant to Section 5.5 , (ii) any and all liability for Taxes of the Equity Entities or with respect to the Properties for any Pre-Closing Tax Periods and the portion of any Straddle Tax Period ending on the Closing Date, (iii) any and all liability for Taxes of any Person (other than Equity Entities) (A) as a result of Treasury Regulation Section 1.1502-6 or any analogous or similar state, local or foreign law or regulation or as a result of filing any consolidated, combined, unitary or aggregate Tax Return with such Person prior to the Closing Date, (B) as a transferee or successor by law, pursuant to contract entered into prior to the Closing Date, or any other relationship in existence as of the Closing, or (C) for which any Equity Entity has any secondary liability resulting from a breakup or exit from a tax group or tax consolidation or any other group relief and / or loss surrender arrangement of which it was a member prior to Closing, and (iv) all liability for reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Purchaser Parties or any of their Affiliates in connection with any action, suit, proceeding, demand, assessment or judgment incident to any of the matters as set forth in (i) – (iii). Notwithstanding any of the foregoing, any Taxes otherwise described in (i) through (iv) above shall not be "Pre-Closing Taxes" to the extent accounted or adjusted for in a proration, calculation or other adjustment under Section 1.4 .

" Pre-Emptive Right " means, in the case of any Property located in Europe, including France, Italy, Spain and Germany, any right of any Governmental Entity to receive an offer to purchase such Property.

" Present Fair Salable Value " shall have the meaning set forth in Section 4.7 .

" Properties " shall have the meaning set forth in Recital A .

" Property Condition Reports " shall have the meaning set forth in Section 5.13(a) .

" Property-Related Interests " means fee or freehold title to, or a leasehold interest in and to, a particular land parcel, together with all rights and privileges appurtenant thereto and all Improvements located thereon, and including, to the extent binding on, affecting or otherwise pertaining to such land parcel, all of the right, title, and interest in, to and under the following:

(a) all fixtures, furniture, equipment and other tangible personal property located on or used exclusively in connection with the applicable land parcel and not owned by the respective Tenants under Leases; the Leases (other than the Ground Leases related to such land parcel) and, subject to the terms of the Leases, the guarantees and other documents and agreements executed by a Tenant or guarantor related thereto;

(b) the Ground Leases related to the applicable land parcel;

(c) to the extent assignable or transferrable, all warranties, guaranties, other intangible rights, titles, interests, privileges and appurtenances of any Seller Party solely related to or used in connection with the ownership, use or operation of the applicable land parcel and the Improvements thereon;

(d) the Records and Plans related to the applicable land parcel and the Improvements thereon, provided that the Seller Parties at their sole cost and expense will have the right at any reasonable time upon reasonable prior notice to the Purchaser Parties to make copies of the Records and Plans that relate to the period prior to the Closing for a particular Property, to be used for reasonable purposes;

(e) to the extent transferable, the benefit of and right to enforce the covenants, warranties and indemnities, if any, that any Seller Party is entitled to enforce with respect to any item otherwise included within the definition of "Property";

(f) any transferable governmental licenses, permits, approvals and certificates that are in effect on the applicable Closing Date and are used in connection with the ownership, use or operation of the applicable land parcel and/or Improvements, and any renewals thereof, substitutions therefor or additions thereto;

(g) all alleys and easements appurtenant to the applicable land parcel, rights of ingress and egress thereto, and any strips and gores within or bounding the applicable land parcel;

(h) all development rights appurtenant to the applicable land parcel;

(i) the land lying in the bed of any street or highway in front of or adjoining the applicable land parcel to the center line thereof and to any unpaid award for any taking by condemnation or any damage to the applicable land parcel by reason of a change of grade of any street or highway; and

(j) to the extent transferable, all right, title and interest of any Seller Party in, to and under any performance bonds or other bonds and security provided to it by any contractor pursuant to any construction or other contracts relating to the applicable land parcel or the Improvements thereon.

" Property Removal Exception " shall have the meaning set forth in Section 2.3(g)(i) .

" Property Transfer Costs " means all title, transfer and closing costs and expenses associated with the Transactions including (i) costs related to the preparation of title commitments on all Properties, Underlying Properties and Commercial Loan Properties, (ii) premiums for extended owners title policies and customary endorsements, (iii) recording and/or registration fees, if any; and (iv) escrow fees; provided , that Property Transfer Costs shall not include the Seller Parties' attorney fees incurred in connection with the Transfer of the Purchased Interests, the Properties, and the Purchased Commercial Loans or any Transfer Taxes.

" Property Transfer Documents " means, as applicable:

(a) For each Property, a special warranty deed, transfer deed, grant deed, or equivalent deed under the law of the jurisdiction where the applicable Property is located warranting against the acts of the applicable Seller Party and no others, conveying the applicable Property to a Purchaser Party (and Transferring title thereto), subject only to Permitted Encumbrances, properly notarized if required by applicable Law;

(b) For each Property, if necessary to effect and an assignment of the Leases, two counterpart originals of an assignment and assumption of the applicable Leases in substantially the form attached hereto as Exhibit D executed by the applicable Seller Party and the applicable Purchaser Party, together with any security or other deposits being held by the applicable Seller Party under the Leases, provided to the extent that any security deposit is in the form of letter of credit, bond or other non-cash security, the Seller Parties shall use commercially reasonable efforts to cause the transfer of such security deposit (or have it re-issued in the name of the applicable Purchaser Party) as soon as reasonably practicable after Closing;

(c) A counterpart original of a memorandum of assignment and assumption for each Property for which a memorandum of lease is already recorded in the county records, in form mutually acceptable to the Parties;

(d) For each Property that is ground leased to a Seller Party, two counterpart originals of an assignment and assumption of the corresponding Ground Lease, in a form mutually acceptable to the Parties;

(e) A counterpart original of a memorandum of assignment and assumption for each Ground Lease for which a memorandum of lease is already recorded in the county records, in form acceptable to the Parties;

(f) For each Property, two counterpart originals of an assignment and assumption of the applicable Contracts (including all Material Contracts) related to such Property executed by the applicable Seller Party and the applicable Purchaser Party; and

(g) For each Property that is encumbered by an Existing Loan, an Existing Loan Release to the extent required by Section 5.20 .

" Proprietary Information " shall have the meaning set forth in Section 5.2(c) .

" Proration Items " shall have the meaning set forth in Section 1.4(a)(ii) .

" Prudent Financial Industry Standards " mean any of the practices, methods, standards, procedures and acts engaged in or approved by a significant portion of the financial services industry related to the Purchased Commercial Loans in the applicable jurisdiction during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the general accepted financial services practices in such jurisdiction and the facts known at the time the decision is made, would reasonably have been expected to accomplish the desired result in such jurisdiction in a manner consistent with sound financial practices, applicable Law and the relevant financial environment. " Prudent Financial Industry Standards " is not intended to be limited to the optimum practice, method or act in such jurisdiction to the exclusion of all others, but rather is intended to include practices, methods or acts that meet the foregoing qualifications in such jurisdiction.

" Purchased Commercial Loan " shall have the meaning set forth in Recital A .

" Purchased Commercial Loan Assignment and Assumption Agreement " shall have the meaning set forth in Schedule 9.2(c) .

" Purchased Entity " shall have the meaning set forth in Recital A .

" Purchased Interest Assignment and Assumption Agreement " shall have the meaning set forth in Schedule 9.2(c) .

" Purchased Interests " shall have the meaning set forth in Recital A .

" Purchaser Indemnified Parties " shall have the meaning set forth in Section 11.2 .

" Purchaser Material Adverse Effect " shall have the meaning set forth in Section 9.3(a) .

" Purchaser Party Designee " shall mean (i) any Affiliate of Blackstone Real Estate Advisors L.P. or The Blackstone Group L.P., (ii) Wells Fargo Bank, N.A., or (iii) any Affiliate of Wells Fargo Bank, N.A., including any of Wells Fargo Bank N.A.'s or its Affiliates' branches.

" Purchaser Parties " shall have the meaning set forth in the Preamble.

" Purchaser Parties' Knowledge " (or words of similar import) means the current, actual, conscious (and not constructive, imputed or implied) knowledge of the persons named on Schedule A-2 , after reasonable inquiry by such persons named on Schedule A-2 of other individuals that directly report to such persons named on Schedule A-2 (but solely to the extent that such persons named on Schedule A-2 reasonably believe in good faith that such other individuals that directly report to them have knowledge of the matter in question). No such person shall have any personal liability or obligation whatsoever with respect to any of the matters set forth in this Agreement and any other documents, agreements or instruments related thereto.

" Purchaser Related Parties " shall have the meaning set forth in Section 2.1(b) .

" Purchaser Representative " shall have the meaning set forth in Section 12.3(b) .

" Records and Plans " means, collectively: (a) all books and records, including, but not limited to, property operating statements, specifically relating to the Properties or Underlying Properties, and Tax Returns (other than Seller Parties' income Tax Returns); (b) all structural reviews, architectural drawings and environmental, engineering, soils, seismic, geologic and architectural reports, studies and certificates pertaining to the Properties, Underlying Properties or the Improvements; (c) all preliminary, final and proposed plans, specifications and drawings of the Improvements or the Properties or any portion thereof; and (d) with respect to the Properties and Underlying Properties, the blueprints, specifications, warranties, plats, maps, surveys, building and machinery diagrams, maintenance and production records, and environmental records and reports. The terms " Records and Plans " shall not include (i) any document or correspondence which would be subject to the attorney-client privilege; (ii) all books and records that comprise the Seller Parties' permanent accounting records or income Tax Returns and associated workpapers; (iii) any document or item which any Seller Party is contractually or otherwise bound to keep confidential; (iv) any documents pertaining to the marketing of an individual Property for sale to prospective

purchasers of such individual Property; (v) any internal memoranda, reports or assessments of any Seller Party or any of its Affiliates relating to Seller Parties' valuation of the Properties or Underlying Properties; and (vi) appraisals of the Properties or Underlying Properties whether prepared internally by a Seller Party or any of its Affiliates or externally.

" Reference Balance Sheet " shall have the meaning set forth in Section 3.4(e) .

" Reference Financial Statements " shall have the meaning set forth in Section 3.4(e) .

" Rent " shall have the meaning set forth in Section 1.4(b)(v) .

" Rent Roll " shall have the meaning set forth in Section 3.13 .

" Representatives " means the officers, directors, employees, accountants, consultants, legal counsel, financing sources, agents and other representatives of a Person.

" Requested Estoppels " shall have the meaning set forth in Section 5.18(a) .

" Required Filings " shall have the meaning set forth in Section 5.3 .

" Required Third Party Consents " shall have the meaning set forth in Section 5.2(g) .

" Resolution Period " shall have the meaning set forth in Section 1.4(i)(iii) .

" Restraints " shall have the meaning set forth in Section 9.2(b) .

" ROFR " means any right of any Person other than a Seller Party to purchase or be offered the opportunity to purchase any Property or any Purchased Interest as a condition to the sale, Transfer or other disposition of such Property or Purchased Interest by a Seller Party.

" ROFR Assets " shall have the meaning set forth in Section 7.3(c) .

" Security Deposits " shall have the meaning set forth in Section 1.4(f) .

" Security Liens " shall have the meaning set forth in Section 2.3(g)(i) .

" Seller " shall have the meaning set forth in the Preamble.

" Seller Designee " means any Affiliate of Seller designated by Seller as a "Seller Party" hereunder.

" Seller Entity " means a Seller Party or an Equity Entity.

" Seller Exit Right " means an Exit Right triggered by an Operating Partner pursuant to which a Seller Party or any GE Partner has the right to purchase or be offered the opportunity to purchase any Property, any Underlying Property or any Purchased Interest by a third party pursuant to any agreement, including "Venture Agreements, in effect as of the date hereof.

" Seller Financed Assets " shall have the meaning set forth in Section 9.3(d) .

" Seller Financing Agreements " shall have the meaning set forth in Section 5.21 .

" Seller Indemnified Parties " shall have the meaning set forth in Section 11.3 .

" Seller Parties " shall have the meaning set forth in the Preamble.

" Seller Persons " means the Seller Parties, their respective subsidiaries and Affiliates, and each direct or indirect principal, partner, member, manager, trustee, director, shareholder, controlling person, Affiliate, officer, attorney, employee, agent or broker of any of them, and any of their respective heirs, successors, personal representatives and assignees.

" Seller Representative " shall have the meaning set forth in Section 12.3(a) .

" Seller Resignations " shall have the meaning set forth in Section 5.14 .

" Seller VAT Group " means any group for the purposes of section 43 of the UK VAT Act which includes one or more UK Companies and one or more Seller Persons that are not UK Companies.

" Signing Portfolio Tape " shall have the meaning set forth in Section 3.8(a) .

" Solvent " shall have the meaning set forth in Section 4.7 .

" Specified Equity Asset " shall have the meaning set forth in Section 2.4(b)(i) .

" Straddle Tax Periods " shall have the meaning set forth in Section 5.6(d) .

" Subsidiary " means, with respect to any Person, any other Person of which the specified Person, directly or through one or more other Subsidiaries (a) owns a majority of the outstanding equity securities or securities carrying a majority of the voting power in the election of the board of directors or other governing body of such Person, (b) with respect to which entity such first Person is not otherwise prohibited contractually or by other legally binding authority from exercising control, and (c) holds the power to direct or cause the direction of the management and policies of such Person.

" Tax " or " Taxes " means any and all forms of taxation imposed by a Governmental Entity including all federal, state, local or foreign taxes whether levied by reference to or in connection with income, gross receipts, license, excise, severance, stamp duty, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, margins, profits, withholding, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or any other tax, custom duty or governmental fee, or other like assessment charge of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

" Tax Authority " means any Governmental Entity having jurisdiction over the assessment, determination, collection or other imposition of Taxes.

" Tax Impound Account " shall have the meaning set forth in Section 1.4(d)(iii) .

" Tax Return " or " Tax Returns " means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, required to be filed with a Tax Authority.

" Tenant Lien " shall have the meaning set forth in Section 2.3(e)(x) .

" Tenants " means all Persons occupying or entitled to possession or use of any portion of any Property pursuant to a Lease.

" Termination Fee " shall mean (i) during the period from the date hereof through the date on which both the Initial Debt Closing and the Initial Equity Closing have both occurred, an amount in cash equal to $1,500,000,000, and (ii) during the period from and after the occurrence of the last to occur of the Initial Debt Closing and the Initial Equity Closing, an amount in cash equal to the lesser of (x) 15% of the then aggregate Unadjusted Asset Purchase Price Amounts and Unadjusted Loan Purchase Prices for all remaining Deferred Assets that have not been Transferred to the Purchaser Parties at a prior Closing, and (y) $1,500,000,000.

" Texas Franchise Taxes " shall have the meaning set forth in Section 1.4(a)(iv)(C) .

" Third Party Claim " shall have the meaning set forth in Section 11.5(b) .

" Title Commitments " shall have the meaning set forth in Section 2.3(b) .

" Title Company " shall have the meaning set forth in Section 2.3(b) .

" Title Objection " shall have the meaning set forth in Section 2.3(c) .

" Title Policies " shall have the meaning set forth in Section 2.3(d) .

" Transactions " means the sale and purchase of the Purchased Interests, the Properties, the Underlying Properties, the Purchased Commercial Loans, the assumption of the Assumed Liabilities and the performance of the related covenants and agreements contemplated by this Agreement.

" Transfer " means to sell, transfer, convey and assign and deliver or cause to be sold, transferred, conveyed assigned and delivered.

" Transfer Taxes " shall not include UK VAT, Polish VAT, Italian VAT, and Spanish VAT, but shall otherwise mean any real property or other transfer, sales, use, goods and services, harmonized sales, value added, or stamp Taxes, fees, or duties, or any recording, registration or similar Taxes, fees or duties (together with any interest, penalty, or addition thereto).

" Transferred Properties " shall have the meaning set forth in Recital A .

" Transition Services Agreement " shall have the meaning set forth in Section 5.17 .

" Triggering Event " shall have the meaning set forth in Section 5.28(a) .

" UK Company " means any company incorporated in the United Kingdom which will as a result of the performance of this Agreement become an Affiliate of Purchaser.

" UK Purchased Commercial Loan " means a Purchased Commercial Loan in respect of which the related Commercial Loan Property is located in the United Kingdom of Great Britain and Northern Ireland.

" UK VAT " means value added tax as charged in accordance with the UK VAT Act.

" UK VAT Act " means the UK's Value Added Tax Act 1994.

" Unadjusted Asset Purchase Price Amount " means, with respect to any Purchased Interest, Underlying Property, Transferred Property, the portion of the Unadjusted Purchase Price set forth on Schedule 1 or Schedule 2 hereto, as applicable, opposite the name of such Purchased Interests, Underlying Property or Transferred Property.

" Unadjusted Loan Purchase Price " means (i) with respect to the applicable Purchased Commercial Loans, other than Designated Backlog Assets, the product of (a) the Unpaid Principal Balance as reflected on the Signing Portfolio Tape, and (b) the Loan Portfolio Percentage Premium, and (ii) with respect to Designated Backlog Assets, the Unadjusted Loan Purchase Price agreed to in writing by the Seller Parties and the Purchaser Parties for each such Designated Backlog Asset.

" Unadjusted Purchase Price " shall have the meaning set forth in Section 1.2(a) .

" Underlying Commercial Loan " means each of the Commercial Loans owned by an Equity Entity.

" Underlying Property " means a real property owned by an Equity Entity.

" Unpaid Principal Balance " means, with respect to any Purchased Commercial Loan, the unpaid principal balance of such Purchased Commercial Loan, as reflected on the Signing Portfolio Tape or the applicable Closing Date CL Portfolio Tape.

" US Purchased Commercial Loan " means a Purchased Commercial Loan in respect of which the related Obligor or Commercial Loan Property is domiciled or located in the United States.

" Venture Agreement " means the Organizational Documents for a Joint Venture.

" Venture Buy-Sell " shall have the meaning set forth in Section 7.2(c)(ii) .

" Wells Designee Outside Date " shall have the meaning set forth in Section 9.1(a) .

" Wells Initial Closing Date " shall have the meaning set forth in Section 9.1(a) .

" Wells Designees " shall have the meaning set forth in Section 12.15 .

" Wholly-Owned Purchased Entity " means any Purchased Entity that is not a Joint Venture.

Schedule II

BXMT Allocated Loans

(See attached)

Exhibit 10.2

THIRD AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT

by and among

PARLEX 5 KEN FINCO, LLC
("U.S. Seller")

PARLEX 5 KEN UK FINCO, LLC
("U.K. Seller")

PARLEX 5 KEN CAD FINCO, LLC

PARLEX 5 KEN ONT FINCO, LLC
("Canadian Sellers")

PARLEX 5 KEN EUR FINCO, LLC
("German Seller")

and

WELLS FARGO BANK, NATIONAL ASSOCIATION , a national banking association
("Buyer")

June 30, 2015

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THIS THIRD AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT , dated as of June 30, 2015 (this " Agreement "), is made by and among **PARLEX 5 KEN FINCO, LLC** , a Delaware limited liability company (" U.S. Seller "), **PARLEX 5 KEN UK FINCO, LLC** , a Delaware limited liability company (" U.K. Seller "), **PARLEX 5 KEN CAD FINCO, LLC** , a Delaware limited liability company (" CAD Seller ") and **PARLEX 5 KEN ONT FINCO, LLC** , a Delaware limited liability company (" ONT Seller " and together with CAD Seller, " Canadian Sellers ") and **PARLEX 5 KEN EUR FINCO, LLC** , a Delaware limited liability company (" German Seller ") (each a " Seller " with respect to the Eligible Assets that it sells to Buyer under this Agreement, and together, the " Sellers "), and **WELLS FARGO BANK, NATIONAL ASSOCIATION** , a national banking association (" Buyer ").

WHEREAS, Sellers and Buyer entered into that certain Master Repurchase and Securities Contract, dated as of May 20, 2015 (as amended by that certain Amendment No. 1 to Master Repurchase and Securities Contract, dated as of May 28, 2015, the " Original Repurchase Agreement ").

WHEREAS, Sellers and Buyer amended and restated the Original Repurchase Agreement pursuant to that certain Amended and Restated Master Repurchase and Securities Contract, dated as of June 4, 2015 (as amended by that certain Amendment No. 1 to Amended and Restated Master Repurchase and Securities Contract, dated as of June 11, 2015, and as further amended and restated pursuant to that certain Second Amended and Restated Master Repurchase and Securities Contract, dated as of June 23, 2015, the " Second Amended and Restated Repurchase Agreement ").

WHEREAS, Sellers and Buyer desire to amend and restate the Second Amended and Restated Repurchase Agreement to allow Sellers and Buyer to enter into certain additional Transactions on the Third Amendment and Restatement Date (as defined below) and any subsequent Purchase Date.

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

ARTICLE 1

APPLICABILITY

Section 1.01 Applicability . Subject to the terms and conditions of the Repurchase Documents, at the request of the Sellers, the Parties have entered into the Transactions as of the applicable Purchase Date in which the respective Sellers have agreed to sell, transfer and assign to Buyer the Assets identified on the Asset Schedule and all related rights in, and interests related to, such Assets on a servicing released basis, against the transfer of funds by Buyer representing the Purchase Price for such Assets, with a simultaneous agreement by Buyer to transfer such Assets to the related Seller for subsequent repurchase on the related Repurchase Date, which date shall not be later than the Maturity Date, against the transfer of funds by the related Seller representing the Repurchase Price for such Assets.

ARTICLE 2

DEFINITIONS AND INTERPRETATION

Section 2.01 Definitions .

" Accelerated Repurchase Date ": Defined in Section 10.02 .

" Account Security Agreement ": An agreement creating security over a bank account maintained by a U.K. Obligor.

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

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

" Agent Notice ": A notice substantially in the form appended as Schedule 3 to the U.K. Security Agreement or in such other form acceptable to Buyer in its discretion and sent by the UK Seller or the German Seller (as applicable) to the Facility Agent and Security Agent of each U.K. Mortgage Loan on the relevant Purchase Date for such Purchased Asset, directing the remittance of all Income with respect to such Purchased Asset directly to the related Waterfall Account.

" Aggregate U.S. Dollar Purchase Price ": As of any date, the aggregate Purchase Prices of all Purchased Assets as of such date to the extent denominated in U.S. Dollars plus the aggregate Purchase Prices of all Purchased Assets not denominated in U.S. Dollars, converted by Buyer into U.S. Dollars at the applicable Spot Rate determined as of the Purchase Date and stated on the applicable Confirmation.

" Agreement ": This Third Amended and Restated Master Repurchase and Securities Contract, dated as of June 30, 2015 by and among Buyer and Sellers, and as same may be amended, restated, supplemented or otherwise modified and in effect from time to time.

" Allocated Sequential Repayment Component ": With respect to each Purchased Asset, the portion of the Purchase Price for such Purchased Asset equal to the amount determined in U.S. Dollars set forth in the column titled "Allocated Sequential Repayment Component" in the Asset Schedule, as such amount declines over the term of this Agreement as Principal Payments are applied with respect to such Purchased Asset to reduce each Allocated Sequential Repayment Component in accordance with Article 5 .

" Alternative Rate ": A per annum rate based on an index approximating the behavior of the applicable Index Rate, as determined by Buyer.

" Amendment and Restatement Date ": June 4, 2015.

" Anti-Terrorism Laws ": Any Requirements of Law relating to money laundering or terrorism, including, without limitation, Executive Order 13224 signed into law on

September 23, 2001, the regulations promulgated by the Office of Foreign Assets Control of the Treasury Department, and the PATRIOT Act, the Canadian Anti-Money Laundering & Anti-Terrorism Legislation and similar laws of other applicable jurisdictions.

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

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

" Appraisal ": An appraisal of the related Mortgaged Property (other than, solely in the case of a Security, collateral that does not consist of real property) conducted by an Independent Appraiser in accordance with the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and the Interagency Appraisal and Evaluation Guidelines, as amended, and, in addition, (A) with respect to U.S. Purchased Assets, is certified by such Independent Appraiser as having been prepared in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation; (B) with respect to U.K. Purchased Assets, is a RICS-compliant appraisal of the related Mortgaged Property, and (C) with respect to any Canadian Purchased Assets, is conducted by an Independent Appraiser with a Membership, Appraisal Institute (MAI) designation awarded by the Appraisal Institute of Canada and conducted in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada, in each case, addressed to (either directly or pursuant to a reliance letter in favor of Buyer) and reasonably satisfactory to Buyer.

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

" Asset ": Each of the Securities and the real-estate loan interests listed on the Asset Schedule.

" Asset Due Diligence Report ": With respect to each Asset, a summary of the terms of such Asset prepared by outside counsel to Seller and reliance letters from such outside counsel as provided to the Buyer prior to the applicable Purchase Date, and, in each case, upon which Buyer is expressly entitled to rely.

" Asset Purchase Documents ": Collectively, the Purchase and Sale Agreement and all bills of sale, assignments and assumptions of liabilities, and other documents and instruments delivered pursuant to the Purchase and Sale Agreement.

" Asset Schedule ": Schedule 1 to the Fee Letter.

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

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

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

" Business Day ": Any day other than (a) a Saturday or a Sunday, (b) a day on which banks in the States of New York, California, Maryland, Minnesota or North Carolina, in any province of Canada, or in London, Jersey or any federal State of Germany are authorized or obligated by law or executive order to be closed, (c) any day on which the New York Stock Exchange, the Federal Reserve Bank of New York or the Custodian is authorized or obligated by law or executive order to be closed, or (d) if the term "Business Day" is used in connection with the determination of an Index Rate, a day dealings in the applicable Currency are not carried on in the relevant London, European or Canadian interbank market.

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

" Buyer's Allocated Scheduled Future Funding Amounts ": For any Purchased Asset at any time, the amount in the applicable Currency set forth in the column with that caption for such Purchased Asset in the Asset Schedule at such time.

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

" Canadian Anti-Money Laundering & Anti-Terrorism Legislation " means the *Criminal Code* , R.S.C. 1985, c. C-46, *The Proceeds of Crime (Money Laundering) and Terrorist Financing Act* , S.C. 2000, c. 17 and the *United Nations Act* , R.S.C. 1985, c.U-2 or any similar Canadian legislation, together with all rules, regulations and interpretations thereunder or related thereto including, without limitation, the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism and the United Nations Al-Qaida and Taliban Regulations promulgated under the United Nations Act.

" Canadian Dollars " and " C$ ": The lawful currency of Canada.

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

" Canadian Purchased Asset ": Any Purchased Asset with respect to which the Mortgaged Property is located exclusively in Canada.

" Canadian Sellers ": The meaning specified in the preamble of this Agreement.

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

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

" Cash Sweep Period ": The period commencing on the first date on which the Aggregate U.S. Dollar Purchase Price is less than ten percent (10%) of the U.S. Dollar Closing Date Maximum Amount and ending on the Maturity Date.

" CDOR ": The rate of interest per annum determined by Buyer on the basis of the rate for Canadian Dollar deposits for delivery on the first (1st) day of each Pricing Period, for a period approximately equal to such Pricing Period, which is the average of the bid rates (expressed as an annual percentage rate) equal to the average for Canadian Dollar bankers' acceptances having a term equal to such Pricing Period which appears on the Bloomberg Terminal CDOR Page as of 10:00 a.m. (Toronto time) on such day (rounded to the nearest one-hundred-thousandth of one percent, with 0.000005 percent being rounded up); provided that if such rate does not appear on the Bloomberg Terminal CDOR Page on such day, the rate for such Pricing Period will be the average of the bid rates (expressed and rounded as set out above) for Canadian Dollar bankers' acceptances having a term equal to such Pricing Period as quoted by such banks named in Schedule I to the Bank Act (Canada) as may quote such a rate as of 10:00 a.m. (Toronto time) on such day. If the calculation of CDOR results in a CDOR rate of less than zero (0), CDOR shall be deemed to be zero (0) for all purposes of this Agreement.

" CFTC ": The U.S. Commodity Futures Trading Commission.

" CFTC Regulations ": The rules, regulations, orders and interpretations published or issued by the CFTC, as amended.

" Change of Control ": Means (a) any consummation of a merger, amalgamation, or consolidation of Guarantor with or into another entity or any other reorganization occurs and more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's stock or other ownership interest in such entity outstanding immediately after such merger, amalgamation, consolidation or such other reorganization is not owned directly or indirectly by Persons who were stockholders or holders of such other ownership interests in Guarantor immediately prior to such merger, amalgamation, consolidation or other reorganization; (b) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a percentage of the total voting power of all Capital Stock of Guarantor entitled to vote generally in the election of directors, members or partners of twenty percent (20%) or more other than wholly-owned Affiliates of Guarantor and related funds of The Blackstone Group L.P., or to the extent such interests are obtained through a public market offering or secondary market trading; (c) Guarantor shall cease to own and Control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding Capital Stock of each Pledgor; (d) any Pledgor shall cease to own and Control, of

record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding Capital Stock of the related Seller; or (e) any transfer of all or substantially all of Guarantor's assets (other than any securitization transaction or any repurchase or other similar transactions in the ordinary course of Guarantor's business). Notwithstanding the foregoing, neither Buyer nor any other Person shall be deemed to approve or to have approved any internalization of management as a result of this definition or any other provision herein.

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

" Cleared Swap ": Any Interest Rate Protection Agreement that is cleared by a DCO.

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

" Closing Date ": May 20, 2015.

" Code ": The Internal Revenue Code of 1986.

" Commodity Exchange Act ": The Commodity Exchange Act, as amended.

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

" Component ": As defined in the definition of "Purchase Price."

" Confirmation ": A purchase confirmation in the form of Exhibit B , duly completed, executed and delivered by the related Seller and Buyer in accordance with Section 3.01 .

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

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

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

" Controlled Account Agreements ": With respect to each Waterfall Account, a deposit account control agreement with respect to such Waterfall Account, dated as of May 20, 2015, among the Buyer, Waterfall Account Bank and applicable Seller (collectively, the " Controlled Account Agreements ").

" Currency ": U.S. Dollars, Canadian Dollars, Pounds Sterling or Euros, as applicable.

" Custodial Agreement ": The Second Amended and Restated Custodial Agreement, dated as of June 23, 2015, among Buyer, Sellers and Custodian, and as same may be amended, restated, supplemented or otherwise modified and in effect from time to time.

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

" DCO ": A "derivatives clearing organization," as such term is defined in Section 1a(15) of the Commodity Exchange Act and the CFTC Regulations.

" Debenture ": An English law-governed security agreement pursuant to which a Mortgagor that (a) owns a Mortgaged Property located in England and Wales and/or (b) is incorporated or established in England and Wales, creates security over such Mortgagor's entire assets and undertaking (including any such Mortgaged Property) with respect to a U.K. Purchased Asset.

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

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

" Defaulted Asset ": Any Asset, Purchased Asset or Mortgage Loan, as applicable, (a) that is thirty (30) or more days (or, in the case of payments due at maturity, one (1) day) delinquent in the payment of principal, interest, fees, distributions or any other amounts payable under the related Mortgage Loan Documents, in each case, without regard to any waivers or modifications of, or amendments to, the related Mortgage Loan Documents, other than those that were disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset, unless consented to by Buyer in accordance with the terms of this Agreement, (b) for which there is a material non-monetary default under the related Mortgage Loan Documents beyond any applicable notice or cure period in each case, without regard to any waivers or modifications of, or amendments to, the related Mortgage Loan Documents, other than those that were disclosed in writing to Buyer prior to the Purchase Date of the related Purchased Asset, (c) with respect to which an Insolvency Event has occurred with respect to the Underlying Obligor, or (d) for which Seller or a Servicer has received notice of the foreclosure or proposed foreclosure of, or notice of intention to enforce, any Lien on the related Mortgaged Property; provided that with respect to any Senior Interest or Security, in addition to the foregoing such Senior Interest or Security, as applicable, will also be considered a Defaulted Asset to the extent that the related Mortgage Loan would be considered a Defaulted Asset as described in this definition; provided , further , in each case, without regard to any waivers or modifications of, or amendments to, the related Mortgage Loan Documents.

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

" Diligence Materials ": Any of the following items relating to a Purchased Asset, in each case, to the extent in Sellers' or Guarantor's possession or control: (a) copies or originals of all existing title policies, existing surveys and European title documentation relating to such Purchased Asset; (b) copies or originals of all material contracts; (c) copies or originals of all the material leases, together with any addenda, amendments and letters of credit relating thereto; (d) copies or originals of all ground leases, emphyteutic lease or other similar lease; (e) the loan files for each Purchased Asset, (f) the Asset Due Diligence Reports, (g) any other materials included as Diligence Materials as defined in the Purchase and Sale Agreement, (h) with respect to a Security, the Security Information, and (i) such other materials requested by, and delivered to, Buyer.

" Due Amount ": Defined in Section 5.05 .

" Due Currency ": Defined in Section 5.05 .

" Early Repurchase Date ": For any Purchased Asset, the date on which such Purchased Asset is required to be repurchased by a Seller in accordance with Section 3.04 .

" Eligible Asset ": An Asset:

(a) that is secured by a perfected, first priority security interest or hypothec in a Mortgaged Property;

(b) with respect to which, other than a "right of first refusal" in favor of the related Underlying Obligor pursuant to the related Mortgage Loan Documents, no third party holds any "right of first refusal", "right of first negotiation", "right of first offer", purchase option, or other similar rights of any kind, and no other material impediment exists to any transfer of such Asset by the applicable Seller to Buyer or to the exercise of rights or remedies pursuant to the related Mortgage Loan Documents; and

(c) with respect to which, no Seller or Affiliate of Seller holds any preferred Equity Interest in any related Underlying Obligor, and neither any Seller nor any Affiliate of any Seller has any obligation to make any capital contributions to any Underlying Obligor; and

(d) whose Underlying Obligors are not Sanctioned Entities;

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

" Eligible Assignee ": Any of the following Persons designated by Buyer for purposes of Section 18.08(c) : (a) a bank, financial institution, pension fund, insurance company or similar Person regularly engaged in the business of originating, lending against, or owning commercial real estate loans similar to the Purchased Assets, an Affiliate of any of the foregoing, and an Affiliate of Buyer, and (b) any other Person to which the Sellers have consented; provided , that such consent of Sellers shall not (except in connection with Prohibited Transferees) be unreasonably withheld, delayed or conditioned, and consent of Sellers to any assignment pursuant to Section 18.08(c) (including an assignment to a Prohibited Transferee) shall not be required at any time that a monetary Default, a material non-monetary Default or any Event of Default has occurred and is continuing; provided that, unless any Event of Default has occurred and is continuing, in the case of an assignment that involves a U.K. Purchased Asset, the related assignee would not (even assuming it were to become the beneficial owner of the interest in respect of the relevant U.K. Purchased Asset for English Law purposes) cause any Underlying Obligor in respect of a U.K. Purchased Asset to be subject to withholding taxes in the United Kingdom; and provided further , that, unless any Event of Default has occurred and is continuing, in the case of assignment that involves a U.K. Purchased Asset denominated in Euros the related assignee is entitled to the benefits of a double taxation agreement with Germany which makes provision or full exemption from tax imposed by German on interest.

" Environmental Laws ": Any federal, state, provincial, territorial, foreign or local statute, law, rule, regulation, by-law, ordinance, code, guideline and rule of common law now or hereafter in effect, and any judicial or interpretation thereof, including any judicial or administrative order, decision, consent decree or judgment, relating to the environment, human health, safety or hazardous materials, pollution, the conditions of the workplace, or the generation, handling, storage, use, release or spillage of any substance that, alone or in combination with any other, is capable of causing harm or an adverse effect to the environment, including, without limitation, any waste, including CERCLA, RCRA, the Federal Water Pollution Control Act, the Toxic Substances Control Act, the Clean Air Act, the Safe Drinking Water Act, the Oil Pollution Act of 1990, the Emergency Planning and the Community Right-to-Know Act of 1986, the Hazardous Material Transportation Act, the Occupational Safety and Health Act, the Canadian Environmental Protection Act, 1999, the Ontario Environmental Protection Act , the Ontario Safe Drinking Water Act, 2002, , the Ontario Clean Water Act, the Ontario Water Resources Act, the Ontario Occupational Safety and Health Act, and any federal, state, provincial, local or foreign counterparts or equivalents.

" Equity Interests ": With respect to any Person, (a) any share, interest, participation and other equivalent (however denominated) of Capital Stock of (or other ownership, equity or profit interests in) such Person, (b) any warrant, option or other right for the

purchase or other acquisition from such Person of any of the foregoing, (c) any security convertible into or exchangeable for any of the foregoing, and (d) any other ownership or profit interest in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized but unissued on any date.

" Equity Security Agreement ": Each agreement creating security over the shares, partnership interests or other equity participation of a U.K. Obligor.

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

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

" EURIBOR " means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) (a) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate), as of 11:00 a.m. Central European Time and for a period equal in length to the applicable Pricing Period or (b) on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, Buyer may specify another page or service displaying the relevant rate in Buyer's sole discretion. If the calculation of EURIBOR results in a EURIBOR rate of less than zero (0), EURIBOR shall be deemed to be zero (0) for all purposes of this Agreement.

" Euros " and "€": The lawful currency of the member states of the European Union that have adopted and retain the single currency in accordance with the Treaty establishing the European Community, as amended from time to time; provided that if any member state or states ceases to have such single currency as its lawful currency (such member state(s) being the " Exiting State(s) "), the euro shall, for the avoidance of doubt, mean for all purposes the single currency adopted and retained as the lawful currency of the remaining member states and shall not include any successor currency introduced by the Exiting State(s).

" Event of Default ": Defined in Section 10.01 .

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

" Excluded Taxes ": Any of the following Taxes imposed on or with respect to Buyer or required to be withheld or deducted from a payment to Buyer:

(a) Taxes imposed on or measured by net income or net worth (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of Buyer being organized under the laws of, or having its principal office or the office from which it books the Transactions located in, the jurisdiction imposing such Taxes (or any political subdivision thereof) or (ii) that are Other Connection Taxes,

(b) U.S. federal withholding Taxes imposed on amounts payable to or for the account of Buyer or an Eligible Assignee with respect to an interest in the Repurchase Obligations pursuant to a law in effect on the date on which such Party (i) acquires such interest in the Repurchase Obligations or (ii) changes the office from which it books the Transactions, except in each case to the extent that, pursuant to Section 12.06 , amounts with respect to such Taxes were payable either to such Party's assignor immediately before such Party became a Party hereto or to such Party immediately before it changed the office from which it books the Transactions,

(c) Taxes attributable to Buyer's failure to comply with Section 12.06(e) , 18.08(e) and 18.08(f) ,

(d) any U.S. federal withholding Taxes imposed under FATCA,

(e) in the case of an assignment which involves a U.K. Purchased Asset, any withholding or deduction for or on account of United Kingdom income tax required by law from a payment made to an Eligible Assignee under the Repurchase Documents where such Eligible Assignee is not either:

(i) entitled to the benefits of a double taxation agreement with the U.K. which makes provision for full exemption from tax imposed by the U.K. on interest; or

(ii) a company resident in the U.K. for U.K. tax purposes; or

(iii) a company which is not resident in the U.K. for tax purposes but which carries on a trade in the U.K. through a permanent establishment located in the U.K. to which its participation in the transaction consummated by the Repurchase Documents is attributed; and

(f) in the case of an assignment which involves a U.K. Purchased Asset denominated in Euros, any withholding or deduction for or on account of German income tax required by law from the German tax authorities from a payment made to an Eligible Assignees under the Repurchase Documents where such Eligible Assignee is not either:

(i) entitled to the benefits of a double taxation treaty with Germany which makes provision for full exemption from tax imposed by Germany on interest; or

(ii) resident in Germany for German tax purposes; or

(iii) not resident in Germany but which has a permanent establishment located in Germany to which its participation in the transaction consummated by the Repurchase Documents is attributed; or

(iv) otherwise entitled to receive such payment without any withholding or deduction at the time when the Eligible Assignee becomes a Party hereto.

" Extension Condition ": Defined in Section 3.12 .

" Extension Period ": Defined in Section 3.12 .

" Facility Agent ": With respect to a U.K. Mortgage Loan, an agent or facility agent appointed by the lenders under such U.K. Mortgage Loan to act as agent under the relevant loan agreement on their behalf.

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

" FCM ": A futures commission merchant subject to regulation under the Commodity Exchange Act.

" FCA Regulations ": Defined in Section 14.01 .

" FDIA ": Defined in Section 14.03 .

" FDICIA ": Defined in Section 14.04 .

" Fee Letter ": The Third Amended and Restated Fee and Pricing Letter, dated as of June 30, 2015, between Buyer and Sellers, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

" First Amendment Effective Date ": May 28, 2015.

" Fitch ": Fitch Ratings, Inc. or, if Fitch, Inc. is no longer issuing ratings, another nationally recognized rating agency reasonably acceptable to Buyer.

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

" Future Funding Amount ": With respect to any Purchased Asset, an amount in the scheduled Currency, which shall not exceed the amount in such Currency, if any, set forth on the column titled "Buyer's Allocated Scheduled Future Funding Amount" and the corresponding row for such Purchased Asset in the table set forth in the Asset Schedule.

" Future Funding Date ": With respect to any Purchased Asset for which a Future Funding Transaction has been requested by the related Seller and for which the conditions set forth in Section 3.11 of this Agreement are satisfied, the date on which Buyer funds the Future Funding Amount relating to such Purchased Asset.

" Future Funding Review Package ": With respect to one or more Future Funding Transactions, the following, to the extent applicable and available, unless any such items were previously delivered to Buyer and have not been modified since the date of each such delivery: (a) the related request for advance, executed by the related Underlying Obligor (which shall include evidence of the related Seller's approval of the related Future Funding Transaction), and any other documents that require such Seller to fund; (b) the related affidavit executed by the related Underlying Obligor and any other related documents; (c) the executed escrow agreement, if funding through escrow; (d) copies of all relevant trade contracts; (e) the title policy endorsement for the advance; (f) copies of any tenant leases to which the advance specifically relates; (g) copies of any service contracts to which the advance specifically relates; (h) updated financial statements, operating statements and rent rolls; (i) evidence of required insurance; (j) updates to the engineering report, if required pursuant to the related Mortgage Loan Documents; (k) the Utilization Request; and (l) copies of any additional documentation as required in connection therewith pursuant to the related Mortgage Loan Documents or as otherwise requested by Buyer.

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

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

" German Seller ": The meaning specified in the preamble of this Agreement.

" GECC ": General Electric Capital Corporation, together with each Affiliate thereof which is a "Seller Party" to the Purchase and Sale Agreement.

" GECC Indemnity ": Means the indemnity provided by GECC pursuant to Section 11.2 of the Purchase and Sale Agreement and subject to the limitations in Section 11.6 of the Purchase and Sale Agreement.

" GECC Representation ": Means each of the representations and warranties made by GECC in Section 3.14 of the Purchase and Sale Agreement to the extent any such representation or warranty pertains to a Purchased Asset.

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

" Governmental Authority ": Any (a) nation or government, (b) state, provincial, territorial, local or other political subdivision thereof, (c) central bank or similar monetary or regulatory authority, (d) Person, agency, authority, instrumentality, court, regulatory body, central bank or other body or entity exercising executive, legislative, judicial, taxing, quasi–judicial, quasi–legislative, regulatory or administrative functions or powers of or pertaining to government, (e) court or arbitrator having jurisdiction over such Person, its Affiliates or its assets or properties, (f) stock exchange on which shares of stock of such Person are listed or admitted for trading, (g) accounting board or authority that is responsible for the establishment or

interpretation of national or international accounting principles, in each case, whether foreign or domestic, and (h) supra-national body such as the European Union or the European Central Bank.

" Ground Lease ": A ground lease, emphyteutic lease or other similar lease containing the following terms and conditions: (a) a remaining term (exclusive of any unexercised extension options) of thirty (30) years or more from the Purchase Date of the related Asset, (b) the right of the lessee to mortgage and encumber its interest in the leased property without the consent of the lessor or with such consent given, (c) the obligation of the lessor to give the holder of any mortgage lien on such leased property written notice of any defaults on the part of the lessee and agreement of such lessor that such lease will not be terminated until such holder has had a reasonable opportunity to cure or complete foreclosures, and fails to do so, (d) reasonable transferability of the lessee's interest under such lease, including ability to sublease, and (e) such other rights customarily required by mortgagees making a loan secured by the interest of the holder of the leasehold estate demised pursuant to a ground lease, emphyteutic lease or other similar lease.

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

" Guarantee Agreement ": The Amended and Restated Guarantee Agreement dated as of June 30, 2015, made by Guarantor in favor of Buyer.

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

" Guarantor ": Blackstone Mortgage Trust, Inc., a Maryland corporation.

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

" Hedge Counterparty ": Either (a) an Affiliated Hedge Counterparty, or (b) or any other counterparty, approved by Buyer, to any Interest Rate Protection Agreement with Seller; provided that, if an Affiliated Hedge Counterparty is not the Hedge Counterparty, then, in the event there is any downgrade, withdrawal or qualification of the long-term unsecured debt rating of the Hedge Counterparty below "A+" by S&P or below "A1" by Moody's (except that, notwithstanding this proviso, each of Sumitomo Mitsui Banking Corporation (" SMBC ") and Sumitomo Mitsui Banking Corporation Capital Markets (" SMBCCM ") shall be an acceptable Hedge Counterparty so long as, in the case of SMBC, SMBC's long-term unsecured debt rating is at least A+ by S&P and at least A1 by Moody's, and, in the case of SMBCCM, SMBBCCM's long-term unsecured debt rating is at least A1 by Moody's), Sellers shall replace the Interest Rate Protection Agreement with a new Interest Rate Protection Agreement with a Hedge Counterparty acceptable to Buyer (a " Replacement Interest Rate Protection Agreement "), not later than ten (10) Business Days following receipt of notice from Buyer of such downgrade, withdrawal or qualification (together with a collateral assignment of such Replacement Interest Rate Protection Agreement in form and substance acceptable to Buyer in its discretion) and, provided further that, in the case of a Cleared Swap, each reference in this Agreement to the Hedge Counterparty shall instead be a reference to the related DCO and, in either case, which agreement contains a consent satisfactory to Buyer to the collateral assignment to Buyer of the rights of Seller (but none of the obligations of Seller) thereunder.

" Hedge Required Asset ": Any (A) Purchased Asset that has a fixed rate of interest or return, or (B) other Purchased Asset that may be designated as a Hedge Required Asset by Buyer in its sole discretion on or prior to the Purchase Date of such Purchased Asset and stated on the applicable Confirmation.

" Identified Foreclosure Jurisdiction ": Any of (a) the Commonwealth of Massachusetts of the United States, (b) the State of Louisiana of the United States, and (c) any other jurisdiction identified by the applicable Seller in writing to Buyer and based upon advice of local counsel as requiring a foreclosure proceeding to be commenced by the entity that will take title to the underlying Mortgaged Property, and which state's or other jurisdiction's inclusion as an Identified Foreclosure Jurisdiction is consented to in writing by Buyer.

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

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

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

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

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

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

" Independent Appraiser ": A professional real estate appraiser that (i) is approved by Buyer in its sole discretion; (ii) has no direct or indirect interest, financial or otherwise, in the Mortgaged Property or the related Transactions, (iii) if the related Mortgaged Property is located in the United States, is a member in good standing of the American Appraisal Institute or, if the

Mortgaged Property is located in Canada, the U.K. or Germany, such comparable governing body in Canada, the United Kingdom or Germany, respectively, as applicable; (iv) if the state (with respect to Mortgaged Properties located in the United States), province (with respect to Mortgaged Properties located in Canada), Länder (with respect to Mortgaged Properties located in Germany), or such other jurisdiction where the subject Mortgaged Property is located certifies or licenses appraisers, is certified or licensed in such state, province, Länder, or such other jurisdiction, as applicable, and (v) in each such case, has a minimum of seven years' experience in the subject property type. If such Independent Appraiser was selected or engaged directly by any Seller or Affiliate thereof, Sellers further represent and warrant to Buyer that such Seller or Affiliate thereof is a "Financial Services Institution" as defined in the Interagency Appraisal and Evaluation Guidelines.

" Independent Director " or " Independent Manager ": An individual who has prior experience as an independent director, independent manager or independent member with at least three (3) years of employment experience and who is provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Company, Stewart Management Company, or Lord Securities Corporation or, if none of those companies is then providing professional Independent Directors or Independent Managers, independent members, another nationally recognized company approved by Buyer, in each case that is not an Affiliate of Seller and that provides professional independent directors or independent managers, another nationally recognized company reasonably approved by Buyer, in each case, that is not affiliated with any Seller and that provides independent directors, independent managers and/or other corporate services in the ordinary course of its business, and which individual is duly appointed as a member of the board of directors or board of managers of such corporation or limited liability company and is not, has never been, and will not while serving as Independent Director or Independent Manager be, any of the following:

(a) a member, partner, equity holder, manager, director, officer or employee of any Seller, any Pledgor, any of their respective equity holders or Affiliates (other than (i) as an Independent Director or Independent Manager or "special member" of a Seller and (ii) as an Independent Director or Independent Manager or "special member" of an Affiliate of a Seller that is not in the direct chain of ownership of such Seller and that is required by a creditor to be a single purpose bankruptcy remote entity, provided , however , that such Independent Director or Independent Manager is employed by a company that routinely provides professional Independent Directors or Independent Managers);

(b) a creditor, supplier or service provider (including provider of professional services) to a Seller or any of their respective equity holders or Affiliates (other than through a nationally-recognized company that routinely provides professional independent directors, independent managers and/or other corporate services to a Seller, any single-purpose entity equity holder, or any of their respective equity holders or Affiliates in the ordinary course of business);

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

(d) a Person who controls (whether directly, indirectly or otherwise) any of the individuals described in the preceding clauses (a), (b) or (c).

An individual who otherwise satisfies the preceding definition other than clause (a) by reason of being the Independent Director or Independent Manager of a Special Purpose Entity affiliated with a Seller shall not be disqualified from serving as an Independent Director or Independent Manager of a Seller or a Pledgor if the fees that such individual earns from serving as Independent Director or Independent Manager of Affiliates of a Seller in any given year constitute in the aggregate less than five percent (5%) of such individual's annual income for that year.

" Index Rate ": CDOR, LIBOR, and/or EURIBOR, as specified in the Confirmation for any Purchased Asset, or as otherwise specified in this Agreement or as the context may otherwise require.

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

" Insolvency Event ": With respect to any Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises with respect to such Person or any substantial part of its assets or property in an involuntary case or proceeding under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, receiver manager, liquidator, assignee, custodian, trustee, monitor, 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 or proceeding 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 or proceeding under any Insolvency Law, (d) the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, monitor, sequestrator or similar official for such Person or for any substantial part of its assets or property, (e) the making by such Person of any general assignment for the benefit of creditors, (f) the admission in a legal proceeding of the inability of such Person to pay its debts generally as they become due, (g) the failure by such Person generally to pay its debts as they become due, or (h) the taking of action by such Person in furtherance of any of the foregoing.

" Insolvency Laws ": The Bankruptcy Code, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada), the *Canada Business Corporations Act* (Canada) and all other applicable liquidation, conservatorship, bankruptcy, moratorium, arrangement, rearrangement, receivership, insolvency, reorganization, administration, suspension of payments and similar debtor relief laws from time to time in effect in any relevant jurisdiction and affecting the rights of creditors generally.

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

" Insolvency Regulation ": Defined in Section 8.12 .

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

" Interest Rate Cap ": Each Interest Rate Cap Agreement, between Buyer and the applicable Seller(s), dated on or about the applicable Purchase Date of each related Purchased Asset(s).

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

" Interim Servicer ": Means (i) with respect to U.S. Purchased Assets and Canadian Purchased Assets, the Transition Services Provider or (ii) for any Purchased Assets, any other interim servicer or security agent approved by Buyer in its sole discretion.

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

" Intra-Period Remittance Date ": Any Monthly Intra-Period Remittance Date and/or Quarterly Intra-Period Remittance Date, as specified or as the context may otherwise require.

" Investment ": With respect to any Person, any acquisition or investment (whether or not of a controlling interest) by such Person, whether by means of (a) the purchase or other acquisition of any Equity Interest in another Person, (b) a loan, advance or extension of credit to, capital contribution to, guaranty or credit enhancement of Indebtedness of, or purchase or other acquisition of any Indebtedness of, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute the business or a division or operating unit of another Person. Any binding commitment or option to make an Investment in any other Person shall constitute an Investment. Except as expressly provided otherwise, for purposes of determining compliance with any covenant contained in this Agreement, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

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

" Irrevocable Redirection Notice ": In respect of a Purchased Asset other than a U.K. Purchased Asset, a notice substantially in the form of Exhibit C-2 acceptable to Buyer in its discretion sent by the applicable Seller, syndication agent, or by Servicer on such Seller's behalf to the applicable Underlying Obligor for each Purchased Asset (and to the applicable servicer if, as of the Purchase Date of any Purchased Asset, any other servicer (including but not limited to the Interim Servicer) is servicing such Purchased Asset, on or before the date on which the servicing for such for such Purchased Asset is transferred from the such servicer to Servicer), directing the remittance of all Income with respect to such Purchased Asset directly to the related Waterfall Account.

" IRS ": The United States Internal Revenue Service.

" June 11 Amendment Effective Date ": June 11, 2015.

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

" LIBOR ": (a) With respect to any Pricing Period related to any Price Differential, Purchased Asset or Component denominated in U.S. Dollars, the rate of interest *per annum* determined by Buyer on the basis of the rate for deposits in U.S. Dollars for delivery on the first (1 st) day of each Pricing Period, for a period approximately equal to such Pricing Period, as reported on Reuters Screen LIBOR01 Page (or any successor page) at approximately 11:00 a.m., London time, on the Pricing Rate Determination Date (or if not so reported, then as determined by Buyer from another recognized source or interbank quotation). If the calculation of LIBOR pursuant to clause (a) results in a LIBOR rate of less than zero (0), LIBOR shall be deemed to be zero (0) for all purposes of this Agreement; and

(b) with respect to any Pricing Period related to any Price Differential or Purchased Asset or Component denominated in Pounds Sterling, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for Pounds Sterling for a period displayed equal to such Pricing Period (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Buyer may specify another page or service displaying the relevant rate after consultation with the applicable Seller. If the calculation of LIBOR pursuant to this clause (b) results in a LIBOR rate of less than zero (0), LIBOR shall be deemed to be zero for all purposes of this Agreement.

" Lien ": Any mortgage, statutory or other lien, pledge, charge, right, claim, adverse claim, attachment, levy, hypothecation, hypothec, prior claim, assignment, deposit

arrangement, security interest, UCC financing statement or encumbrance of any kind on or otherwise relating to any Person's assets or properties in favor of any other Person or any preference, priority or other security agreement or preferential arrangement of any kind.

" Manager ": BXMT Advisors L.L.C.

" Margin Call ": Defined in Section 4.01 .

" Margin Deficit ": Defined in Section 4.01 .

" Margin Excess ": Defined in Section 4.02 .

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

(a) a breach of a representation or warranty contained in Schedule 1 hereto other than a MTM Representation or an Approved Representation Exception;

(b) the Repurchase Date with respect to such Purchased Asset occurs without repurchase of such Purchased Asset;

(c) the requirements of the definition of Eligible Asset are not satisfied, as determined by Buyer;

(d) any statement, affirmation or certification made or information, document, agreement, report or notice delivered by the related Seller to Buyer is, to the Knowledge of any Seller, Pledgor or Guarantor, in each case after due inquiry, untrue in any material respect; provided , that, to the extent that such Seller corrects such untrue information in a timely manner satisfactory to Buyer (determination of which shall, in each case, be in Buyer's sole and absolute discretion), Buyer may waive its right to deem the Market Value of such Purchased Asset to be zero;

(e) all Mortgage Loan Documents have not been delivered to Custodian within the time periods required by this Agreement and the Custodial Agreement;

(f) any material Mortgage Loan Document has been released from the possession of Custodian under the Custodial Agreement to the related Seller for more than ten (10) days; or

(g) the related Seller fails to deliver any reports required hereunder where such failure adversely affects Buyer's ability to determine Market Value therefor; provided , however , that if such failure is due to such Seller's inability to obtain any such report from the related Underlying Obligor, then (i) such Seller shall make commercially reasonable efforts to obtain such report from the related Underlying Obligor as soon as practicable, (ii) during the one-hundred and twenty (120) day period following such Seller's initial failure to deliver any such report, unless and until such Seller delivers the applicable report, Buyer may re-determine the Market Value of the applicable Purchased Asset for purposes of a Margin Call in accordance with the Applicable Standard of Discretion and, in connection with such re-determination, Buyer may draw any adverse inference from any missing information that Buyer deems to be reasonable under the circumstances, and (iii) after the expiration of the one-hundred and twenty (120) day period following such Seller's initial failure to deliver any such report, if such Seller still has not delivered the applicable report, Buyer may re-determine the Market Value of the applicable Purchased Asset for purposes of a Margin Call in Buyer's sole and absolute discretion.

" Material Action ": Any amendment, waiver or other modification to the terms of any Purchased Asset or the applicable Mortgage Loan Documents (including, in the case of a Security, any voting rights that relate to or would permit, cause or suffer to exist any Material Action), which would have the effect of:

(a) decreasing the principal of, or interest on, the obligations evidenced by the related Mortgage Note, Senior Interest Note or Security, as applicable;

(b) (i) postponing or extending any scheduled date (other than the Underlying Loan Maturity Date, for which the provisions of clause (b)(ii) below shall apply) fixed for any payment of principal of, or interest on, the obligations evidenced by such Mortgage Note, Senior Interest Note or Security, as applicable, or (ii) extending the Underlying Loan Maturity Date thereunder to a date subsequent to the then-applicable Maturity Date (other than any extension of the Underlying Loan Maturity Date at the Underlying Obligor's option in accordance with the terms of the applicable Mortgage Loan Documents without requiring consent of the related lender (or for which such lender's consent may not be unreasonably withheld, conditioned or delayed));

(c) releasing any material portion of the collateral securing the obligations evidenced by such Mortgage Note, Senior Interest Note or Security, as applicable (other than any release required by the terms of such underlying Mortgage Loan Document, including, without limitation, releases of condominium units as and when the same are sold);

(d) releasing any Underlying Obligor thereunder (other than any release required by the terms of such underlying Mortgage Loan Document or described in the parenthetical to clause (a) above);

(e) waiving a Material Default under such Mortgage Loan Documents;

(f) with respect to any U.K. Purchased Asset, changing the identity or jurisdiction of incorporation of an Underlying Obligor to the extent Seller has an approval right under the Mortgage Loan Documents with respect to such change; or

(g) any change to the identity of the a Facility Agent or Security Agent other than any change permitted by an action of the Facility Agent or Security Agent in accordance with the applicable Mortgage Loan Documents without the applicable Seller's consent.

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

" Material Default ": The occurrence and continuance of any of the following defaults under the terms of any Mortgage Loan Documents, regardless of whether the applicable Seller shall have delivered notice to the Underlying Obligor of such default, but taking into account any cure or grace periods allowed to such Underlying Obligor in the applicable Mortgage Loan Documents:

(a) payment default;

(b) maturity default;

(c) breach of a material representation or a material covenant of which Guarantor or the applicable Seller has Knowledge;

(d) breach of any material provisions of a related guaranty delivered by a guarantor of the obligations of an Underlying Obligor of which Guarantor or the applicable Seller has Knowledge; and

(e) bankruptcy or insolvency of an Underlying Obligor or any guarantor of the obligations of an Underlying Obligor.

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

" Maturity Date ": The earliest of (a) May 20, 2020, as such date may be extended pursuant to Section 3.12 , (b) any Accelerated Repurchase Date, (c) any date on which the Maturity Date shall otherwise occur in accordance with the provisions of this Agreement and (d) the latest Repurchase Date of any Purchased Asset subject to a Transaction.

" Maturity Workout Purchased Asset ": The meaning set forth in the definition of Repurchase Date.

" Maximum Amount ": (A) With respect to U.S. Dollars, U.S. $2,903,344,220.81, as such amount may be increased by up to U.S. $139,538,594.69 in Future Funding Amounts, and which amounts shall be available solely for the purchase of U.S. Purchased Assets and for the Allocated Sequential Repayment Components of Purchased Assets other than U.S. Purchased Assets, (B) with respect to Canadian Dollars, C$693,646,822.86, as such amount may be increased by up to C$25,481,895.19 in Future Funding Amounts, and which amounts shall be available solely for the purchase of Canadian Purchased Assets, (C) with respect to Pounds Sterling, £247,431,281.41, which amount shall not be increased by any Future Funding Amounts, and which amounts shall be available solely for the purchase of U.K. Purchased Assets, and (D) with respect to Euros, €166,054,865.89, as such amount may be increased by up to €1,720,000.00 in Future Funding Amounts, and which amounts shall be available solely for U.K. Purchased Assets denominated in Euros, each of which amounts, in each case, shall be permanently reduced by each Principal Payment or other allocation of principal in respect of each Purchased Asset to the extent applied to reduce the Purchase Price thereof, including Principal Payments received and applied in reduction of each Allocated Sequential Repayment Component, repurchase of the Purchased Assets, the payment of Margin Deficits and any other application of Principal Payments in respect of the Purchased Assets applied to reduce the Purchase Price thereof.

" Monthly Intra-Period Remittance Date ": In respect of any Monthly Pay Asset and the monthly period commencing on a Monthly Remittance Date and ending on the following Monthly Remittance Date, so long as no Event of Default has occurred and is continuing, any day designated as a Monthly Intra-Period Remittance Date by Sellers upon not less than three (3) Business Days' notice to Buyer and Servicer, which proposed day is not a Monthly Remittance Date and on which day there is at least U.S. $10,000,000 or C$2,000,000 credited to the applicable Waterfall Account as of such proposed date; provided that there shall be no more than one (1) Monthly Intra-Period Remittance Date in any such monthly period; provided further that, so long as no Event of Default has occurred and is continuing, Seller may request two (2) Monthly Intra-Period Remittance Dates in any such monthly period so long as the total number of Monthly Intra-Period Remittance Dates does not exceed seven (7) in any six (6) such consecutive monthly periods.

" Monthly Pay Asset ": Each U.S. Purchased Asset and each Canadian Purchased Asset that pays interest on a monthly basis, in each case, as so designated on the Asset Schedule.

" Monthly Pricing Period ": For any Monthly Pay Asset, (a) in the case of the first Monthly Remittance Date for such Monthly Pay Asset, the period from the Purchase Date for such Monthly Pay Asset to but excluding the first Monthly Remittance Date occurring after such Purchase Date, and (b) in the case of any subsequent Monthly Remittance Date, the period commencing on and including the prior Monthly Remittance Date and ending on but excluding such Monthly Remittance Date; provided , that no Monthly Pricing Period for a Monthly Pay Asset shall end after the Repurchase Date for such Monthly Pay Asset to the extent such Monthly Pay Asset is actually repurchased on such Repurchase Date.

" Monthly Remittance Date ": For each Monthly Pay Asset, (a) the tenth (10 th) calendar day of each month (or if such day is not a Business Day, the next following Business Day, or if such next following Business Day would fall in the following month, the next preceding Business Day), or such other day as is mutually agreed to by Sellers and Buyer, and (b) each Monthly Intra-Period Remittance Date.

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

" Mortgage ": (A) With respect to a U.S. Purchased Asset, any mortgage, deed of trust, assignment of rents, security agreement and fixture filing, or other instruments creating and evidencing a lien on real property and other property and rights incidental thereto, (B) with respect to a U.K. Purchased Asset, a U.K. Mortgage, and (C) with respect to a Canadian Purchased Asset, a Canadian Mortgage.

" Mortgage Asset File ": The meaning specified in the Custodial Agreement.

" Mortgage Loan ": (A) With respect to any Whole Loan or Senior Interest, a mortgage loan made in respect of the related Mortgaged Property, and (B) with respect to any Security, the mortgage loan or other loan or pool of loans (including loans secured by non-mortgage collateral), as applicable, securing such Security.

" Mortgage Loan Documents ": With respect to any Purchased Asset, those documents executed in connection with, evidencing or governing such Purchased Asset, the related Mortgaged Property, and, in addition, (a) in the case of a Senior Interest, those documents executed in connection with, evidencing or governing the related Mortgage Loan, and such other documents governing or otherwise relating to such Senior Interest, together, in each case, with any co-lender agreements, participation agreements and/or other intercreditor agreements and (b) in the case of a Security, all instruments, agreements and other books, records, and registers maintained by or on behalf of Sellers or the issuing entity or any other person or entity with respect to such Purchased Asset, including any certificates, if any, with respect to such Purchased Asset, the related Security Information and any other instruments necessary to document or service such Purchased Asset, and all documents comprising the Mortgage Asset File (as defined in the Custodial Agreement) for such Purchased Asset.

" Mortgage Note ": (A) With respect to a U.S. Purchased Asset, the original executed promissory note or other evidence of the indebtedness of a Mortgagor with respect to a commercial mortgage loan (including but not limited to any lost note affidavit or similar instrument) or, with respect to a Security not directly or indirectly secured by commercial real

estate, the executed promissory note or other evidence of indebtedness of a Mortgagor with respect to the obligations secured by the collateral directly or indirectly securing such Security, (B) with respect to a U.K. Purchased Asset, any evidence of indebtedness of a Mortgagor, and (C) with respect to a Canadian Purchased Asset, the original executed promissory note or any other evidence of indebtedness of a Mortgagor with respect to a commercial mortgage loan.

" Mortgaged Property ": (a) In the case of any Whole Loan or Senior Interest, the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral directly or indirectly securing the repayment of the debt evidenced by either a Mortgage Note or by a Senior Interest Note, and (b) in the case of a Security, (i) the real properties securing the underlying Mortgage Loans related to such Security (to the extent such underlying Mortgage Loans are secured by real property), and (ii) all other collateral of any kind securing the underlying Mortgage Loans related to such Security.

" Mortgagee ": The record holder of a Mortgage Note secured by a Mortgage.

" Mortgagor ": (A) With respect to a U.S. Purchased Asset, the obligor on a Mortgage Note, including any Person who has assumed or guaranteed the obligations of the obligor thereunder, (B) with respect to a U.K. Purchased Asset, the U.K. Obligor that is expressed in the loan agreement for the relevant U.K. Mortgage Loan to be the legal or beneficial owner of the relevant Mortgaged Property, and (C) the obligor on a Mortgage Note, including any person who has assumed or guaranteed the obligations of the obligor thereunder.

" MTM Representation ": Means each of the representations and warranties, set forth on each of Schedules 1(b) , 1(d) , 1(f) , 1(i) and 1 (l) hereto.

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

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

" Other Taxes ": Any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes (including without limitation United Kingdom stamp duty and stamp duty reserve tax) that arise under any relevant jurisdiction from any payment made under any Repurchase Document or from the execution, delivery, performance, or enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Repurchase Document, except (i) any such Taxes that are Other Connection Taxes (provided, for the avoidance of doubt, that for purposes of this definition Other Connection Taxes shall include any connection arising from Buyer having sold or assigned an interest in any Transaction or Repurchase Document) imposed with respect to an assignment, transfer or sale of a participation or other interest in or with respect to the Repurchase Documents, and (ii) for the avoidance of doubt, any Excluded Taxes.

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

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

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

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

" Paying Seller ": Defined in Section 18.22(c) .

" Permitted Liens ": Any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding has been commenced: (a) Liens for state, federal, provincial, municipal, local or other local taxes, assessments or charges not yet due and payable or which are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established in accordance with GAAP, (b) Liens imposed by Requirements of Law, such as materialmen's, mechanics', carriers', workmen's, repairmen's and similar Liens, arising in the ordinary course of business securing obligations that are not overdue for more than thirty (30) days, (c) easements, rights of way, zoning restrictions, licenses and other similar charges or encumbrances affecting the use of any Mortgaged Property that are disclosed in an Approved Representation Exception, and (d) Liens granted pursuant to or by the Repurchase Documents. Notwithstanding anything to the contrary contained in this Agreement or any Mortgage Loan Document (including any provision for, reference to, or acknowledgement of, any Lien, or Permitted Lien), nothing herein and no approval by the Buyer of any Lien or Permitted Lien (whether such approval is oral or in writing) shall be construed as or deemed to constitute a subordination by the Buyer of any security interest or other right, interest or Lien in or to any Asset, Mortgaged Property or any other collateral subject to a Lien in favor of the Buyer or the Sellers, or any part thereof, in favor of any Lien or Permitted Lien or any holder of any Lien or Permitted Lien.

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

" Plan ": An employee benefit or other plan established or maintained by any Seller or any ERISA Affiliate during the five year period ended prior to the date of this Agreement or to which any Seller or any ERISA Affiliate makes, is obligated to make or has, within the five year period ended prior to the date of this Agreement, been required to make contributions and that is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code, other than a Multiemployer Plan.

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

" Pledge and Security Agreements ": The Pledge and Security Agreements, each dated as of May 20, 2015, made by each related Pledgor in favor of Buyer, as amended, modified, waived, supplemented, extended, restated or replaced from time to time.

" Pledged Collateral ": Defined in the respective Pledge and Security Agreements.

" Pledgors ": (A) with respect to U.S. Seller, 42-16 Partners, LLC, a Delaware limited liability company, (B) with respect to CAD Seller, 345-30 Partners LLC, a Delaware limited liability company, (C) with respect to ONT Seller, Parlex ONT Partners LP, an Ontario limited partnership, (D) with respect to U.K. Seller, 345-40 Partners LLC, a Delaware limited liability company, and (E) with respect to German Seller, 345-50 Partners, LLC, a Delaware limited liability company, in each case, together with its successors and permitted assigns.

" Pounds Sterling ": The lawful currency for the time being of the United Kingdom.

" Power of Attorney ": Defined in Section 18.19 .

" PPSA " shall mean the Personal Property Security Act as in effect in the Province of Ontario, the Securities Transfer Act, 2006 (Ontario), the Civil Code of Quebec as in effect in the Province of Quebec or any other Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

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

" Pre-Foreclosure Transfer Date ": With respect to any Purchased Asset, the date by which the applicable Seller's counsel has advised such Seller in writing (with a copy of such writing provided to Buyer) that the applicable Seller must own such Purchased Asset in order to complete the foreclosure of the related Mortgaged Property where foreclosure proceedings have commenced with respect to such Purchased Asset or related Mortgaged Property, or, in the case of a Purchased Asset with respect to which the related Mortgaged Property is located in an Identified Foreclosure Jurisdiction, a date not earlier than five (5) Business Days prior to the related Seller's intended commencement of foreclosure proceedings.

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

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

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

" Pricing Period ": For any Monthly Pay Asset, the Monthly Pricing Period applicable thereto, and for any Quarterly Pay Asset, the Quarterly Pricing Period applicable thereto.

" Pricing Rate ": For any Pricing Period applicable to Purchased Assets of any Currency, the applicable Index Rate for such Pricing Period for Purchased Assets of such Currency *plus* the applicable Pricing Margin, which shall be subject to adjustment and/or conversion as provided in Sections 12.01 and 12.02 ; provided that the Index Rate applicable to the Allocated Sequential Repayment Component of any Purchased Asset shall be LIBOR for amounts denominated in U.S. Dollars; and provided further , that while an Event of Default has occurred and is continuing, the Pricing Rate shall be the Default Rate.

" Pricing Rate Determination Date ": (a) In the case of the first applicable Pricing Period for any Purchased Asset, the related Purchase Date for such Purchased Asset, and (b) in the case of each subsequent Pricing Period, two (2) Business Days prior to the Remittance Date on which such Pricing Period begins or on any other date as determined by Buyer and communicated to Sellers. The failure to communicate shall not impair Buyer's decision to reset the Pricing Rate on any date.

" Principal Payments ": For any Purchased Asset, all payments and prepayments of principal received for such Purchased Asset, including (x) insurance and condemnation proceeds which are permitted by the terms of the Mortgage Loan Documents to be applied to principal and are, in fact, so applied, (y) recoveries of principal from liquidation or foreclosure which are permitted by the terms of the Mortgage Loan Documents to be applied to principal and are, in fact, so applied, and (z) release premiums payable pursuant to accelerated release provisions under the Mortgage Loan Documents, which are permitted by the terms of the Mortgage Loan Documents to be applied to principal and are, in fact, so applied.

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

" Purchase and Sale Agreement ": That certain Purchase and Sale Agreement, dated as of April 10, 2015 by and among GECC and certain of its affiliates, as seller parties and the signatories designated as "Purchaser Parties" on the signature pages thereto, as purchaser parties.

" Purchase Date ": For each Purchased Asset, the date on which such Purchased Asset is sold by the applicable Seller and purchased by Buyer pursuant to a Transaction as stated on the applicable Confirmation.

" Purchase Price ": For any Purchased Asset, the price paid by Buyer to the related Seller on the Purchase Date in connection with the transfer of such Purchased Asset from such Seller to Buyer, which Purchase Price shall consist of two components (each, a " Component "), the first of which shall be the portion of the Purchase Price denominated in the applicable Currency of such Purchased Asset and the other of which shall be the Allocated Sequential Repayment Component for such Purchased Asset, which shall be denominated in U.S. Dollars, in each case, as set forth on the Asset Schedule, as (i) reduced by any amount of Margin Deficit transferred by such Seller to Buyer pursuant to Section 4.01 and applied to the Purchase Price of such Purchased Asset in accordance with the priorities set forth in Section 5.03 , (ii) reduced by any Principal Payments remitted to the applicable Waterfall Account and which were applied to the Purchase Price of such Purchased Asset by Buyer pursuant to clauses *third* , *fifth* or *sixth* of Section 5.03 or clause *third* of Section 5.04 , or, with respect to Principal Payments applied to reduce the Allocated Sequential Repayment Component relating to such Purchased Asset, clauses *fourth* or *seventh* of Section 5.03 , (iii) reduced by any payments made by such Seller applied in reduction of the outstanding Purchase Price of such Purchased Asset pursuant to Section 3.10 , and (iv) increased by (x) any Future Funding Amounts transferred to such Seller by Buyer in connection with a Future Funding Transaction in respect of such Purchased Asset in accordance with Section 3.11 and (y) any amount of Margin Excess in respect of such Purchased Asset that is paid to Seller by Buyer pursuant to Section 4.02 .

" Purchased Assets ": (a) For any Transaction, each Asset sold by the related Seller to Buyer in such Transaction, and (b) for the Transactions in general, all Assets sold by any Seller to Buyer, in each case including, to the extent relating to such Asset or Assets, all of the related Seller's right, title and interest in and to (i) Mortgage Loan Documents, (ii) Servicing Rights, (iii) Servicing Files, (iv) mortgage guaranties and insurance (issued by Governmental Authorities or otherwise) and claims, payments and proceeds thereunder, (v) insurance policies, certificates of insurance and claims, payments and proceeds thereunder, (vi) the principal balance of such Assets, not just the amount advanced, (vii) amounts from time to time on deposit in the Waterfall Accounts, together with the Waterfall Accounts themselves, (viii) collection, escrow, reserve, collateral or lock–box accounts and all amounts and property from time to time on deposit therein, to the extent of the related Seller's or the holder's interest therein, (ix) Income, (x) security interests of the related Seller in any Derivatives Contracts entered into by Underlying Obligors in connection with the Purchased Asset, (xi) rights of the related Seller under any letter of credit, guarantee, warranty, indemnity or other credit support or enhancement, (xii) Interest Rate Protection Agreements relating to such Assets, (xiii) all of the Pledged Collateral, (xiv) all supporting obligations of any kind and (xv) any and all proceeds of the foregoing; provided , that (A) Purchased Assets shall not include any obligations of any Seller or any Retained Interests, and (B) for purposes of the grant of security interest by each Seller to Buyer set forth in Section 11.01 , together with the other provisions of Article 11 , Purchased Assets shall include all of the following: general intangibles, intangibles (as defined in the PPSA), accounts, chattel paper, deposit accounts, securities accounts, instruments, securities, financial assets, uncertificated securities, security entitlements and investment property (as such terms are defined in the UCC) and replacements, substitutions, conversions, distributions or proceeds relating to or constituting any of the items described in the preceding clauses (i) through (xv).

" Quarterly Intra-Period Remittance Date ": In respect of any Quarterly Pay Asset and the quarterly period commencing on a Quarterly Remittance Date and ending on the

following Quarterly Remittance Date, so long as no Event of Default has occurred and is continuing, any day designated as a Quarterly Intra-Period Remittance Date by Sellers upon not less than three (3) Business Days' notice to Buyer and Servicer, which proposed day is not a Quarterly Remittance Date and on which day there is at least C$2,000,000, £2,000,000 or €2,000,000 credited to the applicable Waterfall Account as of such proposed date; provided that there shall be no more than three (3) Quarterly Intra-Period Remittance Date in any such quarterly period; provided further that, so long as no Event of Default has occurred and is continuing, Seller may request four (4) Quarterly Intra-Period Remittance Dates in any such quarterly period so long as the total number of Quarterly Intra-Period Remittance Dates does not exceed three (3) requests in any two (2) such consecutive quarterly periods.

" Quarterly Pay Asset ": Each U.K. Purchased Asset, and each Canadian Purchased Asset that pays interest on a quarterly basis, as designated on the Asset Schedule.

" Quarterly Pricing Period ": For any Quarterly Pay Asset, (a) in the case of the first Quarterly Remittance Date for such Purchased Asset, the period from the Purchase Date for such Purchased Asset to but excluding the first Quarterly Remittance Date occurring after such Purchase Date, and (b) in the case of any subsequent Quarterly Remittance Date, the period commencing on and including the prior Quarterly Remittance Date and ending on but excluding such Quarterly Remittance Date; provided , that no Quarterly Pricing Period for a Quarterly Pay Asset shall end after the Repurchase Date for such Quarterly Pay Asset to the extent such Quarterly Pay Asset is actually repurchased on such Repurchase Date.

" Quarterly Remittance Date ": For each Quarterly Pay Asset, (a) the tenth (10 th) calendar day of each of February, May, August and November (or, in each case, if such day is not a Business Day, the next following Business Day, or if such following Business Day would fall in the following month, the next preceding Business Day), or such other day as is mutually agreed to by Seller and Buyer, and (b) each Quarterly Intra-Period Remittance Date.

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

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

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

" Regulatory Costs ": Collectively, future, supplemental, emergency or other increases in the Reserve Percentage or the FDIC assessment rates, or any other new or increased requirements or costs imposed by any domestic or foreign governmental authority to the extent that they are attributable to Buyer having entered into the Repurchase Documents or the performance of Buyer's obligations thereunder, and which result in a reduction in Buyer's rate of return from the Transactions, Buyer's rate of return on overall capital or any amount due and payable to Buyer under any Repurchase Document.

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

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

" REMIC ": A REMIC, as that term is used in the REMIC Provisions.

" REMIC Provisions ": Sections 860A through 860G of the Code.

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

" Remittance Date ": Any Monthly Remittance Date, Quarterly Remittance Date or Intra-Period Remittance Date, as applicable.

" Replacement Interest Rate Protection Agreement ": The meaning set forth in the definition of Hedge Counterparty.

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

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

" Repurchase Date ": For any Purchased Asset, the earliest of (a) the Maturity Date, without giving effect to any unexercised extensions thereof, (b) three hundred sixty-four (364) days after the related Purchase Date, as such date may be extended pursuant to Section 3.05 , (c) any Early Repurchase Date therefor, (d) the Business Day on which the related Seller is to repurchase such Purchased Asset as specified by such Seller and agreed to by Buyer in the related Confirmation, as such date may be extended pursuant to Section 3.05 , and (e) other than with respect to any Maturity Workout Purchased Asset, the date that is two (2) Business Days prior to the maturity date (under the related Mortgage Loan Documents) for such Purchased

Asset (including with respect to a Senior Interest that is a participation, the related Mortgage Loan), without giving effect to any extension of such maturity date, whether by modification, waiver, forbearance or otherwise (other than extensions at the Underlying Obligor's option without requiring consent of the related lender (or for which such lender's consent may not be unreasonably withheld, conditioned or delayed) pursuant to the terms of the Mortgage Loan Documents as such Mortgage Loan Documents existed on the related Purchase Date) that have not been approved by Buyer in writing in its sole discretion; provided that, solely with respect to this clause (e), the settlement date with respect to such Repurchase Date and Purchased Asset may occur two (2) Business Days thereafter as provided in Section 3.06 and, provided further that, notwithstanding clauses (a) through (e) of this definition, any Purchased Asset (including with respect to a Senior Interest that is a participation, the related Mortgage Loan) for which (x) a payment default exists on the date that is two (2) Business Days prior to the Underlying Loan Maturity Date, on the Underlying Loan Maturity Date, or any date in between such dates (any such Purchased Asset so described in this sub-clause (x), a " Maturity Workout Purchased Asset "), the Repurchase Date for the related Purchased Asset shall be deemed extended in the manner set forth Section 3.04 (b)(iii) to the end of the extension period for the mandatory repurchase of such Purchased Asset pursuant to the provisos of Section 3.04(b)(iii) , and (y) the Underlying Loan Maturity Date has been extended in connection with any workout, waiver or forbearance of a payment default in respect of such Purchased Asset, the Repurchase Date for the related Purchased Asset shall be deemed extended to the end of the extension period for the mandatory repurchase of such Purchased Asset pursuant to the provisos of Section 3.04(b)(iii) .

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

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

" Repurchase Price ": For any Purchased Asset as of any date, an amount equal to the sum of (a) the outstanding Purchase Price as of such date, (b) the accrued and unpaid Price Differential for such Purchased Asset as of such date, (c) all other amounts due and payable as of such date by the related Seller to Buyer under this Agreement or any Repurchase Document, including but not limited to any breakage costs and any amounts payable to Buyer in respect of Interest Rate Protection Agreements, (d) any accrued and unpaid fees and expenses and indemnity amounts, late fees, default interest, breakage costs and any other amounts owed by the related Seller, Pledgor or Guarantor to Buyer or any of its Affiliates under this Agreement, any Repurchase Document or otherwise, and (e) any applicable Price Differential Premium.

" Requirements of Law ": With respect to any Person or property or assets of such Person and as of any date, all of the following applicable to, or binding on, such Person, its Affiliates or its assets or properties as of such date: all Governing Documents and existing and future laws, statutes, rules, regulations, decrees, treaties, codes, ordinances, permits, certificates, orders, constitutions, consents, approvals and licenses of and interpretations by any Governmental Authority (including Environmental Laws, ERISA (and similar laws of other relevant jurisdictions), regulations of the Board of Governors of the Federal Reserve System (and similar laws or regulations of other relevant jurisdictions), and laws, rules and regulations relating to usury, licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy), judgments, decrees, injunctions, writs, awards, decisions, rulings, directives or orders of any court, arbitrator or other Governmental Authority having proper jurisdiction over such Person or such Person's property or assets, and all common law duties.

" Reserve Percentage ": At any time the percentage announced within Buyer as the reserve percentage required for this facility under Regulation D, or other regulations from time to time in effect concerning reserves for Eurocurrency Liabilities, as defined in Regulation D, from related institutions as though Buyer were in a net borrowing position, as promulgated by the Board of Governors of the Federal Reserve System, or its successor.

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

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

" RICS ": The then-current Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

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

" Sanctioned Entity ": (a) A country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country

or its government, (d) a Person resident in or determined to be resident in a country, that (in the case of the preceding clauses (a), (b), (c) and this clause (d)) is subject to (x) a country sanctions program administered and enforced by the Office of Foreign Assets Control or other sanctions-related list of designated Persons maintained by the U.S. Department of State, the European Union, Her Majesty's Treasury of the United Kingdom, the Government of Canada or any other analogous Governmental Authority in any jurisdiction, or (y) any sanctions or "black" list maintained by the Financial Conduct Authority, the Foreign & Commonwealth Office, HM Treasury or the United Nations or any list maintained in accordance with the Common Foreign and Security Policy of the EU or by the Government of Canada or any other analogous Governmental Authority in any jurisdiction, or (e) a Person named on the list of Specially Designated Nationals maintained by the Office of Foreign Assets Control.

" Second Amendment and Restatement Date ": June 23, 2015.

" Security ": The certificated security or securities set forth on the Asset Schedule.

" Security Agent ": With respect to a U.K. Mortgage Loan, a security agent or a security trustee appointed by the lenders under such U.K. Mortgage Loan to hold the benefit of the U.K. Mortgage Loan Security Agreements on their behalf.

" Security Information ": The information related to the Security requested by Buyer and required to be delivered or otherwise provided to Buyer or the Custodian, as applicable.

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

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

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

" Senior Interest ": (a) A senior or pari passu participation interest (or sub-participation interest) in a Whole Loan, or (b) an "A note" in an "A/B structure" in a Whole Loan.

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

" Servicer ": (i) With respect to this Agreement, the U.S. Purchased Assets and the Canadian Purchased Assets, Midland Loan Services, Inc., a division of PNC Bank, National Association, and (ii) with respect to the U.K. Purchased Assets, either Capita Asset Services, a Division of Capita plc, CBRE Loan Servicing Ltd., Deutsche Bank AG, London Branch, Situs Asset Management Limited, or any other servicer appointed pursuant to Section 17.01 .

" Servicer Notice ": In respect of (a) Purchased Assets other than a U.K. Purchased Asset, a notice in the form of Exhibit C-1 sent by the related Seller to Servicer, Interim Servicer or trustee, as applicable, and countersigned and returned by Servicer, Interim Servicer or trustee, as applicable, directing the remittance of all Income directly into the applicable Waterfall Account; and (b) a U.K. Purchased Asset, the Agent Notice sent by the U.K. Seller or the German Seller (as applicable) to the relevant Facility Agent, Servicer and Security Agent and countersigned and returned by the relevant Facility Agent, Servicer and Security Agent directing the remittance of all Income directly into the applicable Waterfall Account.

" Servicing Agreement ": In respect of (a) Purchased Assets other than a U.K. Purchased Asset or a Security, an agreement entered into by Buyer (if applicable), Sellers and Servicer for the servicing of Purchased Assets, in form and substance acceptable to Buyer; and (b) a U.K. Purchased Asset, the terms on which the relevant Facility Agent and Security Agent (as applicable) are appointed to act as agent and/or security agent under the relevant U.K. Mortgage Loan, as contained in the relevant U.K. Finance Documents, including, for the avoidance of doubt, any servicing agreement or letter agreement between the applicable Sellers and Facility Agent, including any Servicer Notice related thereto, in each case, in form and substance acceptable to Buyer.

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

" Servicing Rights ": All right, title and interest of the related Seller, Pledgor, Guarantor or any Affiliate of such Seller, Pledgor or Guarantor in and to any and all of the following: (a) rights to service and collect and make all decisions with respect to the Purchased Assets, (b) amounts received by such Seller or any other Person for servicing the Purchased Assets, (c) late fees, penalties or similar payments with respect to the Purchased Assets, (d) agreements and documents creating or evidencing any such rights to service, documents, files and records relating to the servicing of the Purchased Assets, and rights of such Seller or any other Person thereunder, (e) escrow, reserve and similar amounts with respect to the Purchased Assets, (f) rights to appoint, designate and retain any other servicers, sub-servicers, special servicers, agents, custodians, trustees and liquidators with respect to the Purchased Assets, and (g) accounts and other rights to payment related to the Purchased Assets.

" Solvent ": With respect to any Person at any time, having a state of affairs such that all of the following conditions are met at such time: (a) the fair value of the assets and property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code, (b) the present fair salable

value of the assets and property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its assets and property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's assets and property would constitute unreasonably small capital.

" Special Purpose Entity ": A corporation, limited partnership or limited liability company that, since the date of its formation (unless otherwise indicated in this Agreement) and at all times on and after the date hereof, has complied with and shall at all times comply with the provisions of Article 9 .

" Spot Rate ": As of any date of determination, the Pound Sterling/U.S. Dollar spot rate, the Canadian Dollar/U.S. Dollar spot rate, the Euro/U.S. Dollar spot rate, the Pound Sterling/Canadian Dollar spot rate, the Pound Sterling/Euro spot rate, the Canadian Dollar/Euro spot rate, as applicable, in each case, determined by Buyer in its sole discretion at or about 11:00 a.m. New York Time two (2) Business Days prior to such date of determination as obtained from the applicable screen on Bloomberg.

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

" Sub-Participation Assignment Agreement ": With respect to a U.K. Mortgage Loan, any form of assignment and/or assumption agreement that is executed in connection with, the sub-participation of the related loan agreement or any other agreement concluded or to be concluded for the same purpose for such U.K. Mortgage Loan and that is used to effect the equitable transfer or assignment of such U.K. Mortgage Loan by way of sub-participation.

" Subsidiary ": With respect to any Person, any corporation, partnership, limited liability company or other entity (heretofore, now or hereafter established) of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership, limited liability company or other entity (without regard to the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person, and shall include all Persons the accounts of which are with those of such Person pursuant to GAAP.

" Tail Period ": The period (1) commencing on the earlier to occur of (a) the first date on which the Aggregate U.S. Dollar Purchase Price is less than twenty percent (20%) of the U.S. Dollar Closing Date Maximum Amount and (b) the date after the 90 th day following the Closing Date on which the number of Purchased Assets under this Agreement is first reduced to less than fifteen (15), and (2) terminating on the date on which the Cash Sweep Period commences.

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

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

" Test Period ": The time period from the first day of each calendar quarter, through and including the last day of such calendar quarter.

" Third Amendment and Restatement Date ": June 30, 2015.

" Transaction ": With respect to any Asset, the sale and transfer of such Asset from the related Seller to Buyer pursuant to the Repurchase Documents against the transfer of funds from Buyer to such Seller representing the Purchase Price or any additional Purchase Price for such Asset.

" Transfer Certificate ": With respect to a U.K. Mortgage Loan, any form of transfer or substitution certificate or assignment and/or assumption agreement that is scheduled to, or is executed in connection with, the related loan agreement or any other agreement concluded or to be concluded for the same purpose for such U.K. Mortgage Loan and that is used to effect the legal transfer, assignment or equitable assignment of such U.K. Mortgage Loan.

" Transition Services Agreement ": That certain Transition Services Agreement, dated as of May 20, 2015, as supplemented by Schedule 1 thereto, by and among Transition Services Provider and Sellers, as amended, restated, supplemented or otherwise modified and in effect from time to time.

" Transition Services Provider ": General Electric Capital Corporation, a Delaware corporation.

" Type ": With respect to a Mortgaged Property underlying any Purchased Asset, such Mortgaged Property's classification as one of the following, as designated by Buyer in its sole discretion in the related Confirmation: multifamily, retail, office, industrial, hospitality, student housing, medical office product, self-storage, nursing home or, solely in the case of a Security, such other collateral description as is acceptable to Buyer in its discretion.

" UCC ": The Uniform Commercial Code as in effect in the State of New York; provided , that, if, by reason of a Requirement of Law, the perfection, effect on perfection or non-perfection or priority of the security interest in any Purchased Asset is governed by (i) the Uniform Commercial Code as in effect in a jurisdiction other than New York, then " UCC " shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect on perfection or non-perfection or priority and (ii) for Canadian Purchased Assets, the PPSA as in effect in a province or territory of Canada, "UCC" and "Uniform Commercial Code" shall mean the PPSA as in effect in such other province or territory for purposes of the provisions hereof relating to such perfection or priority.

" UCC financing statement ": Each financing statement, amendment, continuation statement, financing change statement, registration, filing, publication or other similar act required under the applicable UCC.

" U.K. ": means the United Kingdom of Great Britain and Northern Ireland.

" U.K. Finance Documents ": (a) with respect to a U.K. Purchased Asset that is a Whole Loan, the related loan agreement under which the related U.K. Mortgage Loan is made, any guarantee entered into in relation to such U.K. Mortgage Loan that is not contained in such loan agreement and each related U.K. Mortgage Loan Security Agreement; (b) with respect to a U.K. Purchased Asset that is a Senior Interest that is a senior or pari passu participation interest, the participation agreement under which such participation interest is constituted and any guarantee or security document entered into in connection with such participation agreement; (c) with respect to a U.K. Purchased Asset that is a Senior Interest that is an "A note" in an "A/B structure" in a Whole Loan, the documentation with respect to such Whole Loan referred to in (a) and the "A/B intercreditor agreement" and/or any accession agreement relating thereto; and (d) in the case of (a), (b) and (c) any other documents relating to such U.K. Purchased Asset or which are designated as finance documents under the relevant loan agreements.

" U.K. Mortgage ": (a) a Whole Loan; (b) a Senior Interest that is a senior or a pari passu participation interest; or (c) a Senior Interest that is a "A note" in an "A/B structure", in each case in relation to a Mortgaged Property located in England, Wales or Scotland.

" U.K. Mortgage Loan ": A Whole Loan or Senior Interest which is governed by the laws of England and Wales.

" U.K. Mortgage Loan Security Agreement ": With respect to a U.K. Purchased Asset: (a) each Equity Security Agreement relating to such U.K. Purchased Asset; (b) a Debenture relating to such U.K. Purchased Asset; (c) each subordinated creditor's security agreement relating to such U.K. Purchased Asset; (d) each Account Security Agreement relating to such U.K. Purchased Asset; and (e) any other document creating security directly or indirectly in favor of the lenders under the related U.K. Mortgage Loan that is delivered by or on behalf of any U.K. Obligor under such U.K. Mortgage Loan.

" U.K. Obligor ": An entity identified as a borrower and/or a guarantor and/or security provider in the related loan agreement under which a U.K. Mortgage Loan is made or that otherwise creates any security over any asset as security for the obligations of any entity under such U.K. Mortgage Loan.

" U.K. Purchased Asset ": Any Purchased Asset that is a U.K. Mortgage Loan.

" U.K. Security Agreement ": With respect to a U.K. Purchased Asset, any English law security deed entered into by the U.K. Seller and/or German Seller pursuant to which U.K. Seller and/or German Seller grants a security interest to Buyer in all of its rights, title and interest under and in relation to each related U.K. Finance Document (including its rights against any Security Agent) and any professional report delivered with respect to a U.K. Mortgage Loan that is addressed to or capable of being relied on by U.K. Seller or German Seller, as applicable.

" U.K. Seller ": The meaning specified in the preamble of this Agreement.

" Underlying Loan Maturity Date ": With respect to any Purchased Asset (including, with respect to a Senior Interest that is a participation, the related Mortgage Loan), the maturity date as set forth in the related Mortgage Loan Documents as such Mortgage Loan Documents existed on the related Purchase Date, without giving effect to any extension of such maturity date, whether by modification, waiver, forbearance or otherwise that have not been approved by Buyer in writing in its sole discretion (other than any such extensions at the Underlying Obligor's option that do not require consent of the related lender or for which the related lender's consent may not be unreasonably withheld, conditioned or delayed).

" Underlying Obligor ": Individually and collectively, as the context may require, the Mortgagor and other obligor or obligors under a Purchased Asset or, in the case of a Security, the related issuer thereof and any Underlying Obligor in respect of the underlying Mortgage Loan(s) related thereto (for the avoidance of doubt, including any Mortgage Loan related to a Senior Interest), including (a) any Person who has not signed the related Mortgage Note but owns an interest in the related Mortgaged Property, which interest has been encumbered to secure such Purchased Asset, and (b) any other Person who has assumed or guaranteed the obligations of such Mortgagor or related issuer, as applicable, under the Mortgage Loan Documents relating to a Purchased Asset.

" U.S. Buyer ": Any Buyer that is a "United States person" as defined in Section 7701(a)(30) of the Code.

" U.S. Dollar Closing Date Maximum Amount ": U.S. $4,192,941,620.99.

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

" U.S. Purchased Asset ": Any Purchased Asset with respect to which the Mortgaged Property is located exclusively in any state of the United States of America.

" U.S. Seller ": The meaning specified in the preamble of this Agreement.

" U.S. Tax Compliance Certificate ": Defined in Section 12.06(e) .

" Utilization Request ": A request submitted to Buyer by Seller in substantially the form attached as (i) with respect to U.S. Dollar requests Exhibit H hereto and (ii) with respect to Canadian Dollars, Euro or Pounds Sterling requests, Exhibit A hereto.

" VAT ": (a) Any tax, interest or penalties imposed in compliance with the European Council directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and supplemental legislation and regulations as amended from time to time); and (b) any other tax, interest or penalties of a similar or equivalent nature, including goods and services or harmonized sales tax levied under the *Excise Tax Act* (Canada), whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or elsewhere.

" VCOC ": A "venture capital operating company" within the meaning of Section 2510.3-101(d) of the Plan Asset Regulations.

" Waterfall Accounts ": Collectively, (i) the segregated non-interest bearing account for amounts denominated in U.S. Dollars established at Waterfall Account Bank, in the name of Sellers, pledged to Buyer and subject to a Controlled Account Agreement; (ii) the segregated non-interest bearing account for amounts denominated in Canadian Dollars established at Waterfall Account Bank, in the name of Sellers, pledged to Buyer and subject to a Controlled Account Agreement; (iii) the segregated non-interest bearing account for amounts denominated in Pounds Sterling established at Waterfall Account Bank, in the name of Sellers, pledged to Buyer and subject to a Controlled Account Agreement; and (iv) the segregated non-interest bearing account for amounts denominated in Euro established at Waterfall Account Bank, in the name of Sellers, pledged to Buyer and subject to a Controlled Account Agreement; each, a " Waterfall Account ".

" Waterfall Account Bank ": PNC Bank, National Association, or any other bank approved by Buyer.

" Whole Loan ": A first priority loan secured by a Mortgage on a Mortgaged Property.

Section 2.02 Rules of Interpretation . Headings are for convenience only and do not affect interpretation. The following rules of this Section 2.02 apply unless the context requires otherwise. The singular includes the plural and conversely. A gender includes all genders. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning. A reference to an Article, Section, Subsection, Paragraph, Subparagraph, Clause, Annex, Schedule, Appendix, Attachment, Rider or Exhibit is, unless otherwise specified, a reference to an Article, Section, Subsection, Paragraph, Subparagraph or Clause of, or Annex, Schedule, Appendix, Attachment, Rider or Exhibit to, this Agreement, all of which are hereby incorporated herein by this reference and made a part hereof. A reference to a party to this Agreement or another agreement or document includes the party's successors, substitutes or assigns permitted by the Repurchase Documents. A reference to an agreement or document is to the agreement or document as amended, restated, modified, novated, supplemented or replaced, except to the extent prohibited by any Repurchase Document. A reference to legislation or to a provision of legislation includes a modification, codification, replacement, amendment or reenactment of it, a legislative provision substituted for it and a rule, regulation or statutory instrument issued under it. A reference to writing includes a facsimile or electronic transmission and any means of reproducing words in a tangible and permanently visible form. A reference to conduct includes an omission, statement or undertaking, whether or not in writing. A Default or Event of Default has occurred and is continuing until it has been cured or waived in writing by Buyer. The words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement, unless the context clearly requires or the language provides otherwise. The word "including" is not limiting and means "including without limitation." The word "any" is not limiting and means "any and all" unless the context clearly requires or the language provides otherwise. In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding," and the word "through" means "to and

including." The words "will" and "shall" have the same meaning and effect. A reference to day or days without further qualification means calendar days. A reference to any time means New York time unless otherwise specified. This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their respective terms. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed in accordance with GAAP, and all accounting determinations, financial computations and financial statements required hereunder shall be made in accordance with GAAP, without duplication of amounts, and on a consolidated basis with all Subsidiaries. All terms used in Articles 8 and 9 of the UCC, and used but not specifically defined herein, are used herein as defined in such Articles 8 and 9. Notwithstanding the foregoing, and where the context so requires, (a) any term defined in this Agreement by reference to the "UCC" or the "Uniform Commercial Code" shall also have any extended, alternative or analogous meaning given to such term in applicable Canadian personal property security and other laws (including, without limitation, the PPSA, the *Bills of Exchange Ac* t (Canada) and the *Depository Bills and Notes Act* (Canada)), in all cases for the extension, preservation or betterment of the security and rights in the Pledged Collateral or any collateral under any Mortgage Loan Document, (b) all references in this Agreement to "Article 8" shall be deemed to refer also to applicable Canadian securities transfer laws (including, without limitation, the Securities Transfer Act or other similar laws in any jurisdiction of Canada), (b) all references in this Agreement to a financing statement, continuation statement, amendment or termination statement shall be deemed to refer also to the analogous documents used under applicable Canadian personal property security laws, including, without limitation, the applicable PPSA, (c) all references in this Agreement to filing under the UCC shall be deemed to refer to the analogous registration under applicable Canadian personal property security laws, including, without limitation, the applicable PPSA, and (d) all references to federal or state securities law of the United States shall be deemed to refer also to analogous federal and provincial securities laws in Canada. A reference to "fiscal year" and "fiscal quarter" means the fiscal periods of the applicable Person referenced therein. A reference to an agreement includes a security interest, guarantee, agreement or legally enforceable arrangement whether or not in writing. A reference to a document includes an agreement (as so defined) in writing or a certificate, notice, instrument or document, or any information recorded in computer disk form. Whenever a Person is required to provide any document to Buyer under the Repurchase Documents, the relevant document shall be provided in writing or printed form unless Buyer requests otherwise. At the request of Buyer, the document shall be provided in computer disk form or both printed and computer disk form. The Repurchase Documents are the result of negotiations between the Parties, have been reviewed by counsel to Buyer and counsel to Sellers, and are the product of both Parties. No rule of construction shall apply to disadvantage one Party on the ground that such Party proposed or was involved in the preparation of any particular provision of the Repurchase Documents or the Repurchase Documents themselves. Except where otherwise expressly stated, Buyer may give or withhold, or give conditionally, approvals and consents, and may form opinions and make determinations, in its sole and absolute discretion subject in all cases to the implied covenant of good faith and fair dealing. Reference herein or in any other Repurchase Document to Buyer's discretion, shall mean, unless otherwise expressly stated herein or therein, Buyer's sole and absolute discretion, and the exercise of such discretion shall be final and conclusive. In addition, whenever Buyer has a decision or right of determination, opinion or request, exercises any right given to it to

agree, disagree, accept, consent, grant waivers, take action or no action or to approve or disapprove (or any similar language or terms), or any arrangement or term is to be satisfactory or acceptable to or approved by Buyer (or any similar language or terms), the decision of Buyer with respect thereto shall, except where otherwise expressly stated, be in the sole and absolute discretion of Buyer, and such decision shall be final and conclusive, except as may be otherwise specifically provided herein. To the extent necessary for the purposes of interpretation or construction of any documentation that may be subject to the laws of the Province of Québec or to the review by a court or tribunal exercising jurisdiction in the Province of Québec: (a) "personal property" shall be deemed to include "movable property", (b) "real property" shall be deemed to include "immovable property", (c) "tangible property" shall be deemed to include "corporeal property", (d) "intangible property" shall be deemed to include "incorporeal property", (e) "security interest" and "mortgage" shall be deemed to include a "hypothec", (f) all references to filing, registering or recording under the UCC shall be deemed to include publication or registration under the *Civil Code of Québec* , (g) all references to "perfection" of or "perfected" Liens shall be deemed to include a reference to the "opposability" of such Liens to third parties, (h) any "right of offset", "right of setoff" or similar expression shall be deemed to include a "right of compensation", (i) "goods" shall be deemed to include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, and (j) an "agent" shall be deemed to include a "mandatary".

ARTICLE 3

THE TRANSACTIONS

Section 3.01 Procedures .

(a) On the Closing Date and each subsequent Purchase Date, Buyer shall enter into the Transactions with respect to each Asset (solely if such Asset is an Eligible Asset) evidenced by (i) a duly completed Confirmation for each Eligible Asset proposed for purchase, executed by the related Seller and a Utilization Request for each applicable Currency, acceptable to Buyer in its sole discretion, and (ii) each Eligible Asset's inclusion on the Asset Schedule. Each such Utilization Request shall: (i) describe the Transaction identifying each proposed Asset and any related Mortgaged Property and other security therefor in reasonable detail, including, without limitation, by furnishing Buyer or making available to Buyer the Diligence Materials, (ii) set forth the Representation Exceptions, if any, with respect to each proposed Eligible Asset as approved in writing by Buyer in its sole discretion, and (iii) attach such information and due diligence documentation as Buyer may have requested, if any, with respect to each proposed Asset and any supplemental materials requested by Buyer in connection with Buyer's review of the Diligence Materials and each such Asset as Buyer determines appropriate. Buyer shall determine in its sole discretion whether or not the applicable conditions set forth in Article 6 have been fully satisfied and in no event shall any purchase in connection with any Transaction be consummated unless Buyer determines that the applicable conditions set forth in Article 6 have been fully satisfied. It is expressly agreed and acknowledged that Buyer is entering into the Transactions on the basis of all such representations and warranties and on the completeness and accuracy of the information contained in the applicable Diligence Materials, and any incompleteness or inaccuracies in the related Diligence Materials will only be acceptable

to Buyer if disclosed in writing to Buyer by the related Seller in advance of the related Purchase Date, and then only if Buyer opts to purchase the related Purchased Asset from such Seller notwithstanding such incompleteness and inaccuracies. In the event of a Representation Breach, the related Seller shall repurchase the related Asset or Assets within three (3) Business Days in accordance with Section 3.06 and all other requirements set forth in this Agreement.

(b) Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Transaction covered thereby, and shall be construed to be cumulative to the extent possible. If terms in a Confirmation are inconsistent with terms in this Agreement with respect to a particular Transaction, the Confirmation shall prevail. Whenever the outstanding Purchase Price, Applicable Percentage or any other term of a Transaction (other than the Pricing Rate and Applicable Percentage) with respect to an Asset is revised or adjusted in accordance with this Agreement for any reason, including, without limitation, due to any Future Funding Transaction, reduction of the Purchase Price pursuant to Section 3.10(b) or payment of a Margin Deficit hereunder, an amended and restated Confirmation reflecting such revision or adjustment and that is otherwise acceptable to the Parties shall be prepared by the related Seller and executed by the Parties.

(c) The fact that Buyer has conducted or has failed to conduct any partial or complete examination or any other due diligence review of any Asset or Purchased Asset shall in no way affect any rights Buyer may have under the Repurchase Documents or otherwise with respect to any representations or warranties or other rights or remedies thereunder or otherwise, including the right to determine at any time that such Asset or Purchased Asset is not an Eligible Asset.

(d) Notwithstanding any other provision in this Agreement, no Transaction shall be entered into if (i) any Margin Deficit, Default, Event of Default or Material Adverse Effect exists or would exist as a result of such Transaction, (ii) the Repurchase Date for the Purchased Assets subject to such Transaction would be later than the Maturity Date, (iii) the proposed Purchased Asset does not qualify as an Eligible Asset on the Purchase Date, (iv) as of the Closing Date and each subsequent Purchase Date, as applicable, immediately after giving effect to the purchase of the Purchased Assets in the Transaction proposed in respect of such Purchase Date, the PPV Test would not be satisfied, or (v) all Mortgage Loan Documents have not been delivered to Custodian in accordance with the applicable provisions of this Agreement and the Custodial Agreement.

(e) With respect to a Security, the applicable Seller shall deliver to Buyer or the Custodian the original of any relevant certificate, bond, note or instrument with respect to the Security, in form suitable for transfer, with accompanying duly executed (with, if and as required pursuant to the issuing agreement for the Security, a medallion guarantee with respect to the signatures thereon) instruments of transfer or appropriate instruments of assignment executed in blank, transfer tax stamps, and any other documents or instruments necessary in the opinion of Buyer to effect and perfect a legally valid delivery of such Security to Buyer. Concurrently with the delivery of such original certificate, bond, note or instrument, the applicable Seller shall have (1) notified the applicable trustee in writing of the pledge to Buyer of the Security hereunder, and (2) instructed the related trustee in writing to pay all amounts payable to the holders of the Security to the Waterfall Account for U.S. Dollars.

(f) With respect to the Security, the applicable Seller shall deliver to Buyer on or prior to the related Purchase Date:

(i) copies of the documents governing such Purchased Asset, the offering documents related to such Purchased Asset, and any ancillary documents required to be delivered to holders of the related securities;

(ii) copies of all related distribution statements, if any, received by the applicable Seller as of the Purchase Date; and

(iii) any other documents or instruments necessary in the opinion of Buyer to facilitate the delivery of the related Security Information to Buyer or, if the Transaction is recharacterized as a secured financing, to create and perfect in favor of Buyer a valid perfected first priority security interest in such Purchased Asset.

Section 3.02 Transfer of Purchased Assets; Servicing Rights . On the Purchase Date for each Purchased Asset, and subject to the satisfaction of all applicable conditions precedent in Article 6 , (a) ownership of and title to such Purchased Asset shall be transferred to and vest in Buyer or its designee against the simultaneous transfer of the Purchase Price to the account of the related Seller specified in Annex 1 (or if not specified therein, in the related Confirmation or as directed by such Seller), and (b) such Seller hereby sells, transfers, conveys and assigns to Buyer on a servicing-released basis all of such Seller's right, title and interest (except with respect to any Retained Interests) in and to such Purchased Asset, together with all related Servicing Rights. Buyer has the right to designate each Servicer of the Purchased Assets; the Servicing Rights and other servicing provisions under this Agreement are not severable from or to be separated from the Purchased Assets under this Agreement; and, such Servicing Rights and other servicing provisions of this Agreement constitute (a) "related terms" under this Agreement within the meaning of Section 101(47)(A)(i) of the Bankruptcy Code and/or (b) a security agreement or other arrangement or other credit enhancement related to the Repurchase Documents.

Section 3.03 Maximum Amount . The aggregate outstanding Purchase Price for all Purchased Assets denominated in any Currency as of any date of determination shall not exceed the Maximum Amount for such Currency.

Section 3.04 Early Repurchases; Mandatory Repurchases . (a) Seller may terminate any Transaction with respect to any or all Purchased Assets and repurchase such Purchased Assets on any Business Day prior to the Repurchase Date; provided , that (a) with respect to repurchases (i) in connection with a Representation Breach pursuant to Section 3.01 or a Margin Deficit payment pursuant to Section 4.01(b) , the related Seller provides Buyer with prior written notice of the Early Repurchase Date, (ii) in connection with the repurchase (x) by such Seller of all Purchased Assets from Buyer following receipt by such Seller of a written notice from Buyer pursuant to Section 12.01 , (y) following the occurrence of any of the events set forth in Section 12.02 , or (z) in connection with the repayment in full of a Mortgage Loan (or Security, as applicable) by the related Underlying Obligor or, in the case of this clause (z), of which such Seller has prior notice, in each case, the related Seller provides Buyer with one (1) Business Day's notice prior to the related Early Repurchase Date, and (iii) in connection with

any other early repurchase made by such Seller, such Seller must notify Buyer at least three (3) Business Days before the proposed Early Repurchase Date, in each case, identifying the Purchased Asset(s) to be repurchased and the Repurchase Price thereof, (b) no Margin Deficit, Default or Event of Default has occurred and would be continuing following such repurchase (or would exist as a result of such repurchase), (c) if the Early Repurchase Date is not a Remittance Date (provided that, solely for these purposes, an Intra-Period Remittance Date shall not be deemed to be a Remittance Date) applicable to such Purchased Asset, the related Seller pays to Buyer any amount due under Section 12.03 , (d) the related Seller pays all amounts due to any Affiliated Hedge Counterparty under the related Interest Rate Protection Agreement, (e) the related Seller pays to Buyer any Price Differential Premium due in accordance with Section 3.07 , and (f) such Seller thereafter complies with Section 3.06 .

(b) In addition to other rights and remedies of Buyer under any Repurchase Document, the applicable Seller shall in accordance with the procedures set forth in Section 3.06 , immediately repurchase any Purchased Asset (i) that no longer qualifies as an Eligible Asset, as determined by Buyer, (ii) for which a Representation Breach has occurred and is continuing for three (3) Business Days, (iii) that is a Defaulted Asset; provided that, so long as Seller is diligently and continuously pursuing a resolution or cure of all defaults causing such Purchased Asset to be a Defaulted Asset to the ongoing reasonable satisfaction of Buyer, the applicable Seller shall not be required to repurchase such Defaulted Asset until the earliest to occur of: (x) the Pre-Foreclosure Transfer Date, (y) the Maturity Date, and (z) the date that is twelve (12) months from the date on which such Purchased Asset first became a Defaulted Asset; provided , further , that, with respect to clause (z), if during the entire twelve (12) month period following the date on which such Purchased Asset first became a Defaulted Asset, the applicable Seller was diligently pursuing a resolution or cure of all defaults causing such Purchased Asset to be a Defaulted Asset to the ongoing reasonable satisfaction during such period of Buyer in its discretion, the date upon which the applicable Seller must effect a mandatory repurchase of such Defaulted Asset shall be extended from twelve (12) months to up to eighteen (18) months from the date on which such Purchased Asset first became a Defaulted Asset (but in no event beyond the date that is twelve (12) months following the Underlying Loan Maturity Date for such Purchased Asset without giving effect to any extension of such Underlying Loan Maturity Date, whether by modification, waiver, forbearance or otherwise (other than extensions at the Underlying Obligor's option without requiring consent of the related lender (or for which such lender's consent may not be unreasonably withheld, conditioned or delayed) pursuant to the terms of the Mortgage Loan Documents as such Mortgage Loan Documents existed on the related Purchase Date) that have not been approved by Buyer in writing in its sole discretion) upon written request of Seller delivered to Buyer no later than thirty (30) days prior to the expiration of the initial twelve (12) month period, or (iv) for which all documents required to be delivered to Custodian under the Custodial Agreement have not been so delivered on a timely basis.

(c) The applicable Seller shall also, in accordance with the procedures set forth in Section 3.06 , immediately upon receipt of written notice from Buyer, repurchase any Purchased Asset with respect to which Servicer has not received all Servicing Files from the Interim Servicer and become the sole servicer in respect of such Purchased Asset, in either case, within forty five (45) days of the Purchase Date for such Purchased Asset.

Section 3.05 Extension of Repurchase Dates . Prior to the Maturity Date, at the request of the related Seller delivered to Buyer within thirty (30) days prior to the then-current Repurchase Date, such Seller may elect to extend the Repurchase Date for the related Purchased Asset for an additional period not to exceed the earlier of (x) three hundred sixty-four (364) days and (y) the Repurchase Date for the related Purchased Asset pursuant to clause (a), (c) or (e) of the definition of Repurchase Date (including the proviso thereto), as applicable, so long as, on the date of such request, (i) no monetary Default, material non-monetary Default or Event of Default has occurred and is continuing, and (ii) no Margin Deficit shall be outstanding on or after the date that is six (6) months from the occurrence of any related Margin Call.

Section 3.06 Repurchase . On the Repurchase Date for each Purchased Asset, the related Seller shall transfer to Buyer the Repurchase Price for such Purchased Asset as of the Repurchase Date, and pay all amounts due to any Affiliated Hedge Counterparty under the related Interest Rate Protection Agreement and, so long as no Default or Event of Default has occurred and is continuing, Buyer shall transfer to the related Seller such Purchased Asset, whereupon the Transaction with respect to such Purchased Asset shall terminate; provided , however , that, with respect to any Repurchase Date that occurs on the second Business Day prior to the Underlying Loan Maturity Date by reason of clause (e) of the definition of "Repurchase Date", settlement of the payment of the Repurchase Price and such amounts may occur up to the second Business Day after such Repurchase Date; provided , further , that Buyer shall have no obligation to transfer to the related Seller, or release any interest in, such Purchased Asset until Buyer's receipt of payment in full of the Repurchase Price therefor. So long as no Default or Event of Default has occurred and is continuing, upon receipt by Buyer of the Repurchase Price and all other amounts due and owing to Buyer and its Affiliates under this Agreement and each other Repurchase Document as of such Repurchase Date, Buyer shall be deemed to have simultaneously released its security interest in such Purchased Asset, shall authorize Custodian to release to such Seller the Mortgage Loan Documents for such Purchased Asset and, to the extent any UCC financing statement or U.K. charge or financing statement or other filing or registration under the PPSA for Canadian Purchased Assets filed against such Seller that specifically identifies such Purchased Asset, Buyer shall deliver an amendment thereto or termination thereof evidencing the release of such Purchased Asset from Buyer's security interest therein. Any such transfer or release shall be without recourse to Buyer and without representation or warranty by Buyer, except that Buyer shall represent to such Seller, to the extent that good title was transferred and assigned by such Seller to Buyer hereunder on the related Purchase Date, that Buyer is the sole owner of such Purchased Asset, free and clear of any other interests or Liens caused by Buyer's actions or inactions. Notwithstanding the notice periods set forth in Section 3.04 , in no event shall Buyer be required to return the Mortgage Asset File related to any Purchased Asset repurchased in total by a Seller prior to the later of (x) the third (3 rd) Business Day following the date on which Buyer and Custodian receive written notice of such repurchase request and (y) one (1) Business Day after the related Repurchase Date. Any Income with respect to such Purchased Asset received by Buyer or Waterfall Account Bank after payment of the Repurchase Price therefor shall be remitted to the applicable Seller as soon as reasonably possible thereafter. Notwithstanding the foregoing, Sellers shall repurchase all Purchased Assets no later than the Maturity Date by paying to Buyer the outstanding Repurchase Price therefor and all other outstanding Repurchase Obligations. Notwithstanding any provision to the contrary contained elsewhere in any Repurchase Document, at any time during the existence of an unsatisfied Margin Deficit, an uncured monetary or material non-monetary

Default or an Event of Default (each as determined by Buyer in its sole discretion), a Seller shall only be permitted to repurchase a Purchased Asset in connection with a full payoff of all amounts due in respect of such Purchased Asset by the Underlying Obligor, if such Seller shall pay directly to Buyer an amount equal to the greater of (y) one-hundred percent (100%) of the net proceeds paid in connection with the relevant payoff and (z) one hundred percent (100%) of the net proceeds received by such Seller in connection with the sale of such Purchased Asset. The portion of all such net proceeds in excess of the then-current Repurchase Price of the related Purchased Asset shall be applied by Buyer to reduce any other amounts due and payable to Buyer under this Agreement in accordance with Article 5 with excess remitted to the applicable Seller but solely to the extent required pursuant to Article 5 .

Section 3.07 Payment of Price Differential and Fees .

(a) Notwithstanding that Buyer and Sellers intend that each Transaction hereunder constitute sales to Buyer of the Purchased Assets, Sellers shall pay to Buyer the accrued value of the Price Differential for each Purchased Asset on each Remittance Date applicable to such Purchased Asset. Buyer shall give Sellers notice of the Price Differential and any fees and other amounts due under the Repurchase Documents on or prior to the second (2nd) Business Day preceding each Remittance Date; provided , that Buyer's failure to deliver such notice shall not affect (i) the accrual of such obligations in accordance with this Agreement or (ii) Sellers' obligation to pay such amounts. If the Price Differential includes any estimated Price Differential, Buyer shall recalculate such Price Differential after the Remittance Date and, if necessary, make adjustments to the Price Differential amount due on the following Remittance Date.

(b) Sellers and Guarantor shall pay to Buyer all fees and other amounts as and when due as set forth in this Agreement including, without limitation:

(i) the Structuring Fee, which shall be payable by Sellers to Buyer on or prior to the Closing Date and on each Purchase Date to the extent then due and payable; and

(ii) any Price Differential Premium, which shall be due and payable in accordance with the terms and provisions as set forth in Section 2 of the Fee Letter, which terms are hereby incorporated by reference.

Section 3.08 Payment, Transfer and Custody .

(a) Unless otherwise expressly provided herein, all amounts required to be paid or deposited by any Seller, any Pledgor, Guarantor or any other Person under the Repurchase Documents shall be paid or deposited in accordance with the terms hereof no later than (i) for purposes of calculating Price Differential hereunder, 3:00 p.m. on the day when due, and (ii) for all other purposes, 5:00 p.m. on the day when due, in each case, in immediately available funds in the applicable Currency for such Purchased Asset (and each Component thereof) without deduction, set-off or counterclaim, and if not received before such time shall be deemed to be received on the next Business Day. Whenever any payment under the Repurchase Documents shall be stated to be due on a day other than a Business Day, such payment shall be made on the next following Business Day, and such extension of time shall in such case be

included in the computation of such payment. Sellers, Guarantor and Pledgors shall, to the extent permitted by Requirements of Law, pay to Buyer interest in connection with any amounts not paid when due under the Repurchase Documents, which interest shall be calculated at a rate equal to the Default Rate, until all such amounts are received in full by Buyer. Amounts payable to Buyer and not otherwise required to be deposited into any Waterfall Account shall be deposited into an account of Buyer as directed by Buyer in writing. Sellers shall have no rights in, rights of withdrawal from, or rights to give notices or instructions regarding Buyer's accounts or the Waterfall Accounts.

(b) Any Mortgage Loan Documents not delivered to Buyer or Custodian or, in the context of the U.K. Purchased Assets only, not delivered to the relevant Security Agent, on the relevant Purchase Date and subsequently received or held by a Seller are and shall be held in trust by such Seller or its agent for the benefit of Buyer as the owner thereof. The related Seller or its agent shall maintain a copy of such Mortgage Loan Documents and the originals of the Mortgage Loan Documents not delivered to Buyer or Custodian. The possession of Mortgage Loan Documents by such Seller or its agent is in a custodial capacity only at the will of Buyer for the sole purpose of assisting the related Servicer with its duties under the Servicing Agreement. Each Mortgage Loan Document retained or held by any Seller or its agent shall be segregated on such Seller's books and records from the other assets of such Seller or its agent, and the books and records of such Seller or its agent shall be marked to reflect clearly the sale of the related Purchased Asset to Buyer on a servicing-released basis. Each Seller or its agent shall release its custody of the Mortgage Loan Documents only in accordance with written instructions from Buyer, unless such release is required as incidental to the servicing of the Purchased Assets by Servicer or is in connection with a repurchase of any Purchased Asset by the related Seller, in each case in accordance with the Custodial Agreement.

Section 3.09 Repurchase Obligations Absolute . All amounts payable by any Seller under the Repurchase Documents shall be paid without notice, demand, counterclaim, set-off, deduction or defense (as to any Person and for any reason whatsoever) and without abatement, suspension, deferment, diminution or reduction (as to any Person and for any reason whatsoever), and the Repurchase Obligations shall not be released, discharged or otherwise affected, except as expressly provided herein, by reason of: (a) any damage to, destruction of, taking of, restriction or prevention of the use of, interference with the use of, title defect in, encumbrance on or eviction from, any Purchased Asset, the Pledged Collateral or related Mortgaged Property, (b) any Insolvency Proceeding relating to any Seller or any Underlying Obligor, or any action taken with respect to any Repurchase Document or Mortgage Loan Document by any trustee or receiver of any Seller or any Underlying Obligor or by any court in any such proceeding, (c) any claim that any Seller has or might have against Buyer under any Repurchase Document or otherwise, (d) any default or failure on the part of Buyer to perform or comply with any Repurchase Document or other agreement with any Seller, (e) the invalidity or unenforceability of any Purchased Asset, Repurchase Document or Mortgage Loan Document, or (f) any other occurrence whatsoever, whether or not similar to any of the foregoing, and whether or not any Seller has notice or Knowledge of any of the foregoing. The Repurchase Obligations shall be full recourse to each Seller and limited recourse to Guarantor as set forth in the Guarantee Agreement. This Section 3.09 shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations.

Section 3.10 Partial Repurchases; Mandatory Partial Repurchase of Allocated Sequential Repayment Component . (a) On any Business Day prior to the applicable Repurchase Date for a Purchased Asset, the related Seller shall have the right, from time to time, to transfer to Buyer cash, together with a signed, revised Confirmation, for the purpose of reducing the outstanding Purchase Price of, but not terminating, a Transaction and without the repurchase or release of any Purchased Assets; provided , that (i) any such reduction in outstanding Purchase Price occurring on a date other than a Remittance Date that is not an Intra-Period Remittance Date for such Purchased Asset shall be required to be accompanied by payment of any other amounts due and payable by such Seller under this Agreement (including, without limitation, under Section 12.03) and under any related Interest Rate Protection Agreement(s) with respect to such Purchased Asset, (ii) the related Seller pays to Buyer any Price Differential Premium due in accordance with Section 3.07 , (iii) such transfer of cash to Buyer shall be in an amount no less than U.S. $1,000,000 or the then-current equivalent of such amount based on the Spot Rate relating to the applicable Currency, (iv) such Seller shall provide Buyer with one (1) Business Day's prior notice with respect to a reduction in outstanding Purchase Price in an amount greater than U.S. $5,000,000 or the then-current equivalent of such amount based on the Spot Rate relating to the applicable Currency, occurring on any date that is not a Remittance Date applicable to the related Purchased Asset, (v) with respect to U.K. Purchased Assets and Canadian Purchased Assets, such Seller shall deliver a revised, executed Confirmation no later than 10:00 a.m. New York time at least two (2) Business Days prior to the proposed Purchase Price reduction, and (vi) any Seller may only effect a Partial Repurchase of a Purchased Asset during the Tail Period so long as the Purchase Price of any Purchased Asset repurchased in part shall not be reduced below $1,000, €1,000, £1,000 or C$1,000, as the case may be. The revised Confirmation shall not be effective until executed by Buyer and delivered to the related Seller in accordance with Section 3.01(b) .

(b) The applicable Seller shall also in accordance with the procedures set forth in clause (a) above, on the first anniversary of the Closing Date, for each Purchased Asset with respect to which the related Allocated Sequential Repayment Component is greater than zero, effect a mandatory partial repurchase of such Purchased Asset to the extent and in the amounts necessary to reduce the outstanding Purchase Price of each such Purchased Asset by an amount equal to the related outstanding Allocated Sequential Repayment Component for such Purchased Asset, such that, after giving effect to all such partial repurchases, the aggregate outstanding Allocated Sequential Repayment Component of all Purchased Assets shall have been reduced to zero.

Section 3.11 Future Funding Transaction . Buyer's obligation to enter into any Future Funding Transaction is subject to the satisfaction of the following conditions precedent, both immediately prior to entering into such Future Funding Transaction and also after giving effect to the consummation thereof:

(a) The related Seller shall give Buyer written notice of each Future Funding Transaction, together with a Confirmation prior to the related Future Funding Date, signed by a Responsible Officer of such Seller. Each Confirmation shall identify the related Purchased Asset, shall identify Buyer and the applicable Seller and shall contain a certification by a Responsible Officer of the applicable Seller that the applicable Underlying Obligors have fully complied with all conditions precedent to such Future Funding Transaction and that such Future

Funding Transaction is required and permitted pursuant to the terms of the Mortgage Loan Documents, and shall be executed by both Buyer and such Seller; provided , however , that Buyer shall not be liable to such Seller if it inadvertently acts on a signed Confirmation that has not been signed by a Responsible Officer of the related Seller. Each Confirmation, together with this Agreement, shall be conclusive evidence of the terms of the Future Funding Transaction covered thereby, and shall be construed to be cumulative to the extent possible. If terms in a Confirmation are inconsistent with terms in this Agreement with respect to a particular Future Funding Transaction, other than with respect to the Applicable Percentage set forth in such Confirmation, this Agreement shall prevail, unless otherwise expressly stated in the applicable Confirmation that a specific provision set forth therein is expressly intended to prevail; provided , however, in no event shall the Future Funding Amount for any Purchased Asset (together with all other Future Funding Amounts for such Purchased Asset) exceed the Buyer's Allocated Scheduled Future Funding Amount specified on the Asset Schedule for such Purchased Asset or cause the aggregate outstanding Purchase Price of all Transactions denominated in such Currency to exceed the Maximum Amount applicable to such Currency.

(b) For each proposed Future Funding Transaction, no less than three (3) Business Days prior to the proposed Future Funding Date, the related Seller shall deliver to Buyer a Future Funding Review Package. Buyer shall have the right to conduct an additional due diligence investigation of the Future Funding Review Package and/or the related Whole Loan and/or Senior Interest as Buyer determines. Prior to the approval of each proposed Future Funding Transaction by Buyer, Buyer shall have determined, in its sole and absolute discretion, that the Future Funding Review Package is complete in all material respects, that a duly completed Utilization Request acceptable to Buyer for the applicable Currency has been received, that those conditions precedent for a Transaction set forth in clauses (b) (other than with respect to the requirements that (i) no Material Adverse Effect shall have then occurred and be continuing, and (ii) no Margin Deficit has occurred and is continuing, so long as payment for such Margin Deficit is then being deferred in accordance with Section 4.01(b)(ii)), (g), (h), (k) and (l) of Section 6.02 , have been met, that all conditions precedent set forth in the related Mortgage Loan Documents have been satisfied, and that the related Purchased Asset is not a Defaulted Asset. If the conditions precedent for a Transaction are not satisfied with respect to any Purchased Asset, Buyer shall have no obligation to fund such Future Funding Transaction and, to the extent all applicable conditions to the related future funding have been satisfied in accordance with the Mortgage Loan Documents related to Purchased Asset, Seller shall satisfy all future funding obligations with respect to each Purchased Asset as and when required pursuant to the related Mortgage Loan Documents, together with the terms of this Agreement.

(c) Upon the approval by Buyer of a particular Future Funding Transaction (which approval shall expire and be of no force or effect and considered void and invalidated if Buyer does not fund such Future Funding Transaction within three (3) Business Days of such approval), Buyer shall deliver to the related Seller a signed copy of the related Confirmation described in clauses (a) and (b) above, on or before the related Future Funding Date. On the related Future Funding Date, (a) if an escrow agreement has been established in connection with such Future Funding Transaction, Buyer shall remit the related Future Funding Amount to the related escrow account, (b) if the terms of the Underlying Loan Documents provide for a reserve account in connection with future advances, Buyer shall remit the related Future Funding Amount to the applicable reserve account, (c) upon evidence satisfactory to Buyer that the

related Seller has paid (or caused to be paid) to or as directed by the Underlying Obligor the future funding obligation required by the Mortgage Loan Documents, Buyer shall remit the related Future Funding Amount to such Seller, or (d) otherwise, Buyer shall remit the related Future Funding Amount directly to the related Underlying Obligor. All Future Funding Transactions funded by Buyer shall be applied to increase the first Component of the Purchase Price of such Purchased Asset described in the definition of Purchase Price but shall not, for the avoidance of doubt, increase the Allocated Sequential Repayment Component.

Section 3.12 Extension of Maturity Date . Upon written notice by Sellers delivered to Buyer no later than ninety (90) days before the then-current Maturity Date, provided that Buyer has confirmed that each of the Extension Conditions set forth below have been fully satisfied, Seller shall be entitled to two (2) one-year extensions of the Maturity Date (each additional one-year term, an " Extension Period "). Any extension of the Maturity Date shall be subject to Buyer's satisfaction of the following conditions, as determined by Buyer in its sole discretion both as of the time of request for such extension and as of the then current Maturity Date (each, an " Extension Condition "): (i) no monetary Default, material non-monetary Default or Event of Default exists, (ii) all of the Purchased Assets qualify as Eligible Assets, and (iii) no Margin Deficit shall exist. The failure of Buyer to so deliver a written notice to Sellers approving any extension request shall be deemed to be Buyer's determination that the Extension Conditions have not been fully satisfied. If the Extension Conditions are not fully satisfied as of the scheduled Maturity Date, then notwithstanding any prior approval by Buyer of Seller's request to extend the Maturity Date, Seller shall have no right to extend the Maturity Date, and any pending request to extend the Maturity Date shall be deemed to be denied. Notwithstanding anything to the contrary in this Section 3.12 , in no event shall the Maturity Date be extended for more than two (2) one-year Extension Periods. For the avoidance of doubt, an extension of the Maturity Date pursuant to this Section 3.12 shall not extend any Transaction's Repurchase Date.

Section 3.13 Currency Conversions . Determination of the applicable Spot Rate for any currency conversions will be made by Buyer as and when required under this Agreement and the other Repurchase Documents as Buyer may determine in its sole discretion, subject to the requirements set forth in the definitions "CDOR", "EURIBOR" and "LIBOR" and the applicable requirements set forth herein. Such Spot Rates shall become effective as of each such date as so determined by Buyer. Such determination by Buyer shall be the Spot Rates employed in converting any amounts between the applicable Currencies as of such date and shall be binding on Buyer and Sellers absent manifest error.

ARTICLE 4

MARGIN MAINTENANCE

Section 4.01 Margin Deficit .

(a) If on any Business Day the Market Value of a Purchased Asset is less than the product of (A) Buyer's Margin Percentage times (B) the outstanding Repurchase Price for such Purchased Asset as of such date, the excess, if any, shall be deemed a " Margin Deficit ". Upon Buyer's determination in Buyer's sole discretion that a Margin Deficit exists, Buyer shall have the right to deliver on any Business Day a notice to Sellers of such Margin Deficit (any such notice, a " Margin Call ").

(b) Upon delivery of a Margin Call, Sellers shall either (i) satisfy the related Margin Deficit by the payment directly to Buyer within two (2) Business Days of receipt of the Margin Call in immediately available funds in the Currency of the related Purchased Asset in the amount necessary to fully cure the related Margin Deficit or (ii) so long as no monetary Default, material non-monetary Default or Event of Default has occurred and is continuing, provide written notice to Buyer of such Seller's election to defer payment in full of such Margin Deficit for a period of up to six (6) months from the date on which such Margin Deficit was incurred pursuant to this Section 4.01(b)(ii) and, thereupon, during such six-month period Principal Proceeds will be applied from the Waterfall Accounts in accordance with clauses *third* and *sixth* of Section 5.03 toward the payment of such Margin Deficit; provided that, if any amount of such Margin Deficit remains unpaid on the date that is six (6) months after the date on which such Margin Deficit was incurred Seller shall, on such date, make a payment to Buyer in immediately available funds in the amount necessary to pay all of such outstanding Margin Deficit in full. Upon the occurrence and during the continuance of a monetary Default, material non-monetary Default or an Event of Default, Seller shall immediately satisfy all outstanding Margin Calls by immediate payment to Buyer in immediately available funds in the Currency of the related Purchased Asset and, with respect to any outstanding Allocated Sequential Repayment Component with respect to the related Purchased Asset, in U.S. Dollars.

(c) In no case shall Buyer's forbearance from delivering a Margin Call at any time there is a Margin Deficit be deemed to waive such Margin Deficit or in any way limit, stop or impair Buyer's right to deliver a Margin Call at any time when the same or any other Margin Deficit exists on the same or any other Purchased Asset. Buyer's rights under this Section 4.01 are cumulative and in addition to and not in lieu of any other rights of Buyer under the Repurchase Documents or Requirements of Law.

(d) All cash transferred to Buyer pursuant to this Section 4.01 with respect to a Purchased Asset shall be paid directly to Buyer, as directed by Buyer, and notwithstanding any provision in Section 5.02 or 5.03 to the contrary, shall be applied to reduce the Purchase Price of such Purchased Asset, such reduction of the Purchase Price of such Purchased Assets to be applied, first, to reduce the Allocated Sequential Repayment Component of such Purchase Price until reduced to zero, and, second, to the other Component of such Purchase Price. Buyer and Seller shall amend the related Confirmation relating to any Purchased Asset with respect to which the related Purchase Price has been so decreased.

Section 4.02 Margin Excess . At any time on or after the date that all Allocated Sequential Repayment Components on all Purchased Assets have been reduced to zero, to the extent that Buyer determines in its sole discretion with respect to a Purchased Asset for which a Margin Deficit was previously paid in full by the applicable Sellers that (i) the lesser of either (a) the Market Value for such Purchased Asset on the related Purchase Date, or (b) the then-current Market Value of such Purchased Asset (or the par amount of such Purchased Asset, if lower than Market Value) on the date of the determination thereof, exceeds the product of (x) Seller's Margin Percentage and (y) the outstanding Repurchase Price for such Purchased Asset as of such date (the positive difference, if any, as determined by Buyer in its sole and absolute discretion

using its internal underwriting and valuation information, a " Margin Excess "), and (ii) such Margin Excess exists solely as a result of the full and complete reversal of the original circumstances that caused the prior related Margin Deficit, then, for so long as such Margin Excess exists, as determined by Buyer, Buyer may, in response to the applicable Seller's written request, agree in its commercially reasonable discretion to transfer cash to the related Seller in an amount up to the lesser of (x) the related Margin Excess with respect to such Purchased Asset and (y) the amount of the related Margin Deficit that was previously paid in full by the applicable Sellers, which amount shall by paid in the applicable Currency for such Purchased Asset. Notwithstanding the foregoing, in no event shall Buyer be required to pay Margin Excess to any Seller pursuant to this Section 4.02 in response to any such request (w) in an amount which is greater than the related Margin Deficit that was previously paid in full with respect to such Purchased Asset, (x) on and after the commencement of the Tail Period, (y) at any time after the occurrence and continuance of a Default or an Event of Default or (z) at any time when any Margin Deficit is outstanding with respect to any Purchased Asset. Buyer and the applicable Seller shall amend the related Confirmation relating to any Purchased Asset with respect to which the related Purchase Price has been so increased.

ARTICLE 5

APPLICATION OF INCOME

Section 5.01 Waterfall Accounts . Each Waterfall Account shall be established at Waterfall Account Bank. Buyer shall have sole dominion and control (including, without limitation, "control" within the meaning of Section 9-104(a) of the UCC) over each Waterfall Account pursuant to the terms of the applicable Controlled Account Agreement. Neither any Seller nor any Person claiming through or under any Seller shall have any claim to or interest in any Waterfall Account. All Income received by any Seller, Buyer, any Servicer or Waterfall Account Bank in respect of the Purchased Assets, shall be deposited, subject to the applicable provisions of the Servicing Agreement, directly into the applicable Waterfall Account based on the Currency in which such Income is denominated within two (2) Business Days of receipt thereof and shall be applied to and remitted by Waterfall Account Bank in accordance with this Article 5 .

To the extent that the application of Income pursuant to this Article 5 effects the commencement of the Tail Period or the Cash Sweep Period, as applicable, an amount equal to the maximum portion of such Income which could have been applied pursuant to this Article 5 without effecting the commencement thereof shall be applied pursuant to this Article 5 as though such Income were received and applied immediately prior to the commencement of such Tail Period or Cash Sweep Period, as applicable.

Notwithstanding any other provision herein, Sellers shall have the right to request a Monthly Intra-Period Remittance Date or Quarterly Intra-Period Remittance Date only if (a) no Event of Default has occurred and is continuing and (b) a minimum of at least (i) U.S. $10,000,000 with respect to U.S. Purchased Assets, (ii) C$2,000,000 with respect to Canadian Purchased Assets, (iii) £2,000,000 with respect to U.K. Purchased Assets and (iv) €2,000,000 with respect to U.K. Purchased Assets denominated in Euros, is available for application on such Remittance Date.

Notwithstanding any other provision of Section 5.02 or Section 5.03 herein, Income derived from Quarterly Pay Assets that is credited to the applicable Waterfall Account shall only be distributed pursuant to Section 5.02 or Section 5.03 on Quarterly Remittance Dates and shall remain in the applicable Waterfall Account and shall not be applied to any payments pursuant to Section 5.02 or Section 5.03 on any Monthly Remittance Date (including Monthly Intra-Period Remittance Dates) that are not also Quarterly Payment Dates (including Quarterly Intra-Period Remittance Dates).

All Income in each Waterfall Account shall be applied by Waterfall Account Bank on each Remittance Date in accordance with the written instructions of Buyer, and no Income in any Waterfall Account shall be paid to any Seller pursuant to priority *fifth* of Section 5.02 , priority *tenth* of Section 5.03 or otherwise until each of the other applicable priorities set forth in this Article 5 has been satisfied. Amounts in any Waterfall Account of any Currency may be used to satisfy the applications required under Sections 5.02 , 5.03 and 5.04 , subject to the provisions of Section 5.05 . For the avoidance of doubt, all amounts in any Waterfall Account shall be aggregated for purposes of distributions on each Remittance Date such that all amounts on deposit in each Waterfall Account (except subject to the immediately preceding paragraph) are distributed on each Remittance Date in the manner and in the priorities set forth above.

Section 5.02 Disbursement of all Income (other than Principal Payments) before an Event of Default . If no Event of Default has occurred and is continuing, all Income other than Principal Payments deposited into the Waterfall Accounts during each applicable Pricing Period shall be applied by Waterfall Account Bank on the next following Remittance Date applicable to the Purchased Assets to which such Income relates in the following order of priority:

first , to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets to which such Remittance Date applies, as of such Remittance Date;

second , to pay to Buyer an amount equal to all default interest, late fees, breakage and other costs (including but not limited to breakage costs in connection with payments made on any Intra-Period Remittance Date), fees, expenses and Indemnified Amounts then due and payable from any Seller and other applicable Persons to Buyer under the Repurchase Documents;

third , to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement;

fourth , to pay to Buyer any other amounts due and payable from any Seller and other applicable Persons to Buyer under the Repurchase Documents other than any amounts in respect of any Margin Deficit that has occurred and is continuing, so long as payment for such Margin Deficit is then being deferred in accordance with Section 4.01(b)(ii) .; and

fifth , to pay to each related Seller any remainder for its own account, for payment of any other disbursements as determined by such Seller in such Seller's sole discretion (including distributions to any Pledgor or its Affiliates); provided that , if any Default has

occurred and is continuing on such Remittance Date that has not become an Event of Default, all amounts otherwise payable to any Seller hereunder shall be retained in the applicable Waterfall Account until the earlier of (x) the day on which Buyer provides written notice to the Waterfall Account Bank that such Default has been cured to the satisfaction of Buyer in its sole discretion and no other Default or Event of Default has occurred and is continuing, at which time the Waterfall Account Bank shall apply all such amounts pursuant to this priority *fifth* ; and (y) the expiration of the cure period applicable to such Default, up to a maximum of ten (10) days after the occurrence of the applicable Default, at which time the Waterfall Account Bank shall apply all such amounts pursuant to Section 5.04 .

Section 5.03 Disbursement of Principal Payments Before an Event of Default . If no Event of Default has occurred and is continuing, all Principal Payments deposited into any Waterfall Account during each Pricing Period shall be applied by Waterfall Account Bank on the next following Remittance Date applicable to the Purchased Assets to which such Principal Payments relate in the following order of priority:

first , to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets to which such Remittance Date applies as of such Remittance Date, to the extent not previously paid pursuant to Section 5.02 ;

second , to pay to Buyer an amount equal to all default interest, late fees, breakage and other costs (including but not limited to breakage costs in connection with payments made on any Intra-Period Remittance Date), fees, expenses and Indemnified Amounts then due and payable from any Seller and other applicable Persons to Buyer under the Repurchase Documents, to the extent not previously paid pursuant to Section 5.02 ;

third , to the extent such Principal Payment(s) relate to a Purchased Asset with respect to which a Margin Deficit is outstanding, to pay to Buyer an amount sufficient to reduce such Margin Deficit to zero;

fourth , to the extent such Principal Payment(s) relate to a Purchased Asset with respect to which any portion of the Allocated Sequential Repayment Component for such Purchased Asset is outstanding, to pay to Buyer an amount sufficient to reduce such Allocated Sequential Repayment Component to zero;

fifth , to pay to Buyer (a) prior to the first day of the Tail Period, the Applicable Percentage of any Principal Payments to be applied to reduce the outstanding Repurchase Price of the Purchased Assets to which such Principal Payments relate, (b) during the Tail Period, an amount equal to the product of (1) the product of (i) the Applicable Percentage of any Principal Payments and (ii) 1.05 and (2) such Principal Payments, to be applied to reduce the outstanding Repurchase Price of the Purchased Assets to which such Principal Payments relate until such Purchase Price is reduced to zero and thereafter, to reduce the outstanding Purchase Price of the other Purchased Assets in such order and in such amounts as determined by Buyer until the aggregate Repurchase Price of all Purchased Assets has been reduced to zero, and (c) during the Cash Sweep Period, to pay to Buyer one hundred percent (100%) of all Principal Payments received with respect to any

Purchased Asset to Buyer to be applied by Buyer to, first, reduce the outstanding Repurchase Price of the applicable Purchased Asset to which such Principal Payments relate until such Purchase Price is reduced to zero and thereafter, to reduce the outstanding Purchase Prices of the other Purchased Assets in such order and in such amounts as determined by Buyer, until the aggregate Repurchase Price of all Purchased Assets has been reduced to zero;

sixth , to pay to Buyer an amount sufficient to reduce any outstanding Margin Deficits to zero, including, without limitation, any Margin Deficit that would otherwise exist or be created assuming the making of any Principal Payment to Seller pursuant to clause *tenth* below or any other clause (without limiting Sellers' obligation to satisfy a Margin Deficit in a timely manner as required by Section 4.01), to be applied in the order in which such outstanding Margin Deficits were incurred, until the amount of all outstanding Margin Deficits have been reduced to zero;

seventh , to pay to Buyer an amount equal to the aggregate Allocated Sequential Repayment Components of all Purchased Assets (to be applied by Buyer to reduce the Repurchase Prices of the Purchased Assets pro rata in such order and in such amounts as determined by Buyer, until each Allocated Sequential Repayment Component has been reduced to zero);

eighth , to pay to Buyer any other amounts due and payable from any Seller and other applicable Persons to Buyer under the Repurchase Documents;

ninth , to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement, in each case, to the extent not previously paid pursuant to Section 5.02 ; and

tenth , to pay to each related Seller any remainder for its own account, for payment of any other disbursements as determined by such Seller in such Seller's sole discretion (including distributions to any Pledgor or its Affiliates); provided that , if any Default has occurred and is continuing on such Remittance Date that has not become an Event of Default, all amounts otherwise payable to any Seller hereunder shall be retained in the applicable Waterfall Account until the earlier of (x) the day on which Buyer provides written notice to the Waterfall Account Bank that such Default has been cured to the satisfaction of Buyer in its sole discretion and no other Default or Event of Default has occurred and is continuing, at which time the Waterfall Account Bank shall apply all such amounts pursuant to this priority *tenth* ; and (y) the expiration of the cure period applicable to such Default, up to a maximum of ten (10) days after the occurrence of the applicable Default, at which time the Waterfall Account Bank shall apply all such amounts pursuant to Section 5.04 .

Section 5.04 After Event of Default . If an Event of Default has occurred and is continuing, all Income deposited into any Waterfall Account in respect of the Purchased Assets shall be applied by Waterfall Account Bank, on the Business Day next following the Business Day on which each amount of Income is so deposited, in the following order of priority:

first , to pay to Buyer an amount equal to the Price Differential accrued with respect to all Purchased Assets as of such date;

second , to pay to Buyer an amount equal to all default interest, late fees, breakage and other costs (including but not limited to breakage costs in connection with payments made on any Intra-Period Remittance Date), fees, expenses and Indemnified Amounts then due and payable from any Seller and other applicable Persons to Buyer under the Repurchase Documents;

third , to pay to Buyer an amount equal to the aggregate Repurchase Price of all Purchased Assets (to be applied in such order and in such amounts as determined by Buyer, until such Repurchase Price has been reduced to zero); and (ii) to pay to any Affiliated Hedge Counterparty an amount equal to all termination payments due and payable with respect to each related Interest Rate Protection Agreement;

fourth , to pay to Buyer all other Repurchase Obligations due and payable to Buyer;

fifth , to pay any custodial and servicing fees and expenses due and payable under the Custodial Agreement and any Servicing Agreement, in each case, to the extent not previously paid pursuant to Section 5.02 and Section 5.03 ; and

sixth , to pay to each related Seller any remainder for its own account; provided , that if Buyer has exercised the remedies described in Section 10.02(d)(ii) with respect to any or all Purchased Assets, Sellers shall not be entitled to any proceeds from any eventual sale of such Purchased Assets.

Section 5.05 Currency of Payments . (a) U.S. Dollars shall be the currency of account and payment for any and all sums due from any Seller under any Repurchase Document, provided , that:

(i) Subject to the terms of this Section 5.05 , the payment of a Repurchase Price, Margin Deficit or Price Differential in respect of a Purchased Asset shall be made in the Currency in which such Purchased Asset or Component is denominated;

(ii) payment of any Margin Call in respect of any Purchased Asset by application of funds pursuant to Section 4.01(b) or clauses *third* and *sixth* of Section 5.03 shall be made (x) *first* , in the applicable Currency for such Purchased Asset or applicable Component thereof, if and to the extent that sufficient funds in such Currency are available therefor, and (y) *then* , in such other Currency or Currencies as directed by Buyer, which other Currency or Currencies shall then be converted at the applicable Spot Rate for the applicable Currency of the Purchased Asset or Component to which such Margin Call relates;

(iii) any Principal Payments received in Euros, Pounds Sterling or Canadian Dollars and applied to any Allocated Sequential Repayment Component shall be converted by Buyer into U.S. Dollars at the Spot Rate;

(iv) any amount expressly specified in the related Confirmation or other Repurchase Document to be payable in a currency other than U.S. Dollars shall be paid in that other currency; and

(v) notwithstanding anything herein to the contrary, if on any date:

(A) any amount is due and payable under Sections 5.02 , 5.03 or 5.04 (a " Due Amount ") in a particular Currency (a " Due Currency ");

(B) there are not sufficient amounts available in the Waterfall Accounts of the Due Currency to pay that Due Amount;

then the remaining Due Amount shall be paid to Buyer in the equivalent amount in such other Currencies and from such other Waterfall Accounts as directed by Seller (or in the absence of such direction by Seller, as directed by Buyer) in the aggregate amount sufficient to pay, at the Spot Rate as determined by Buyer, such Due Amounts.

(b) To the extent that Buyer pursuant to this Article 5 applies any Income received in one Currency to the Repurchase Price of a Purchased Asset denominated in another Currency, such Income shall be converted at the applicable Spot Rate as in effect on such date, to the Currency of the Purchased Asset or Component to which such Income is so applied, at the Spot Rate as determined by Buyer in its sole discretion.

Section 5.06 Sellers to Remain Liable . If the amounts remitted to Buyer as provided in Sections 5.02 through 5.04 are insufficient to pay all amounts due and payable from any Seller to Buyer under this Agreement or any Repurchase Document on a Remittance Date, a Repurchase Date or Maturity Date, whether due to the occurrence of an Event of Default or otherwise, Sellers shall remain liable to Buyer for payment of all such amounts when due.

Section 5.07 Currency Calculations . All Currency calculations and related payments pursuant to this Article 5 shall be determined by Buyer or its designee and shall be final and binding on Sellers absent manifest error.

Section 5.08 Payment Obligations Absolute . All payment obligations of Sellers hereunder shall be absolute regardless of whether amounts in the Waterfall Accounts are sufficient to pay any such obligations in full and regardless of the Currency in which such obligations are denominated, the Currency in which Income has been received, and any Currency conversions provided for herein.

ARTICLE 6

CONDITIONS PRECEDENT

Section 6.01 Conditions Precedent to Initial Transaction . Buyer shall not be obligated to enter into any Transaction or purchase any Asset until the following conditions have been satisfied or waived by Buyer, on and as of the Closing Date and the first Purchase Date:

(a) Buyer has received the following documents, each dated the Closing Date or as of the first Purchase Date, as applicable, unless otherwise specified: (i) each Repurchase Document duly executed and delivered by the parties thereto, (ii) an official good standing certificate or its documentary equivalent dated a recent date with respect to each Seller, Pledgor and Guarantor (including, with respect to each Seller, in each jurisdiction where any Mortgaged Property is located to the extent necessary for Buyer to enforce its rights and remedies thereunder), (iii) certificates of the secretary or an assistant secretary of each Seller, Pledgor and Guarantor with respect to attached copies of the Governing Documents and applicable resolutions of each Seller, Pledgor and Guarantor, and the incumbencies and signatures of officers of each Seller, Pledgor and Guarantor executing the Repurchase Documents to which each is a party, evidencing the authority of each Seller, Pledgor and Guarantor with respect to the execution, delivery and performance thereof, (iv) a Closing Certificate, (v) an executed Power of Attorney, (vi) such opinions (including opinions with respect to matters relating to Canada reasonably requested by Buyer, but excluding any opinions relating to the laws of England, Scotland, Wales and Germany) from counsel to Sellers, Pledgors and Guarantor as Buyer may require, including with respect to corporate matters (including, without limitation, the valid existence and good standing of Sellers, Guarantor and Pledgor and the enforceability of their respective operating agreements), the due authorization, execution, delivery, and enforceability of each of the Repurchase Documents, non-contravention, no consents or approvals required other than those that have been obtained, first priority perfected security interests in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Documents, Investment Company Act matters, true sale (unless such Purchased Asset was purchased by the related Seller from an unaffiliated third party seller in an arm's-length transaction for fair market value), and the applicability of Bankruptcy Code safe harbors (including Buyer's related liquidation, termination and offset rights) (provided, that any opinion relating to the laws of England, Scotland, Wales or Germany shall be delivered by Buyer's counsel), (vii) a duly completed Compliance Certificate, (xiii) a true and correct copy, certified as to authenticity by Sellers, of the Purchase and Sale Agreement, and such other documents related to the Purchase and Sale Agreement as may be reasonably requested by Buyer, and, in each case, including all amendments, supplements or modifications with respect thereto, (ix) a completed Utilization Request acceptable to Buyer for each applicable Currency, and (x) all other documents, certificates, information, financial statements, reports, approvals and opinions (including opinions with respect to matters relating to Canada as reasonably requested by Buyer, but excluding any opinions relating to the laws of England and Wales and Germany) as Buyer may require;

(b) (i) UCC financing statements (or the foreign jurisdiction equivalent if and as applicable), together with any other documents, filings, registrations, notices and authorizations necessary or requested by Buyer to perfect the security interests granted by Sellers and Pledgors in favor of Buyer, have been filed against Sellers and Pledgors in all relevant jurisdictions, including without limitation Delaware, Canada, England and Wales, Germany and any other jurisdiction reasonably requested by Buyer, (ii) Buyer has received such searches of UCC filings, tax liens, judgments, pending litigation and other matters relating to Sellers and the Purchased Assets as Buyer may require, and (iii) the results of such searches are satisfactory to Buyer;

(c) Immediately after giving effect to the purchases contemplated by the initial Transaction, the PPV Test is satisfied with respect to all Purchased Assets purchased on the Closing Date;

(d) Buyer has received payment from Sellers of all fees and expenses then payable under Section 3.07(b) , the related provisions of the Fee Letter and all expenses payable as contemplated by Section 13.02 , together with any other fees and expenses otherwise due and payable pursuant to any of the other Repurchase Documents;

(e) Buyer has completed to its satisfaction such due diligence (including, Buyer's "Know Your Customer" and Anti-Terrorism Laws diligence) and modeling as it may require; and

(f) All applicable conditions precedent set forth in the Purchase and Sale Agreement (including any related commitment letter and any other related documents and agreements) to the applicable transactions contemplated thereby shall have been satisfied, without giving effect to any waivers, and the applicable transactions contemplated in the Purchase and Sale Agreement shall have been, or shall be concurrently with the initial Transactions, consummated in accordance with the terms of the Purchase and Sale Agreement, without any amendment, modification or waiver thereof except with the consent of Buyer, and Buyer shall have received evidence satisfactory to it to that effect.

(g) Sellers shall have obtained all required consents to the sale, assignment and transfer in form and substance satisfactory to Buyer in its sole discretion.

(h) Buyer shall have received a collateral assignment of all of Seller's rights (but none of Seller's obligations) under the Purchase and Sale Agreement and the other Asset Purchase Documents, in each case, in form and substance satisfactory to Buyer.

(i) Buyer has received, prior to the Closing Date, approval from its internal credit committee and all other necessary approvals required for Buyer, to enter into this Agreement and consummate Transactions hereunder.

(j) Buyer shall have received an assignment of all of Sellers' rights (but none of Sellers' obligations) under all Interest Rate Protection Agreements.

(k) Buyer and Sellers shall have entered into the Interest Rate Cap Agreement.

Buyer's execution and delivery of this Agreement will be evidence that the foregoing conditions contained in this Section 6.01 have been satisfied to Buyer's satisfaction.

Section 6.02 Conditions Precedent to All Transactions . Buyer shall not be obligated to enter into any Transaction, purchase any Asset, or be obligated to take, fulfill or perform any other action hereunder, until the following additional conditions have been satisfied or waived by Buyer, with respect to each Asset on and as of the Purchase Date (including the first Purchase Date) therefor:

(a) Buyer has received the following documents for each Purchased Asset: (i) the Diligence Materials, (ii) a final Confirmation, (iii) a trust receipt and other items required to be delivered under the Custodial Agreement, (iv) any servicing agreement, if a copy was not previously delivered to Buyer, (v) if the prospective Purchased Asset is not serviced by Buyer or an Affiliate of Buyer, copies of the related Servicing Agreements, (vi) a Servicer Notice, (vii) a duly completed Compliance Certificate, (viii) a completed Utilization Request acceptable to Buyer for each applicable Currency, and (ix) all other documents, certificates, information, financial statements, reports, approvals and opinions of counsel (including opinions with respect to matters relating to Canada, England and Wales, Germany and any other jurisdiction reasonably requested by Buyer) as Buyer may require and has requested from Seller in writing;

(b) immediately before such Transaction and after giving effect thereto and to the intended use thereof, no Representation Breach (including with respect to any Purchased Asset, but excluding any Approved Representation Exception), Default, Event of Default, Margin Deficit, or Material Adverse Effect shall have occurred and be continuing;

(c) Buyer has received an Asset Due Diligence Report and related legal opinions and reliance letters from Seller's outside counsel, in each case, in form and substance satisfactory to Buyer in its discretion;

(d) Buyer has completed its due diligence review of the Diligence Materials, Mortgage Loan Documents and such other documents, records and information as Buyer deems appropriate, and the results of such reviews are satisfactory to Buyer;

(e) Buyer has (i) determined that such Asset is an Eligible Asset, and (ii) obtained all necessary internal credit and other approvals for such Transaction, (iii) executed the Confirmation;

(f) immediately after giving effect to such Transaction, (i) the aggregate outstanding Purchase Price of all Transactions denominated in an applicable Currency does not exceed the Maximum Amount for such Currency, and (ii) the PPV Test is not breached;

(g) the Repurchase Date specified in the Confirmation is not later than the Maturity Date;

(h) each Seller has satisfied all requirements and conditions and has performed all covenants, duties, obligations and agreements contained in the other Repurchase Documents to be performed by such Seller on or before the Purchase Date;

(i) to the extent the related Mortgage Loan Documents contain notice, cure and other provisions in favor of a pledgee under a repurchase or warehouse facility, and without prejudice to the sale treatment of such Asset to Buyer, Buyer has received evidence that the related Seller has given notice to the applicable Persons of Buyer's interest in such Asset and otherwise satisfied any other applicable requirements under such pledgee provisions so that Buyer is entitled to the rights and benefits of a pledgee under such pledgee provisions;

(j) if requested by Buyer, to the extent not covered by opinions previously delivered under similar facts and circumstances where there has been no change in Requirements

of Law in connection with this Agreement, such customary opinions from counsel to Sellers, Pledgors and Guarantor as Buyer may require, including, without limitation, with respect to the perfected security interest in the Purchased Assets, the Pledged Collateral and any other collateral pledged pursuant to the Repurchase Document, and true sale opinions (or such comparable opinions in relevant jurisdictions) for each Purchased Asset purchased or transferred to the related Seller from an Affiliate of such Seller or from any third party in a transaction not on arm's-length terms or for other than fair market value, to the extent such transfer was in a manner or structure different from the manner or structure of transfer and sale analyzed in a true sale opinion previously delivered in connection with such Purchased Asset;

(k) Other than with respect to the U.K. Purchased Assets, Custodian or Buyer's bailee shall have received executed blank assignments of all Mortgage Loan Documents each, if recordable, to be in appropriate form for recording (or other appropriate procedure in the relevant jurisdiction) in the jurisdiction in which the underlying Mortgaged Property is located (the " Blank Assignment Documents "), and in respect of the U.K. Purchased Assets, the relevant Security Agent shall hold all Mortgage Loan Documents for the benefit of the Buyer and Custodian or Buyer's bailee shall have received an executed undated Transfer Certificate or Sub-Participation Assignment Agreement (as applicable), duly executed by the U.K. Seller or the German Seller (as applicable) with respect to the applicable U.K. Purchased Asset;

(l) Buyer has received payment from Sellers of all fees and expenses then due and payable under Section 3.07(b) , the related provisions of the Fee Letter and all expenses then due and payable as contemplated by Section 13.02 , together with any other fees and expenses otherwise then due and payable pursuant to any of the other Repurchase Documents;

(m) Buyer and Seller(s) shall have entered into any Interest Rate Cap required by Buyer in connection with such Transaction, and each Interest Rate Cap with respect to any prior Transaction shall be in full force and effect and shall reference all existing Purchased Assets that pay interest based on a fixed rate;

(n) Buyer has received a copy of any Interest Rate Protection Agreement and related documents entered into with respect to such Asset, (ii) Seller has assigned or pledged to Buyer all of Seller's rights (but none of the obligations) under such Interest Rate Protection Agreement and related documents, subject to, in the case of a Cleared Swap, (A) the rights, if any, of the related DCO and FCM and (B) any limitation on assignment or pledge by Seller required by the DCO or FCM, and (iii) no termination event, default or event of default (however defined) exists thereunder;

(o) Buyer has received the following documents for each U.K. Purchased Asset as requested by Buyer in the context of each U.K. Purchased Asset (as applicable): (i) an executed and undated Transfer Certificate in respect of the transfer or assignment of such U.K. Purchased Asset from Seller to Buyer (or other effective transfer or assignment instrument as Buyer may require), (ii) deeds of accession and/or transfer or assignment in respect of each applicable U.K. Finance Document for that U.K. Purchased Asset, (iii) deeds of assignment and/or transfer in respect of each U.K. Mortgage Loan Security Agreement for such U.K. Purchased Asset and (iv) any other deed or document required by Buyer for the purposes of effectively transferring and assigning that U.K. Purchased Asset, together with any guarantee,

any security agreement (including but not limited to each related U.K. Mortgage Loan Security Agreement), any fee arrangement, any intercreditor and/or subordination arrangement, in each case, entered into in connection with or in relation to any U.K. Purchased Asset, and any other documents pursuant to which the Seller has any right, title and/or interest in connection with or relating to any U.K. Purchased Asset and all related interests under each U.K. Finance Document and U.K. Mortgage Loan Security Agreement from Seller to Buyer;

(p) With respect to a Security, any definitive certificate, bond, note or instrument representing ownership of the Security shall have been registered in the name of Seller and Wells Fargo Bank, N.A. as "custodian", "pledgee" or "f.b.o.", with an allonge, stock power or bond power assigned in blank, and such registered certificate, bond, note or instrument and signed allonge, stock power or bond power shall be delivered to Custodian; and

(q) Sellers shall have obtained all required consents to the sale, assignment and transfer of the U.K. Purchased Assets, in form and substance satisfactory to Buyer in its sole discretion.

Each Confirmation executed and delivered by Buyer and the related Seller shall constitute a certification by such Seller that all of the conditions precedent in this Article 6 have been satisfied other than those set forth in Sections 6.01(a)(ix) and (e) and Sections 6.02(d) , (e) , (f) and (l) .

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller represents and warrants to Buyer, on and as of the date of this Agreement, each Purchase Date, and at all times when any Repurchase Document or Transaction is in full force and effect as follows:

Section 7.01 Seller . Each Seller has been duly organized and validly exists in good standing as a corporation, limited liability company or limited partnership, as applicable, under the laws of the jurisdiction of its incorporation, organization or formation. Each Seller (a) has all requisite power, authority, legal right, licenses and franchises where such licenses or franchises are necessary for the transaction of such Seller's business or the consummation of the transactions contemplated in the Repurchase Documents, except where failure to have such license or franchise does not have a Material Adverse Effect, (b) is duly qualified to do business in all jurisdictions necessary for the transaction of such Seller's business or the consummation of the transactions contemplated in the Repurchase Documents, except where failure to so qualify does not have a Material Adverse Effect, and (c) has been duly authorized by all necessary action, to (w) own, lease and operate its properties and assets, (x) conduct its business as presently conducted, (y) execute, deliver and perform its obligations under the Repurchase Documents to which it is a party, and (z) acquire, own, sell, assign, pledge and repurchase the Purchased Assets. Each Seller's exact legal name is set forth in the preamble and signature pages of this Agreement. Such Seller's location (within the meaning of Article 9 of the UCC), and the office where such Seller keeps all records (within the meaning of Article 9 of the UCC) relating to the Purchased Assets is at the address of such Seller referred to in Annex 1 . No Seller

has changed its name or location within the past twelve (12) months. U.S. Seller's organizational identification number is 5731742 and its tax identification number is 47-3789079. U.S. Seller is a one hundred percent (100%) direct and wholly owned Subsidiary of the related Pledgor. CAD Seller's organizational identification number is 5731746 and its tax identification number is 47-3802139. CAD Seller is a one hundred percent (100%) direct and wholly owned Subsidiary of the related Pledgor. ONT Seller's organizational identification number is 5743231 and its tax identification number is 47-3957517. ONT Seller is a one hundred percent (100%) direct and wholly owned Subsidiary of the related Pledgor. German Seller's organizational identification number is 5731748 and its tax identification number is 47-3776628. German Seller is a one hundred percent (100%) direct and wholly owned Subsidiary of the related Pledgor. U.K. Seller's organizational identification number is 5539520 and its tax identification number is 47-0998733. U.K. Seller is a one hundred percent (100%) direct and wholly owned Subsidiary of the related Pledgor. The fiscal year of each Seller is the calendar year. Each Seller has no Indebtedness, Contractual Obligations or Investments other than (a) ordinary trade payables, (b) in connection with Assets acquired or originated for the Transactions, and (c) the Repurchase Documents. No Seller or Pledgor has any Guarantee Obligations. No Seller has any Subsidiaries.

Section 7.02 Repurchase Documents . Each Repurchase Document to which any Seller is a party has been duly executed and delivered by such Seller and constitutes the legal, valid and binding obligation of such Seller enforceable against such Seller in accordance with its terms, except as such enforceability may be limited by Insolvency Laws and general principles of equity. The execution, delivery and performance by such Seller of each Repurchase Document to which it is a party do not and will not (a) conflict with, result in a breach of, or constitute (with or without notice or lapse of time or both) a default under, any (i) Governing Document, Indebtedness, Guarantee Obligation or Contractual Obligation applicable to such Seller or any of its properties or assets, (ii) Requirements of Law, or (iii) approval, consent, judgment, decree, order or demand of any Governmental Authority, or (b) result in the creation of any Lien (other than Permitted Liens) on any of the properties or assets of such Seller. All approvals, authorizations, consents, orders, filings, notices or other actions of any Person or Governmental Authority required for the execution, delivery and performance by such Seller of the Repurchase Documents to which it is a party and the sale of and grant of a security interest in each Purchased Asset to Buyer, have been obtained, effected, waived or given and are in full force and effect. The execution, delivery and performance of the Repurchase Documents do not require compliance by any Seller with any "bulk sales" or similar law. There is no material litigation, proceeding or investigation pending or, to the Knowledge of any Seller threatened, against any Seller, any Pledgor, Guarantor or any Affiliate of any Seller, any Pledgor or Guarantor before any Governmental Authority (a) asserting the invalidity of any Repurchase Document, (b) seeking to prevent the consummation of any Transaction, or (c) seeking any determination or ruling that could reasonably be expected to have a Material Adverse Effect.

Section 7.03 Solvency . None of Sellers, Guarantor or any other direct or indirect Subsidiary of Guarantor is or has ever been the subject of an Insolvency Proceeding. Each Seller, Guarantor and all of its other direct or indirect Subsidiaries is Solvent and the Transactions do not and will not render any Seller, Guarantor or any other direct or indirect Subsidiary of Guarantor not Solvent. No Seller is entering into the Repurchase Documents or any Transaction with the intent to hinder, delay or defraud any creditor of any Seller, Guarantor or any other direct or indirect Subsidiary of Guarantor. Each Seller has received or will receive reasonably equivalent value for the Repurchase Documents

and each Transaction. Each Seller has adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations. Each Seller is generally able to pay, and as of each Purchase Date is paying, its debts as they come due.

Section 7.04 Taxes . Guarantor is a REIT. Each Seller is disregarded as a separate entity from Guarantor for U.S. federal income tax purposes. Sellers and Guarantor have each filed all required federal Tax returns and all other material Tax returns, domestic and foreign, required to be filed by them and have (for all prior fiscal years and for the current fiscal year to date) paid all federal and other material Taxes which have become due and payable, other than any such Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves have been established in accordance with GAAP. There is no material suit or claim relating to any Taxes now pending or, to the Knowledge of any Seller, threatened by any Governmental Authority which is not being contested in good faith as provided above, unless such Seller provides Buyer with written notice of such suit or claim.

Section 7.05 True and Complete Disclosure . The information, reports, certificates, documents, financial statements, operating statements, forecasts, books, records, files, exhibits and schedules furnished by or on behalf of any Seller, any Pledgor or Guarantor to Buyer in connection with the Repurchase Documents and the Transactions, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by or on behalf of any Seller, any Pledgor or Guarantor to Buyer in connection with the Repurchase Documents and the Transactions will be true, correct and complete in all material respects, or in the case of projections will be based on reasonable estimates prepared and presented in good faith, on the date as of which such information is stated or certified.

Section 7.06 Compliance with Laws . Each Seller, Pledgor and Guarantor have complied in all respects with all Requirements of Laws, and no Purchased Asset contravenes any Requirements of Laws. Neither any Seller nor any Affiliate of any Seller (a) is an “enemy” or an “ally of the enemy” as defined in the Trading with the Enemy Act of 1917, (b) is in violation of any Anti-Terrorism Laws, (c) is a blocked person described in Section 1 of Executive Order 13224 or to its Knowledge engages in any dealings or transactions or is otherwise associated with any such blocked person, (d) is in violation of any country or list based economic and trade sanction administered and enforced by the Office of Foreign Assets Control, (e) is a Sanctioned Entity, (f) has more than ten percent (10%) of its assets located in Sanctioned Entities, or (g) derives more than ten percent (10%) of its operating income from investments in or transactions with Sanctioned Entities. The proceeds of any Transaction have not been and will not be used to fund any operations in, finance any investments or activities in or make any payments to a Sanctioned Entity. Each Seller and all Affiliates of each Seller are in compliance with the Foreign Corrupt Practices Act of 1977 and any foreign counterpart thereto. Neither any Seller nor any Affiliate of any Seller has made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to

misuse his or her official position to direct business wrongfully to any Seller, any Affiliate of any Seller or any other Person, in violation of the Foreign Corrupt Practices Act or any foreign counterpart thereof. No properties presently or previously owned or leased by any Seller or any of its Affiliates, or to the Knowledge of any Seller, any of their respective predecessors, contain or previously contained any Materials of Environmental Concern that constitute or constituted a violation of Environmental Laws which reasonably could be expected to have a Material Adverse Effect. Each Seller, Pledgor and Guarantor have no Knowledge of any violation, alleged violation, non-compliance, liability or potential liability of any Seller or Guarantor under any Environmental Law. Materials of Environmental Concern have not been released, transported, generated, treated, stored or disposed of in violation of Environmental Laws or in a manner that reasonably could be expected to have a Material Adverse Effect.

Section 7.07 Compliance with ERISA . (a) Neither any Seller, any Pledgor nor Guarantor has any employees as of any Purchase Date or the date of this Agreement.

(b) Each of Sellers, Pledgors and Guarantor either (i) qualifies as a VCOC or a REOC, (ii) complies with an exception set forth in the Plan Asset Regulations such that the assets of such Person would not be subject to Title I of ERISA and/or Section 4975 of the Code, or (iii) does not hold any "plan assets" within the meaning of the Plan Asset Regulations that are subject to ERISA.

(c) Assuming that no portion of the Purchased Assets are funded by Buyer with "plan assets" within the meaning of the Plan Asset Regulations, none of the transactions contemplated by the Repurchase Documents will constitute a nonexempt prohibited transaction (as such term is defined in Section 4975 of the Code or Section 406 of ERISA) that could subject Buyer to any tax or penalty or prohibited transactions imposed under Section 4975 of the Code or Section 502(i) of ERISA.

Section 7.08 No Default . No Default or Event of Default has occurred and is continuing. No default or event of default (however defined) exists under any Indebtedness, Guarantee Obligations or Contractual Obligations of any Seller. Each Seller believes that it is and will be able to pay and perform each agreement, duty, obligation and covenant contained in the Repurchase Documents and Mortgage Loan Documents to which it is a party, and that it is not subject to any agreement, obligation, restriction or Requirements of Law that would unduly burden its ability to do so or could reasonably be expected to have a Material Adverse Effect. No Internal Control Event has occurred. Each Seller has delivered to Buyer all underlying servicing agreements (or provided Buyer with access to a service, internet website or other system where Buyer can successfully access such agreements) with respect to the Purchased Assets, and to each Seller's Knowledge no material default or event of default (however defined) exists thereunder. No default or event of default (however defined) on the part of Guarantor or any Pledgor has occurred and is continuing as of the Closing Date or any Purchase Date under any credit facility, repurchase facility or substantially similar facility that is presently in effect, to which Guarantor or any Pledgor is a party; it being understood and agreed that the representation in this sentence is only being made as of the Closing Date and each such Purchase Date and will not be remade or deemed to be remade on any date other than the Closing Date and each Purchase Date.

Section 7.09 Purchased Assets . Except to the extent set forth in writing on the related Confirmation as an Approved Representation Exception, each Purchased Asset is an Eligible Asset as of the Purchase Date. Each representation and warranty of any Seller set forth in the Repurchase Documents (including in Schedule 1 applicable to the Class of such Purchased Asset) and the Mortgage Loan Documents with respect to each Purchased Asset is true and correct. The review and inquiries made on behalf of Sellers in connection with the next preceding sentence have been made by Persons having the requisite expertise, knowledge and background to verify such representations and warranties. Each Seller has complied with all requirements of the Custodial Agreement with respect to each Purchased Asset, including delivery to Custodian of all required Mortgage Loan Documents.

Section 7.10 Purchased Assets Acquired from GECC . With respect to each Purchased Asset, (a) such Purchased Asset was acquired and transferred pursuant to the Purchase and Sale Agreement, (b) GECC received reasonably equivalent value in consideration for the transfer of such Purchased Asset, (c) no such transfer was made for or on account of an antecedent debt owed by GECC to any Seller or an Affiliate of any Seller, (d) no such transfer is or may be voidable or subject to avoidance under the Bankruptcy Code, and (e) the GECC Representations made with respect to each Purchased Asset are hereby incorporated herein *mutatis mutandis* and are hereby made by such Seller to Buyer on each date as of which they speak in the Purchase and Sale Agreement and as of the related Purchase Date; provided that, with respect to the Canadian Purchased Assets (a) the representation made in Section 3.14(c) of the Purchase and Sale Agreement shall be deemed to add the word "compensation" after the word "offset" in the second line thereof, and (b) the representation made in Section 3.14(i) of the Purchase and Sale Agreement shall be deemed to (x) add the words "or emphyteutic lease" after the words "ground lease" in the second line thereof and (y) add the text "including any emphyteutic leases," immediately preceding the word "collectively" also in the second line thereof.

Section 7.11 Transfer and Security Interest . The Repurchase Documents constitute a valid and effective transfer to Buyer of all right, title and interest of each Seller in, to and under all Purchased Assets (together with all related Servicing Rights), free and clear of any Liens (other than, except with respect to any Purchased Asset, any Permitted Liens) but subject to Retained Interests. With respect to the protective security interest granted by Sellers in Section 11.01 , (i) with respect to the U.S. Purchased Assets, upon the delivery of the Confirmations and the Mortgage Loan Documents to Custodian, the execution and delivery of the Controlled Account Agreement and the filing of the UCC financing statements as provided herein, such security interest shall be a valid first priority perfected security interest to the extent such security interest can be perfected by possession, filing or control under the UCC, subject only to Permitted Liens, (ii) with respect to the U.K. Purchased Assets, upon receipt by Custodian or Buyer of (a) a signed but undated Transfer Certificate, and (b) each U.K. Security Agreement, each executed by a duly authorized officer of the applicable Seller, Buyer shall have a valid and fully perfected first priority security interest in all right, title and interest of such Seller in such U.K. Purchased Asset, subject to any limitations or claims arising out of the relevant documentation in relation to the U.K. Purchased Assets, and (iii) with respect to the Canadian Purchased Assets, upon the delivery of the Confirmations and the Mortgage Loan Documents to Custodian, the execution and delivery of the Controlled Account Agreement and the filing of the UCC financing statements as provided herein, such security interest shall be a

valid first priority perfected security interest to the extent such security interest can be perfected by possession, filing or control under the UCC, subject only to Permitted Liens. Upon receipt by Custodian of each Mortgage Loan Document required to be endorsed in blank by the related Seller and payment by Buyer of the Purchase Price for the related Purchased Asset, Buyer shall either own such Purchased Asset and the related Mortgage Loan Documents or have a valid first priority perfected security interest in such Mortgage Loan Document. The Purchased Assets are comprised of the following, as defined in the UCC (except intangibles for Canadian Purchased Assets, which is defined in the PPSA): a general intangible, intangible, instrument, investment property, security, deposit account, financial asset, uncertificated security, securities account, and/or security entitlement. No Seller has sold, assigned, pledged, granted a security interest in, encumbered or otherwise conveyed any of the Purchased Assets to any Person other than pursuant to the Repurchase Documents. No Seller has authorized the filing of or has any Knowledge of any UCC financing statements filed against any Seller as debtor that include the Purchased Assets, other than any financing statement that has been terminated or filed pursuant to this Agreement.

Section 7.12 No Broker . Neither any Seller nor any Affiliate of any Seller has dealt with any broker, investment banker, agent or other Person, except for Buyer or an Affiliate of Buyer, who may be entitled to any commission or compensation in connection with any Transaction. Buyer and each Seller acknowledge that, for the avoidance of doubt, neither Buyer nor any Affiliate of Buyer is entitled to any commission or compensation in connection with this Agreement or any Transaction except to the extent expressly set forth in the Repurchase Documents.

Section 7.13 Interest Rate Protection Agreements . (a) Each Seller has entered into all Interest Rate Protection Agreements required under Section 8.08 , (b) each such Interest Rate Protection Agreement is in full force and effect, (c) no termination event, default or event of default (however defined) has occurred and is continuing thereunder, and (d) each Seller has effectively assigned or pledged to Buyer all such Seller's rights (but none of its obligations) under such Interest Rate Protection Agreements, subject to, in the case of a Cleared Swap, (i) the rights, if any, of the related DCO and FCM and (ii) any limitation on assignment or pledge of the applicable Seller required by the DCO or FCM.

Section 7.14 Separateness . Each Seller is in compliance with the requirements of Article 9 .

Section 7.15 Investment Company Act . Each Seller is a "qualified purchaser" as defined in the Investment Company Act. None of any Seller, Guarantor or any Affiliate of Seller or Guarantor (a) is or is "controlled" by an "investment company", or by a company "controlled" by an "investment company", within the meaning of the Investment Company Act, or otherwise required to register thereunder, (b) is a "broker" or "dealer" as defined in, or could be subject to a liquidation proceeding under, the Securities Investor Protection Act of 1970, or (c) is subject to regulation by any Governmental Authority limiting its ability to incur the Repurchase Obligations.

Section 7.16 Other Indebtedness . No Seller shall incur any Indebtedness other than Indebtedness as evidenced by this Agreement.

Section 7.17 Location of Books and Records . The location where each Seller keeps its books and records, including all computer tapes and records relating to the Purchased Assets is its chief executive office.

Section 7.18 Chief Executive Office; Jurisdiction of Organization . On the Effective Date, each Seller's chief executive office, is, and has been, located at 345 Park Avenue, New York, New York 10154. On the Effective Date, each Seller's jurisdiction of organization is Delaware. Each Seller shall provide Buyer with thirty (30) days advance notice of any change in any Seller's principal office or place of business or jurisdiction. No Seller has a trade name. During the preceding five (5) years, no Seller has been known by or done business under any other name, corporate or fictitious, and has not filed or had filed against it any bankruptcy receivership or similar petitions nor has it made any assignments for the benefit of creditors.

Section 7.19 Centre of Main Interests . Each Seller warrants, represents and covenants that it has not (A) taken any action that would cause its "centre of main interests" (as such term is defined in the Insolvency Regulation) to be located in the United Kingdom or in the Federal Republic of Germany or (B) registered as a company in any jurisdiction other than Delaware.

Section 7.20 Asset Purchase Documents . Schedule 2 attached hereto contains a true and correct list of the Asset Purchase Documents, and a true and complete copy of each of such Asset Purchase Documents has been delivered to Buyer. Except as disclosed in writing to Buyer, prior to the date hereof, no such document has been amended, waived, modified or otherwise subject to any other agreement or side letter relating thereto. No default or event of default by any Seller has occurred or exists under or with respect to the Purchase and Sale Agreement or any other Asset Purchase Document.

ARTICLE 8

COVENANTS OF SELLERS

From the date hereof until the Repurchase Obligations are indefeasibly paid in full and the Repurchase Documents are terminated, each Seller shall perform and observe the following covenants, which shall be given independent effect (so that if a particular action or condition is prohibited by any covenant, the fact that it would be permitted by an exception to or be otherwise within the limitations of another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists):

Section 8.01 Existence; Governing Documents; Conduct of Business . Each Seller shall (a) preserve and maintain its legal existence, (b) qualify and remain qualified in good standing in each jurisdiction where the failure to be so qualified would have a Material Adverse Effect, (c) comply with its Governing Documents, including all special purpose entity provisions, and (d) not modify, amend or terminate its Governing Documents. Each Seller shall (a) continue to engage in the same (and no other) general lines of business as presently conducted by it, (b) maintain and preserve all of its material rights, privileges, licenses and franchises necessary for the operation of its business, and (c) maintain such Seller's status as a qualified transferee, qualified lender or any similar term (however defined) under the Mortgage

Loan Documents. No Seller shall (A) change its name, organizational number, tax identification or business number, fiscal year, method of accounting, identity, structure or jurisdiction of organization (or have more than one such jurisdiction), move the location of its principal place of business and chief executive office, as defined in the UCC) from the location referred to in Section 7.18 , or (B) move, or consent to Custodian moving, the Mortgage Loan Documents from the location thereof on the applicable Purchase Date for the related Purchased Asset, unless in each case such Seller has given at least thirty (30) days prior notice to Buyer and has taken all actions required under the UCC to continue the first priority perfected security interest of Buyer in the Purchased Assets. Seller shall enter into each Transaction as principal.

Section 8.02 Compliance with Laws, Contractual Obligations and Repurchase Documents . Each Seller shall comply in all material respects with each and every Requirements of Law, including those relating to any Purchased Asset and to the reporting and payment of Taxes. No part of the proceeds of any Transaction shall be used for any purpose that violates Regulation T, U or X of the Board of Governors of the Federal Reserve System. Each Seller shall conduct the requisite due diligence in connection with the origination or acquisition of each Purchased Asset for purposes of complying with the Anti-Terrorism Laws, including with respect to the legitimacy of the applicable Underlying Obligor and the origin of the assets used by such Person to purchase the Mortgaged Property, and will maintain sufficient information to identify such Person for purposes of the Anti-Terrorism Laws. Each Seller shall maintain the Custodial Agreement and Controlled Account Agreement in full force and effect. No Seller shall directly or indirectly enter into any agreement that would be violated or breached by any Transaction or the performance by any Seller of any Repurchase Document.

Section 8.03 Protection of Buyer's Interest in Purchased Assets . With respect to each Purchased Asset, the related Seller shall take all action necessary or required by the Repurchase Documents, the Mortgage Loan Documents and each and every Requirement of Law, or requested by Buyer, to perfect, protect and more fully evidence the security interest granted in the Purchase and Sale Agreement and Buyer's ownership of and first priority perfected security interest in such Purchased Asset and related Mortgage Loan Documents, including executing or causing to be executed (a) such other instruments or notices as may be necessary or appropriate and filing and maintaining effective UCC financing statements, continuation statements and assignments and amendments thereto or similar requirements under the laws of England and Wales, Canada, Germany and/or other applicable jurisdictions, and (b) all documents necessary to collaterally assign and, to the extent permitted under the Purchase and Sale Agreement, with respect to, and to the extent of, the Purchased Assets, absolutely and unconditionally assign, all rights (but none of the obligations) of each Seller under the Purchase and Sale Agreement and the Asset Purchase Documents, in each case as additional security for the payment and performance of all of the Repurchase Obligations, including but not limited to all of Sellers' rights to, and proceeds of, indemnification from the seller parties under the Purchase and Sale Agreement. Each Seller shall (a) not assign, sell, transfer, pledge, hypothecate, grant, create, incur, assume or suffer or permit to exist any security interest in or Lien (other than Permitted Liens) on any Purchased Asset to or in favor of any Person other than Buyer, (b) defend such Purchased Asset against, and take such action as is necessary to remove, any such Lien, and (c) defend the right, title and interest of Buyer in and to all Purchased Assets against the claims and demands of all Persons whomsoever. Notwithstanding the foregoing, if any Seller grants a Lien on any Purchased Asset in violation of this Section 8.03 or any other

Repurchase Document, such Seller shall be deemed to have simultaneously granted an equal and ratable Lien on such Purchased Asset in favor of Buyer to the extent such Lien has not already been granted to Buyer; provided , that such equal and ratable Lien shall not cure any resulting Event of Default. Sellers shall not materially amend, modify, waive or terminate any provision of the Purchase and Sale Agreement to the extent it relates to any Purchased Asset. Each Seller shall mark its computer records and tapes to evidence the interests granted to Buyer hereunder. Sellers shall not take any action to cause any Purchased Asset that is not evidenced by an instrument or chattel paper (as defined in the UCC) to be so evidenced. If a Purchased Asset becomes evidenced by an instrument or chattel paper, the same shall be promptly (but in no event later than one (1) Business Day following such Seller's receipt) delivered to Custodian on behalf of Buyer, together with endorsements required by Buyer.

Section 8.04 Actions of Sellers Relating to Distributions, Indebtedness, Guarantee Obligations, Contractual Obligations, Investments and Liens . No Seller shall declare or make any payment on account of, or set apart assets for, a sinking or similar fund for the purchase, redemption, defeasance, retirement or other acquisition of, any Equity Interest of any Seller, any Pledgor, Guarantor or any Affiliate of any Seller, any Pledgor or Guarantor, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Seller, any Pledgor, Guarantor or any Affiliate of any Seller, any Pledgor or Guarantor. No Seller shall contract, create, incur, assume or permit to exist any Indebtedness, Guarantee Obligations, Contractual Obligations or Investments, except to the extent (a) arising or existing under the Repurchase Documents, (b) existing as of the Closing Date, as referenced in the financial statements delivered to Buyer prior to the Closing Date, and any renewals, refinancings or extensions thereof in a principal amount not exceeding that outstanding as of the date of such renewal, refinancing or extension, (c) related to Interest Rate Protection Agreements pursuant to Section 8.08 or entered into in order to manage risks related to Assets and (d) permitted by the terms of Section 9.01 . No Seller shall (a) contract, create, incur, assume or permit to exist any Lien on or with respect to any of its property or assets (including the Purchased Assets) of any kind (whether real or personal, tangible or intangible), whether now owned or hereafter acquired, other than, except with respect to any Purchased Asset, any Permitted Liens, or (b) except as provided in the preceding clause (a), grant, allow or enter into any agreement or arrangement with any Person that prohibits or restricts or purports to prohibit or restrict the granting of any Lien on any of the foregoing.

Section 8.05 Delivery of Income . Each Seller shall deliver an Irrevocable Redirection Notice to each Underlying Obligor for each Purchased Asset as soon as practicable following the related Purchase Date but, in no event later than 45 days after each related Purchase Date. Each Seller shall, pursuant to Irrevocable Redirection Notices or otherwise, cause the Underlying Obligors under the Purchased Assets (or, to the extent an Interim Servicer is serving a Purchased Asset, pursuant to a Servicer Notice delivered to such Interim Servicer or otherwise cause such Interim Servicer) and all other applicable Persons to, deposit all Income in respect of the Purchased Assets into the Waterfall Account in accordance with Section 5.01 hereof on the day the related payments are due. Each Seller and Servicer (a) shall comply with and enforce each Irrevocable Redirection Notice or Servicer Notice, as applicable, (b) shall not amend, modify, waive, terminate or revoke any Irrevocable Redirection Notice or Servicer Notice without Buyer's consent, and (c) shall take all reasonable steps to enforce each Irrevocable Redirection Notice or Servicer Notice, as applicable. In connection with each

principal payment or prepayment under a Purchased Asset, each Seller shall provide or cause to be provided to Buyer and Servicer sufficient detail to enable Buyer and Servicer to identify the Purchased Asset to which such payment applies. If any Seller receives any rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any Purchased Assets, or otherwise in respect thereof, such Seller shall accept the same as Buyer's agent, hold the same in trust for Buyer and immediately deliver the same to Buyer or its designee in the exact form received, together with duly executed instruments of transfer, stock powers or assignment in blank and such other documentation as Buyer shall reasonably request. If any Income is received by any Seller, any Pledgor, Guarantor or any Affiliate of any Seller, any Pledgor or Guarantor, the applicable Seller shall pay or deliver such Income for deposit into the Waterfall Account to Buyer within two (2) Business Days after receipt, and, until so paid or delivered, hold such Income in trust for Buyer, segregated from other funds of such Seller.

Section 8.06 Delivery of Financial Statements and Other Information . Sellers shall deliver the following to Buyer, as soon as available and in any event within the time periods specified:

(a) within forty-five (45) days after the end of each fiscal quarter and each fiscal year of Guarantor, (i) the unaudited balance sheets of Guarantor as at the end of such period, (ii) the related unaudited statements of income, retained earnings and cash flows for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, and (iii) a Compliance Certificate;

(b) within ninety (90) days after the end of each fiscal year of Guarantor, (i) the audited balance sheets of Guarantor as at the end of such fiscal year, (ii) the related statements of income, retained earnings and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, (iii) an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall not be qualified as to scope of audit or going concern and shall state that said financial statements fairly present the financial condition and results of operations of Guarantor as at the end of and for such fiscal year in accordance with GAAP, (iv) a certification from such accountants that, in making the examination necessary therefor, no information was obtained of any Default or Event of Default except as specified therein, (v) projections of Guarantor of the operating budget and cash flow budget of Guarantor for the following fiscal year, and (vi) a Compliance Certificate;

(c) all reports submitted to Guarantor by independent certified public accountants in connection with each annual, interim or special audit of the books and records of Guarantor made by such accountants, including any management letter commenting on Guarantor's internal controls;

(d) with respect to each Purchased Asset and related Mortgaged Property serviced by a Servicer other than Wells Fargo Bank, National Association: (i) within forty-five (45) days after the end of each fiscal quarter of the related Seller, a quarterly report of the following: delinquency, loss experience, internal risk rating, surveillance, rent roll, occupancy and other property-level information, and (ii) within ten (10) days after receipt or preparation thereof by the related Seller or any Servicer, remittance, servicing, securitization, exception and other reports, if any, and all operating and financial statements and rent rolls of all Underlying Obligors, and modifications or updates to the items contained in the Diligence Materials;

(e) all financial statements, reports, notices and other documents that Guarantor sends to holders of its Equity Interests or makes to or files with any Governmental Authority, promptly after the delivery or filing thereof;

(f) within ten (10) Business Days after the end of each month, a report of all proposed sales, repurchases and other transactions with respect to the Purchased Assets, which schedule shall be acceptable to Buyer;

(g) any other material agreements, correspondence, documents or other information not included in an Diligence Materials that are related to any Seller or the Purchased Assets, promptly after the discovery thereof by the related Seller, Guarantor or any Affiliate of any Seller or Guarantor;

(h) such other information regarding the financial condition, operations or business of Guarantor or any Underlying Obligor as Buyer may reasonably request including, without limitation, any such information that is otherwise necessary to allow Buyer to monitor compliance with the terms of the Repurchase Documents; and

(i) promptly upon obtaining Knowledge that a Facility Agent and/or Security Agent is changing notify the Buyer of such change and provide the administrative details (including address, notice details and name) of the replacement Facility Agent and/or Security Agent being appointed (as applicable).

Section 8.07 Delivery of Notices . Each Seller shall promptly notify Buyer if, to such Seller's Knowledge in its commercially reasonable judgment, any of the following events have occurred, together with a certificate of a Responsible Officer of such Seller setting forth details of such occurrence and any action such Seller has taken or proposes to take with respect thereto:

(a) a Representation Breach or any representation or warranty or MTM Representation being untrue or incorrect in any respect;

(b) any of the following: (i) with respect to any Purchased Asset or related Mortgaged Property: material change in Market Value, material loss or damage, material licensing or permit issues, violation of Requirements of Law, discharge of or damage from Materials of Environmental Concern or any other actual or expected event or change in circumstances that could reasonably be expected to result in a default or material decline in value or cash flow, and (ii) with respect to any Seller: violation of Requirements of Law, material decline in the value of such Seller's assets or properties, an Internal Control Event or other event or circumstance that could reasonably be expected to have a Material Adverse Effect;

(c) the existence of any Default, Event of Default or material default under or related to a Purchased Asset, Mortgage Loan Document, Indebtedness, Guarantee Obligation or Contractual Obligation of any Seller;

(d) the resignation or termination of any Servicer under any Servicing Agreement with respect to any Purchased Asset;

(e) the establishment of a rating by any Rating Agency applicable to any Seller, Guarantor or any Affiliate of any Seller or Guarantor, and any downgrade in or withdrawal of such rating once established;

(f) the commencement of, settlement of or material judgment in any litigation, action, suit, arbitration, investigation or other legal or arbitrable proceedings before any Governmental Authority that (i) affects any Seller, Guarantor or any Affiliate of any Seller or Guarantor, Purchased Asset, Pledged Collateral or Mortgaged Property, (ii) questions or challenges the validity or enforceability of any Repurchase Document, Transaction, Purchased Asset or Mortgage Loan Document, or (iii) individually or in the aggregate, if adversely determined, could reasonably be likely to have a Material Adverse Effect; and

(g) any fact or circumstance not specified in an Approved Representation Exception that could reasonably lead a Seller to expect that any Purchased Asset will not be paid in full.

Notwithstanding the foregoing, each Seller shall be deemed to have breached the covenant set forth in this Section 8.07 if any failure of any Seller to have Knowledge of any related circumstance or event results from the bad faith or willful misconduct of any employee of any Seller, Guarantor or Manager.

Section 8.08 Hedging . (a) Sellers shall have entered into the Interest Rate Cap Agreement with Buyer with respect to each Purchased Asset that is a Hedge Required Asset that has a fixed rate of interest or return. Each Seller shall take such actions as Buyer deems necessary to perfect the security interest granted in each Interest Rate Protection Agreement (including any Cleared Swap) pursuant to Section 11.01 , and shall assign or pledge to Buyer, which assignment or pledge shall (other than in the case of a Cleared Swap) be consented to in writing by each Hedge Counterparty, all of such Seller's rights (but none of the obligations) in, to and under each Interest Rate Protection Agreement, subject to, in the case of a Cleared Swap, (i) the rights, if any, of the related DCO and FCM and (ii) any limitation on assignment or pledge by Seller required by the DCO or FCM. Each Interest Rate Protection Agreement shall contain provisions acceptable to Buyer for additional credit support in the event the rating of any Rating Agency assigned to the Hedge Counterparty (other than an Affiliated Hedge Counterparty) is downgraded or withdrawn, in which event such Seller shall ensure that such additional credit support is provided or promptly, subject to the approval of Buyer, enter into new Interest Rate Protection Agreements with respect to the related Purchased Assets with a replacement Hedge Counterparty. Seller may modify the Interest Rate Protection Agreements in a manner consistent with any changes in the composition of Purchased Assets from time to time as reasonably agreed upon by Buyer. Seller may modify the Interest Rate Protection Agreements in a manner consistent with changes in the composition of Purchased Assets from time to time as agreed upon by Buyer in its discretion.

(b) With respect to any Interest Rate Protection Agreement entered into with respect to a Purchased Asset, Seller shall direct, in writing, the related Hedge Counterparty, or in

the case of a Cleared Swap, the related FCM, to (i) make payment of all regularly scheduled payments and termination payments payable to Seller and (ii) deliver all collateral, including any variation margin payments, returned by the Hedge Counterparty to Seller with respect to such Interest Rate Protection Agreement into the applicable Waterfall Account.

(c) For the avoidance of doubt, to the extent amounts on deposit in the Waterfall Accounts are not sufficient to satisfy collateral posting obligations owed by Seller to a Hedge Counterparty, Seller shall satisfy such obligations from amounts available to Seller from a source other than the Waterfall Accounts.

(d) Promptly upon receipt, Seller shall deliver to Buyer a copy of each "daily statement" report from each applicable Hedge Counterparty and such other information reasonably requested by Buyer with respect to amounts required to be deposited in the Waterfall Accounts in connection with the applicable Interest Rate Protection Agreement.

Section 8.09 Pledge and Security Agreement . No Seller shall take any direct or indirect action inconsistent with the Pledge and Security Agreement or the security interest granted thereunder to Buyer in the Pledged Collateral. No Seller shall permit any additional Persons to acquire Equity Interests in any Seller other than the Equity Interests owned by the related Pledgor and pledged to Buyer on the Closing Date, and no Seller shall permit any sales, assignments, pledges or transfers of the Equity Interests in any Seller other than to Buyer.

Section 8.10 Taxes . Guarantor will continue to be a REIT. Each Seller will continue to be disregarded as a separate entity from Guarantor for U.S. federal income tax purposes. Each Seller and Guarantor will each file all required federal Tax returns and all other material Tax returns, domestic and foreign, required to be filed by them and will pay all federal and other material Taxes which become due and payable, other than any such Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which appropriate reserves are established in accordance with GAAP. Each Seller will provide Buyer with written notice of any material suit or claim relating to any such Taxes, whether pending or, to the Knowledge of such Seller, threatened by any Governmental Authority.

Section 8.11 Management . Guarantor shall not, without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed), terminate Manager as Guarantor's external manager pursuant to the Amended and Restated Management Agreement, dated as of March 26, 2013, between Guarantor and Manager, and, in connection therewith, any replacement external manager shall be subject to Buyer's prior written approval, not to be unreasonably withheld, conditioned or delayed.

Section 8.12 Centre of Main Interests . No Seller shall, without the prior written consent of Buyer, take any action that will cause its "centre of main interests" (as such term is defined in European Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings (the "Insolvency Regulation") to be located in the United Kingdom, Germany or register as a company in any jurisdiction other than Delaware.

Section 8.13 Structural Changes . No Seller shall enter into merger, amalgamation or consolidation, or liquidate, wind up or dissolve, or sell all or substantially all of

its assets or properties, or permit any changes in the ownership of the Equity Interests of such Seller, without the consent of Buyer. Each Seller shall ensure that all Equity Interests of such Seller shall continue to be directly owned by the owner or owners thereof as of the date hereof and each Purchase Date. Each Seller shall ensure that neither the Equity Interests of such Seller nor any property or assets of such Seller shall be pledged to any Person other than Buyer. No Seller shall enter into any transaction with an Affiliate of any Seller unless (a) such Seller notifies Buyer of such transaction at least ten (10) days before entering into it, and (b) such transaction is on market and arm's-length terms and conditions, as demonstrated in such Seller's notice.

Section 8.14 Maintenance of Property, Insurance and Records . Each Seller shall (a) keep all property useful and necessary in its business in good working order and condition, (b) maintain insurance on all its properties in accordance with customary and prudent practices of companies engaged in the same or a similar business, and (c) furnish to Buyer upon request information and certificates with respect to such insurance. Each Seller shall maintain and implement administrative and operating procedures (including the ability to recreate records evidencing the Purchased Assets if the original records are destroyed) and shall keep and maintain all documents, books, records and other information (including with respect to the Purchased Assets) that are reasonably necessary or advisable in the conduct of its business.

Section 8.15 Asset Purchase Documents . No Seller shall take any action or fail to take any action that would result in a breach of its obligations under the Purchase and Sale Agreement or any other Asset Purchase Agreement to the extent they relate to any Purchased Asset.

Section 8.16 Employees . No Seller shall have any employees at any time.

ARTICLE 9

SINGLE-PURPOSE ENTITY

Section 9.01 Covenants Applicable to Sellers . Each Seller shall (i) own no assets, and shall not engage in any business, other than the assets and transactions specifically contemplated by this Agreement and any other Repurchase Document, (ii) not incur any Indebtedness or other obligation, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (I) with respect to the Mortgage Loan Documents and the Retained Interests, (II) unsecured trade debt not to exceed U.S. $100,000 (or the then-current equivalent of such amount based on the Spot Rate relating to the applicable Currency) incurred in the ordinary course of business, and (III) as otherwise permitted or required under this Agreement, (iii) not make any loans or advances to any Affiliate or third party and shall not acquire obligations or securities of its Affiliates, in each case other than in connection with the origination or acquisition of Assets for purchase under the Repurchase Documents, except as provided pursuant to Section 13.01 hereof, (iv) pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) only from its own assets, (v) comply with the provisions of its Governing Documents, (vi) do all things necessary to observe organizational formalities and to preserve its existence, and shall not amend, modify, waive provisions of or otherwise change its Governing Documents without

the prior written consent of Buyer, (vii) maintain all of its books, records, financial statements and bank accounts separate from those of its Affiliates; (except that such financial statements may be consolidated to the extent consolidation is required under GAAP or as a matter of Requirements of Law; provided, that (x) appropriate notation shall be made on such financial statements to indicate the separateness of such Seller from such Affiliate and to indicate that such Seller's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person (except as provided pursuant to Section 13.01 hereof) and (y) such assets shall also be listed on such Seller's own separate balance sheet) and file its own Tax returns (except to the extent consolidation is required or permitted under Requirements of Law), (viii) be, and at all times shall hold itself out to the public as, a legal entity separate and distinct from any other entity (including any Affiliate), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, and shall not identify itself or any of its Affiliates as a division of the other, (ix) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations and shall remain Solvent, (x) not engage in or suffer any Change of Control, dissolution, winding up, liquidation, consolidation, merger or amalgamation, in whole or in part or convey or transfer all or substantially all of its properties and assets to any Person (except as contemplated herein), (xi) not commingle its funds or other assets with those of any Affiliate or any other Person and shall maintain its properties and assets in such a manner that it would not be costly or difficult to identify, segregate or ascertain its properties and assets from those of any Affiliate or any other Person, (xii) maintain its properties, assets and accounts separate from those of any Affiliate or any other Person, (xiii) except as provided pursuant to Section 13.01 hereof, not hold itself out to be responsible for the debts or obligations of any other Person, (xiv) not, without the prior unanimous written consent of all of its Independent Directors or Independent Managers, take any Insolvency Action, (xv) (I) have at all times at least one (1) Independent Director or Independent Manager whose vote is required to take any Insolvency Action, and (II) provide Buyer with up-to-date contact information for each such Independent Director or Independent Manager and a copy of the agreement pursuant to which such Independent Director or Independent Manager consents to and serves as an "Independent Director" or "Independent Manager" for such Seller, (xvi) the Governing Documents for such Seller shall provide that for so long as any Repurchase Obligations remain outstanding, that (I) Buyer be given at least five (5) Business Days prior notice of the removal and/or replacement of any Independent Director or Independent Manager, together with the name and contact information of the replacement Independent Director or Independent Manager and evidence of the replacement's satisfaction of the definition of Independent Director or Independent Manager, (II) to the fullest extent permitted by law, and notwithstanding any duty otherwise existing at law or in equity, any Independent Director or Independent Manager shall consider only the interests of such Seller, including its respective creditors, in acting or otherwise voting on the Insolvency Action, and (III) except for duties to such Seller as set forth in the immediately preceding clause (including duties to the holders of the Equity Interests in such Seller or such Seller's respective creditors solely to the extent of their respective economic interests in such Seller, but excluding (A) all other interests of the holders of the Equity Interests in such Seller, (B) the interests of other Affiliates of such Seller, and (C) the interests of any group of Affiliates of which Seller is a part), the Independent Directors or Independent Managers shall not have any fiduciary duties to the holders of the Equity Interests in such

Seller, any officer or any other Person bound by the Governing Documents; provided , however , the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing, (xvii) not enter into any transaction with an Affiliate of such Seller except on commercially reasonable terms similar to those available to unaffiliated parties in an arm's-length transaction, (xviii) maintain a sufficient number of employees (or, subject to clause (xx) below, the ability to utilize employees of its Affiliates) in light of contemplated business operations (xix) use separate stationary, invoices and checks bearing its own name, (xx) allocate fairly and reasonably any overhead for shared office space and for services performed by an employee of an affiliate, (xxi) not pledge its assets to secure the obligations of any other Person except as provided pursuant to Section 13.01 hereof, and (xxii) not form, acquire or hold any Subsidiary or own any Equity Interest in any other entity. In connection with any foreclosure or exercise of remedies relating to any Purchased Asset, no Seller shall take title to or otherwise obtain an ownership interest in any underlying Mortgaged Property.

ARTICLE 10

EVENTS OF DEFAULT AND REMEDIES

Section 10.01 Events of Default . Each of the following events shall be an " Event of Default ":

(a) any Seller fails to make a payment of (i) Margin Deficit or Repurchase Price (other than Price Differential), including but not limited to repayment of any Allocated Sequential Repayment Component when due, whether by acceleration or otherwise, (ii) Price Differential within one (1) Business Day of when due, and (iii) any other amount within two (2) Business Days of when due, in each case under the Repurchase Documents;

(b) any Seller fails to observe or perform in any material respect any other Repurchase Obligation of any Seller under the Repurchase Documents or the Mortgage Loan Documents to which Seller is a party, and (except in the case of a failure to perform or observe the Repurchase Obligations of any Seller under Section 8.03 and 18.08(a)) such failure continues unremedied for ten (10) days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by any Seller;

(c) any Representation Breach (other than a Representation Breach arising out of the representations and warranties set forth in Schedule 1) exists and continues unremedied for ten (10) days after the earlier of receipt of notice thereof from Buyer or the discovery of such failure by any Seller;

(d) any Seller or Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation under any Indebtedness, Guarantee Obligation or Contractual Obligation with an aggregate outstanding amount of (x) with respect to any Seller, at least U.S. $100,000 (or the then-current equivalent of such amount based on the Spot Rate relating to the applicable Currency) and (y) with respect to Guarantor, at least equal to the Guarantor Default Threshold, and such default permits the acceleration of the maturity of such Indebtedness, Guarantee Obligations or Contractual Obligations;

(e) (x) any Seller, Guarantor or any Subsidiary of Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation due to Buyer or any Affiliate of Buyer under any other financing, hedging, security or other agreement (other than under this Agreement) between any Seller, Guarantor or any Subsidiary of Guarantor and Buyer or any Affiliate of Buyer, which involves the failure to pay a matured Indebtedness or permit the acceleration of the maturity of the related Indebtedness or (y) Guarantor defaults beyond any applicable grace period in paying any amount or performing any obligation due under the Guarantee Agreement;

(f) an Insolvency Event occurs with respect to any Seller, any Pledgor or Guarantor;

(g) a Change of Control occurs with respect to any Seller, any Pledgor or Guarantor;

(h) a final judgment or judgments for the payment of money in excess of in the aggregate (x) with respect to any Seller, U.S. $100,000 (or the then-current equivalent of such amount based on the Spot Rate relating to the applicable Currency) and (y) with respect to Guarantor, at least equal to the Guarantor Default Threshold, in each case, is entered against Seller(s) or Guarantor by one or more Governmental Authorities and the same is not satisfied, discharged (or provision has not been made for such discharge) or bonded, or a stay of execution thereof has not been procured, within thirty (30) Business Days from the date of entry thereof;

(i) a Governmental Authority takes any action to (i) condemn, seize or appropriate, or assume custody or control of, all or any substantial part of the property of any Seller, (ii) displace the management of any Seller or curtail its authority in the conduct of the business of any Seller, (iii) terminate the activities of any Seller as contemplated by the Repurchase Documents, or (iv) remove, limit or restrict the approval of any Seller of the foregoing as an issuer, buyer or a seller of securities, and in each case such action is not discontinued or stayed within thirty (30) days;

(j) any Senior Employee admits in writing to any Person in an external written communication (whether electronic or otherwise) that it is not Solvent or is not able to perform or intends to contest or has knowledge of a potential default under any of its Repurchase Obligations or any other Indebtedness;

(k) any provision of the Repurchase Documents, any right or remedy of Buyer or obligation, covenant, agreement or duty of any Seller thereunder, or any Lien, security interest or control granted under or in connection with the Repurchase Documents, Pledged Collateral or Purchased Assets terminates, is declared null and void, ceases to be valid and effective, ceases to be the legal, valid, binding and enforceable obligation of the applicable Seller or any other Person, or the validity, effectiveness, binding nature or enforceability thereof is contested, challenged, denied or repudiated by any Seller or any Affiliate thereof, in each case directly, indirectly, in whole or in part;

(l) Buyer ceases for any reason to have a valid and perfected first priority security interest in any Purchased Asset or any Pledged Collateral;

(m) any Seller, Guarantor or Pledgor is required to register as an "investment company" (as defined in the Investment Company Act) or the arrangements contemplated by the Repurchase Documents shall require registration of any Seller, Guarantor or Pledgor as an "investment company";

(n) any Seller engages in any conduct or action where Buyer's prior consent is required by any Repurchase Document and such Seller fails to obtain such consent;

(o) any Seller, Servicer, any Underlying Obligor or any other Person fails to deposit to the applicable Waterfall Accounts all Income and other amounts as required by Section 5.01 and other provisions of this Agreement when due, or the occurrence of a Servicer Event of Default, and such failure to deposit or Servicer Event of Default, as applicable, is not cured within five (5) Business Days;

(p) Guarantor's audited annual financial statements or the notes thereto or other opinions or conclusions stated therein are qualified or limited by reference to the status of Guarantor as a "going concern" or a reference of similar import, other than a qualification or limitation expressly related to Buyer's rights in the Purchased Assets;

(q) any termination event, default or event of default (however defined) shall have occurred with respect to any Seller under any Interest Rate Protection Agreement or Guarantor breaches any of the obligations, terms or conditions set forth in the Guarantee Agreement;

(r) any Material Action is taken with respect to any Purchased Asset or any Mortgage Loan Document without the prior written consent of Buyer;

(s) Guarantor fails to qualify as a REIT (after giving effect to any cure or corrective periods or allowances pursuant to the Code), or (2) any Seller becomes subject to U.S. federal income tax on a net income basis;

(t) either any breach by a Senior Employee of the covenant set forth in Section 8.07 , or if any failure of any Seller to have Knowledge of any circumstances or events under Section 8.07 results from the bad faith or willful misconduct of any employee of any Seller, Guarantor or Manager; and

(u) any breach by any Seller of the covenant set forth in Section 8.11 .

Section 10.02 Remedies of Buyer as Owner of the Purchased Assets . If an Event of Default has occurred and is continuing, at the option of Buyer, exercised by notice to Sellers (which option shall be deemed to be exercised, even if no notice is given, automatically and immediately upon the occurrence of an Event of Default under Section 10.01(f) or (g)), the Repurchase Date for all Purchased Assets shall be deemed automatically and immediately to occur (the date on which such option is exercised or deemed to be exercised, the " Accelerated Repurchase Date "). If Buyer exercises or is deemed to have exercised the foregoing option:

(a) All Repurchase Obligations shall become immediately due and payable on and as of the Accelerated Repurchase Date.

(b) All amounts in the Waterfall Accounts and all Income paid after the Accelerated Repurchase Date shall be retained by Buyer and applied in accordance with Article 5 .

(c) Buyer may complete any assignments, allonges, endorsements, powers or other documents or instruments executed in blank and otherwise obtain physical possession of all Mortgage Loan Documents and all other instruments, certificates and documents then held by it or any Custodian under the Custodial Agreement, including but not limited to any Transfer Certificate or any Sub-Participation Assignment Agreement. Buyer may obtain physical possession of all Servicing Files, Servicing Agreements and other files and records of Sellers or Servicer. Each Seller shall deliver to Buyer such assignments and other documents with respect thereto as Buyer shall request.

(d) Buyer may immediately, at any time, and from time to time, exercise either of the following remedies with respect to any or all of the Purchased Assets: (i) sell such Purchased Assets on a servicing-released basis and/or without providing any representations and warranties on an "as-is where is" basis, in a recognized market and by means of a public or private sale at such price or prices as Buyer accepts, and apply the net proceeds thereof in accordance with Article 5 , or (ii) retain such Purchased Assets and give the related Seller credit against the Repurchase Price for such Purchased Assets (or if the amount of such credit exceeds the Repurchase Price for such Purchased Assets, to credit against Repurchase Obligations due and any other amounts (without duplication) then owing to Buyer by any other Person pursuant to any Repurchase Document, in such order and in such amounts as determined by Buyer), in an amount equal to the Market Value of such Purchased Assets. Until such time as Buyer exercises either such remedy with respect to a Purchased Asset, Buyer may hold such Purchased Asset for its own account and retain all Income with respect thereto, which Income shall be applied in accordance with Section 5.04 . The parties hereto agree that the method of valuation of Purchased Assets provided for in this Section 10.02(d) shall constitute a commercially reasonable method of valuation for the purposes of the FCA Regulations and any other market method of valuing assets of the nature of the Purchased Assets in each relevant jurisdiction.

(e) The Parties agree that the Purchased Assets are of such a nature that they may decline rapidly in value, and may not have a ready or liquid market. Accordingly, Buyer shall not be required to sell more than one Purchased Asset on a particular Business Day, to the same purchaser or in the same manner. Buyer may determine whether, when and in what manner a Purchased Asset shall be sold, it being agreed that both a good faith public and a good faith private sale shall be deemed to be commercially reasonable. Buyer shall not be required to give notice to Sellers or any other Person prior to exercising any remedy in respect of an Event of Default. If no prior notice is given, Buyer shall give notice to Sellers of the remedies exercised by Buyer promptly thereafter.

(f) Each Seller shall be liable to Buyer for (i) any amount by which the Repurchase Obligations due to Buyer exceed the aggregate of the net proceeds and credits referred to in the preceding clause (d), (ii) the amount of all actual out-of-pocket expenses, including reasonable legal fees and expenses and any fees (howsoever described) payable in connection with the completion of any Transfer Certificate or Sub-Participation Assignment Agreement, actually incurred by Buyer in connection with or as a consequence of an Event of Default, (iii) any costs and losses payable under Section 12.03 , and (iv) any other actual loss, damage, cost or expense resulting from the occurrence of an Event of Default.

(g) Buyer shall be entitled to an injunction, an order of specific performance or other equitable relief to compel each Seller to fulfill any of its obligations as set forth in the Repurchase Documents, including this Article 10 , if any Seller fails or refuses to perform its obligations as set forth herein or therein.

(h) Each Seller hereby appoints Buyer as attorney-in-fact of such Seller for purposes of carrying out the Repurchase Documents, including executing, endorsing and recording any instruments or documents and taking any other actions that Buyer deems necessary or advisable to accomplish such purposes, which appointment is coupled with an interest and is irrevocable.

(i) Buyer may, without prior notice to any Seller, exercise any or all of its set-off rights including those set forth in Section 18.17 and pursuant to any other Repurchase Document. This Section 10.02(i) shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which any Party is at any time otherwise entitled.

(j) All rights and remedies of Buyer under the Repurchase Documents, including those set forth in Section 18.17 , are cumulative and not exclusive of any other rights or remedies that Buyer may have and may be exercised at any time when an Event of Default has occurred and is continuing. Such rights and remedies may be enforced without prior judicial process or hearing. Each Seller agrees that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's-length. Each Seller hereby expressly waives any defenses such Seller might have to require Buyer to enforce its rights by judicial process or otherwise arising from the use of nonjudicial process, disposition of any or all of the Purchased Assets, or any other election of remedies.

ARTICLE 11

SECURITY INTEREST

Section 11.01 Grant . Buyer and each Seller intend that the Transactions be sales to Buyer of the Purchased Assets and not loans from Buyer to Sellers secured by the Purchased Assets. However, to preserve and protect Buyer's rights with respect to the Purchased Assets and under the Repurchase Documents if any Governmental Authority recharacterizes any Transaction with respect to a Purchased Asset as other than a sale, and as security for each Seller's performance of the Repurchase Obligations, each Seller hereby grants to Buyer a present Lien on and security interest in all of the right, title and interest of such Seller in, to and under (i) the Purchased Assets (which for this purpose shall be deemed to include the items described in the proviso in the definition thereof), (ii) each Interest Rate Protection Agreement with each Hedge Counterparty relating to each Purchased Asset, (iii) any and all rights and interests of Sellers (but none of the obligations of Sellers) in, to and under the Purchase and Sale Agreement and the other Asset Purchase Documents to the extent connected with or related in any way to

the Purchased Assets, including but not limited to any and all rights to, and proceeds of, indemnification from the seller parties under the Purchase and Sale Agreement, and (iv) any and all replacements, substitutions or distributions on or proceeds of any of the foregoing, and the transfer of the Purchased Assets to Buyer shall be deemed to constitute and confirm such grant, to secure the payment and performance of the Repurchase Obligations (including the obligation of each Seller to pay the Repurchase Price, or if the related Transaction is recharacterized as a loan, to repay such loan for the Repurchase Price).

Section 11.02 Effect of Grant . If any circumstance described in Section 11.01 occurs, (a) this Agreement shall also be deemed to be a security agreement as defined in the UCC, (b) Buyer shall have all of the rights and remedies provided to a secured party by Requirements of Law (including the rights and remedies of a secured party under the UCC and the right to set off any mutual debt and claim) and under any other agreement between Buyer and any Seller or between any Affiliated Hedge Counterparty and any Seller, (c) without limiting the generality of the foregoing, Buyer shall be entitled to set off the proceeds of the liquidation of the Purchased Assets against all of the Repurchase Obligations without prejudice to Buyer's right to recover any deficiency, (d) the possession by Buyer or any of its agents, including Custodian, of the Mortgage Loan Documents, the Purchased Assets and such other items of property as constitute instruments, money, negotiable documents, securities or chattel paper shall be deemed to be possession by the secured party for purposes of perfecting such security interest under the UCC and Requirements of Law, and (e) notifications to Persons (other than Buyer) holding such property, and acknowledgments, receipts or confirmations from Persons (other than Buyer) holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, securities intermediaries, bailees or agents (as applicable) of the secured party for the purpose of perfecting such security interest under the UCC and Requirements of Law. The security interests of Buyer granted herein shall be, and each Seller hereby represents and warrants to Buyer and all other Affiliated Hedge Counterparties that it is, a first priority perfected security interest. For the avoidance of doubt, (i) each Purchased Asset and each Interest Rate Protection Agreement relating to a Purchased Asset secures the Repurchase Obligations of each Seller with respect to all other Transactions and all other Purchased Assets, including any Purchased Assets that are junior in priority to the Purchased Asset in question, and (ii) if an Event of Default has occurred and is continuing, no Purchased Asset or Interest Rate Protection Agreement relating to a Purchased Asset will be released from Buyer's Lien or transferred to any Seller until the Repurchase Obligations are indefeasibly paid in full. Notwithstanding the foregoing, the Repurchase Obligations shall be full recourse to each Seller.

Section 11.03 Sellers to Remain Liable . Buyer and Sellers agree that the grant of a security interest under this Article 11 shall not constitute or result in the creation or assumption by Buyer of any Retained Interest or other obligation of any Seller or any other Person in connection with any Purchased Asset, or any Interest Rate Protection Agreement whether or not Buyer exercises any right with respect thereto. Each Seller shall remain liable under the Purchased Assets, each Interest Rate Protection Agreement and the Mortgage Loan Documents to perform all of such Seller's duties and obligations thereunder to the same extent as if the Repurchase Documents had not been executed.

Section 11.04 Waiver of Certain Laws . Each Seller agrees, to the extent permitted by Requirements of Law, that neither it nor anyone claiming through or under it will

set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Purchased Assets may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and such Seller, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws and any and all right to have any of the properties or assets constituting the Purchased Assets or Interest Rate Protection Agreement relating to a Purchased Asset marshaled upon any such sale, and agrees that Buyer or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Purchased Assets and each Interest Rate Protection Agreement relating to a Purchased Asset as an entirety or in such parcels as Buyer or such court may determine.

ARTICLE 12

INCREASED COSTS; CAPITAL ADEQUACY

Section 12.01 Market Disruption . If prior to any Pricing Period, Buyer determines that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining an Index Rate for such Pricing Period, Buyer shall give prompt notice thereof to Sellers, whereupon the Pricing Rate for such Pricing Period, and for all subsequent Pricing Periods related to such Index Rate until such notice has been withdrawn by Buyer, shall be the applicable Alternative Rate.

Section 12.02 Illegality . If the adoption of or any change in any Requirements of Law or in the interpretation or application thereof after the date hereof shall make it unlawful for Buyer to effect or continue Transactions as contemplated by the Repurchase Documents, (a) any commitment of Buyer hereunder to enter into new Transactions shall be terminated, (b) the Pricing Rate shall be converted automatically to the Alternative Rate on the last day of the then current Pricing Period or within such earlier period as may be required by Requirements of Law, and (c) if required by such adoption or change in any Requirements of Law, the Maturity Date shall be deemed to have occurred. In exercising its rights and remedies under this Section 12.02 , Buyer shall exercise its rights and remedies in a manner substantially similar to Buyer's exercise of similar remedies in agreements with similarly situated customers where Buyer has comparable contractual rights.

Section 12.03 Breakfunding . In the event of (a) the failure by a Seller to terminate any Transaction after such Seller has given a notice of termination pursuant to Section 3.04 , (b) any payment to Buyer on account of the outstanding Repurchase Price, including a payment made pursuant to Section 3.04 but excluding a payment made pursuant to Sections 5.02 or 5.03 (unless made on an Intra-Period Remittance Date), on any day other than a Remittance Date that is not an Intra-Period Remittance Date applicable to the related Purchased Asset (based on the assumption that Buyer funded its commitment with respect to the Transaction in the London Interbank market and using any reasonable attribution or averaging methods that Buyer deems appropriate and practical), (c) any failure by a Seller to sell Eligible Assets to Buyer after such Seller has notified Buyer of a proposed Transaction and Buyer has

agreed to purchase such Eligible Assets in accordance with this Agreement, or (d) any conversion of the Pricing Rate to the Alternative Rate because any Index Rate is not available for any reason on a day that is not the last day of the then-current Pricing Period, such Seller shall compensate Buyer for the cost and expense attributable to such event. A certificate of Buyer setting forth any amount or amounts that Buyer is entitled to receive pursuant to this Section 12.03 shall be delivered to the related Seller and shall be conclusive to the extent calculated in good faith and absent manifest error. Such Seller shall pay Buyer the amount shown as due on any such certificate within ten (10) days after receipt thereof.

Section 12.04 Increased Costs . If the adoption of, or any change in, any Requirements of Law, Regulatory Costs or in the interpretation or application thereof by any Governmental Authority, or compliance by Buyer with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority having jurisdiction over Buyer made after the date of this Agreement, shall: (a) subject Buyer to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" or (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (b) impose, modify or hold applicable any reserve, special deposit, compulsory loan, Regulatory Costs or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of Buyer, or (c) impose on Buyer any other condition; and the result of any of the preceding clauses (a), (b) and (c) is to increase the cost to Buyer, by an amount that Buyer deems to be material, of entering into, continuing or maintaining Transactions, or to reduce any amount receivable under the Repurchase Documents in respect thereof, then, in any such case, upon not less than thirty (30) days' prior written notice to Sellers, Sellers shall pay to Buyer such additional amount or amounts as reasonably necessary to fully compensate Buyer for such increased cost or reduced amount receivable; provided , however , that Buyer shall not treat Sellers differently than other similarly situated customers in requiring the payment of such amount or amounts.

Section 12.05 Capital Adequacy . If Buyer determines that any change in a Requirement of Law or internal policy regarding capital requirements has or would have the effect of reducing the rate of return on Buyer's capital as a consequence of this Agreement or its obligations under the Transactions hereunder to a level below that which Buyer could have achieved but for such change in a Requirement of Law (taking into consideration Buyer's policies with respect to capital adequacy), then from time to time Sellers will promptly upon demand pay to Buyer such additional amount or amounts as will compensate Buyer for any such reduction suffered. In determining any additional amounts due under this Section 12.05 , Buyer shall treat Sellers in the same manner it treats other similarly situated sellers in facilities with substantially similar assets. Buyer will provide Sellers with no less than thirty (30) days prior notice of the implementation of any change or event pursuant to which additional amounts are due or will become due under this Section 12.05 .

Section 12.06 Taxes .

(a) Any and all payments by or on account of any obligation of any Seller under any Repurchase Document shall be made without deduction or withholding for any Taxes,

except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment, then Sellers 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 Sellers as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 12.06) Buyer receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Each Seller shall timely pay, without duplication, any Other Taxes (i) imposed on such Seller to the relevant Governmental Authority in accordance with applicable law, and (ii) imposed on Buyer upon written notice from such Person setting forth in reasonable detail the calculation of such Other Taxes.

(c) Sellers shall, jointly and severally, indemnify Buyer, within ten (10) Business Days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 12.06) paid by Buyer or required to be withheld or deducted from a payment to Buyer, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability setting forth in reasonable detail the calculation of the amount of such payment or liability delivered to Sellers by Buyer shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Taxes by or on behalf of a Seller to a Governmental Authority pursuant to this Section 12.06 , such Seller shall deliver to Buyer the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Buyer.

(e) (i) If Buyer is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Repurchase Document, Buyer shall deliver to a Seller, at the time or times reasonably requested by such Seller, such properly completed and executed documentation reasonably requested by such 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 a Seller, shall deliver such other documentation prescribed by applicable law or reasonably requested by such Seller as will enable such Seller to determine whether or not Buyer is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 12.06(e)(i)(A) , Section 12.06(e)(i)(B) and Section 12.06(e)(i)(D) below) shall not be required if in Buyer's reasonable judgment such completion, execution or submission would subject Buyer to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of Buyer. Without limiting the generality of the foregoing:

(A) if Buyer is a U.S. Buyer, it shall deliver to Sellers on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Sellers), executed copies of IRS Form W-9 certifying that Buyer is exempt from U.S. federal backup withholding tax;

(B) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Sellers (in such number of copies as shall be requested by Sellers) on or prior to the date on which Buyer becomes a Party under this Agreement (and from time to time thereafter upon the reasonable request of Sellers) whichever of the following is applicable:

(I) in the case of a Foreign Buyer claiming the benefits of an income tax treaty to which the United States is a Party, (x) with respect to payments of interest under any Repurchase Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Repurchase Document, IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Buyer claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Buyer is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of any Seller within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a " U.S. Tax Compliance Certificate ") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable); or

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

(C) if Buyer is a Foreign Buyer, it shall, to the extent it is legally entitled to do so, deliver to Sellers (in such number of copies as shall be requested by Sellers) on or prior to the date on which Buyer becomes a Party under this

Agreement (and from time to time thereafter upon the reasonable request of Sellers), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Sellers to determine the withholding or deduction required to be made; and

(D) if a payment made to Buyer under any Repurchase Document would be subject to U.S. federal withholding Tax imposed by FATCA if Buyer were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), Buyer shall deliver to Sellers at the time or times prescribed by law and at such time or times reasonably requested by Sellers 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 Sellers as may be necessary for Sellers to comply with their 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 Sellers in writing of its legal inability to do so.

(f) If any Party determines, in its sole discretion, exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 12.06 (including by the payment of additional amounts pursuant to this Section 12.06), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 12.06 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall promptly repay to such indemnified party the amount paid over pursuant to this Section 12.06(f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 12.06(f) , in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 12.06(f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 12.06(f) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 12.06 , the term "applicable law" includes FATCA.

(h) (i) Notwithstanding anything to the contrary in any Repurchase Document, all amounts payable by any Seller to Buyer and/or any Eligible Assignee under a Repurchase Document, that (in whole or in part) constitute consideration for a supply or supplies for VAT purposes shall be deemed to be exclusive of any VAT that is chargeable on such supply or supplies. Subject to Section 12.06(h)(ii) , if VAT is or becomes chargeable on any supply made by Buyer and/or any Eligible Assignee to a Seller under a Repurchase Document, with respect to a U.K. Purchased Asset only and, where Buyer and/or the relevant Eligible Assignee (or a member of its group) is required to account to the relevant tax authority for the VAT, such Seller shall pay Buyer and/or Eligible Assignee (in addition to, and at the same time as, paying the consideration for such supply) an amount equal to the amount of the VAT and Buyer and/or relevant Eligible Assignee shall promptly provide an appropriate VAT invoice to such Seller.

(ii) Where a Repurchase Document with respect to a U.K. Purchased Asset only requires a Seller to reimburse Buyer and/or any Eligible Assignee for any costs or expenses, such Seller shall, at the same time, reimburse and indemnify Buyer and/or any relevant Eligible Assignee for the full amount of all VAT incurred by Buyer and/or such Eligible Assignee in respect of those costs or expenses. The amount payable pursuant to this subclause shall be the amount that Buyer and/or any relevant Eligible Assignee reasonably determines is the amount that it (or a member of its group) is not entitled to claim as a VAT credit or VAT repayment from the relevant tax authority in respect of the VAT.

(i) The relevant Seller and Buyer shall cooperate in using any reasonable endeavors requested by the other party to ensure that Income in respect of each Purchased Asset can be paid without deduction or withholding at source for or on account of Taxes, including without limitation the completion of any necessary procedural formalities, so long as in its reasonable judgment, such reasonable endeavors would not subject it to any material unreimbursed cost or expense and would not materially prejudice its legal or commercial position.

Section 12.07 Payment and Survival of Obligations . Buyer may at any time send Sellers a notice showing the calculation of any amounts payable pursuant to this Article 12 , and Sellers shall pay such amounts to Buyer within the time period stated in the applicable provision of this Article 12 , or if no such time period is stated, within ten (10) Business Days after Sellers receives such notice. Each Party's obligations under this Article 12 shall survive any assignment of rights by, or the replacement of Buyer, the termination of the Transactions and the repayment, satisfaction or discharge of all obligations under any Repurchase Document.

Section 12.08 Limitation on Tax Payments . Notwithstanding anything to the contrary in this Agreement, no payment shall be required under Section 12.06(b)(ii) or (c) for any claim by Buyer or any Eligible Assignee with respect to Indemnified Taxes unless a written notice thereof (setting forth in reasonable detail the calculation of the amount of such claim) is delivered to Sellers within two hundred and seventy (270) days from the earlier of (i) the filing of the applicable tax return in which such amount is included, or (if earlier) the payment thereof

by or on behalf of such Buyer or Eligible Assignee, and (ii) the receipt by such Buyer or Eligible Assignee of a written assertion by a Governmental Authority that such Indemnified Taxes are owed by, or on behalf of, any such Buyer or Eligible Assignee.

Section 12.09 Interest Payments .

(a) Criminal Interest . If any provision of this Agreement would oblige any Seller to make any payment of interest or other amount payable to the Buyer in an amount or calculated at a rate which would be prohibited by applicable law or would result in a receipt by any Buyer of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by any Buyer of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(i) first, by reducing the amount or rate of interest required to be paid to the Buyer under this Agreement; and

(ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the Buyer which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

(b) *Interest Act* (Canada) . For the purposes of this Agreement, whenever interest is calculated on the basis of a period which is less than the actual number of days in a calendar year, each rate of interest determined pursuant to such calculation is, for the purposes of the *Interest Act* (Canada), equivalent to such rate multiplied by the actual number of days in the calendar year in which such rate is to be ascertained and divided by the number of days used as the basis of such calculation.

(c) Nominal Rate of Interest . The parties acknowledge and agree that all calculations of interest under this Agreement are to be made on the basis of the nominal interest rate described herein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest. The parties acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

ARTICLE 13

INDEMNITY AND EXPENSES

Section 13.01 Indemnity .

(a) Each Seller shall release, defend, indemnify and hold harmless Buyer, Affiliates of Buyer and its and their respective officers, directors, shareholders, partners, members, owners, employees, agents, attorneys, Affiliates and advisors (each an " Indemnified

Person ” and collectively the “I ndemnified Persons ”), against, and shall hold each Indemnified Person harmless from any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, fees, costs, expenses (including reasonable legal fees, charges, and disbursements of any counsel for any such Indemnified Person and expenses), penalties or fines of any kind that may be imposed on, incurred by or asserted against any such Indemnified Person (collectively, the “ Indemnified Amounts ”) in any way relating to, arising out of or resulting from or in connection with (i) the Repurchase Documents, the Mortgage Loan Documents, the Purchased Assets, the Pledged Collateral, the Transactions, any Mortgaged Property or related property, or any action taken or omitted to be taken by any Indemnified Person in connection with or under any of the foregoing, or any transaction contemplated hereby or thereby, or any amendment, supplement or modification of, or any waiver or consent under or in respect of any Repurchase Document, any Transaction, any Purchased Asset, any Mortgage Loan Document or any Pledged Collateral, (ii) any claims, actions or damages by an Underlying Obligor or lessee with respect to a Purchased Asset, (iii) any violation or alleged violation of, non–compliance with or liability under any Requirements of Law, (iv) ownership of, Liens on, security interests in or the exercise of rights or remedies under any of the items referred to in the preceding clause (i), (v) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vi) any use, nonuse or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, any Mortgaged Property or on the adjoining sidewalks, curbs, parking areas, streets or ways, (vii) any failure by any Seller to perform or comply with any Repurchase Document, Mortgage Loan Document, Purchased Asset, the Purchase and Sale Agreement or any other Asset Purchase Document, (viii) performance of any labor or services or the furnishing of any materials or other property in respect of any Mortgaged Property or Purchased Asset, (ix) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any lease or other transaction involving any Repurchase Document, Purchased Asset or Mortgaged Property, (x) the execution, delivery, filing or recording of any Repurchase Document, Mortgage Loan Document, or any memorandum of any of the foregoing, (xi) any Lien or claim arising on or against any Purchased Asset or related Mortgaged Property under any Requirements of Law or any liability asserted against Buyer or any Indemnified Person with respect thereto, (xii) except and to the extent, in each case listed in this subsection (a)(xii), as results from any Indemnified Person’s gross negligence or intentional misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment, (1) a past, present or future violation or alleged violation of any Environmental Laws in connection with any Mortgaged Property by any Person or other source, whether related or unrelated to any Seller or any Underlying Obligor, (2) any presence of any Materials of Environmental Concern in, on, within, above, under, near, affecting or emanating from any Mortgaged Property in violation of Environmental Law, (3) the failure to timely perform any Remedial Work related to a Mortgaged Property required under the Mortgage Loan Documents or pursuant to Environmental Law, (4) any past, present or future activity by any Person or other source, whether related or unrelated to any Seller or any Underlying Obligor in connection with any actual, proposed or threatened Release, use, treatment, storage, holding, existence, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from any Mortgaged Property of any Materials of Environmental Concern at any time located in, under, on, above or affecting any Mortgaged Property, in each case, in violation of

Environmental Law, (5) any past, present or future actual Release (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) of any Materials of Environmental Concern to, from, on, within, in, under, near or affecting any Mortgaged Property by any Person or other source, whether related or unrelated to any Seller or any Underlying Obligor, in each case, in violation of Environmental Law, (6) the imposition, recording, registration, filing or recording or the threatened imposition, recording, registration or filing of any Lien on any Mortgaged Property with regard to, or as a result of, any Materials of Environmental Concern or pursuant to any Environmental Law, or (7) any misrepresentation or failure to perform any obligations pursuant to any Repurchase Document or Mortgage Loan Document or in connection with environmental matters relating to a Mortgaged Property in any way, (xiii) the Term Sheet or any business communications or dealings between the Parties relating thereto, or (xiv) any Seller's conduct, activities, actions and/or inactions in connection with, relating to or arising out of any of the foregoing clauses of this Section 13.01 , that, in each case, results from anything whatsoever other than any Indemnified Person's gross negligence or intentional misconduct, as determined by a court of competent jurisdiction pursuant to a final, non-appealable judgment. In any suit, proceeding or action brought by an Indemnified Person in connection with any Purchased Asset for any sum owing thereunder, or to enforce any provisions of any Purchased Asset, each Seller shall defend, indemnify and hold such Indemnified Person harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction of liability whatsoever of the account debtor or Underlying Obligor arising out of a breach by any Seller of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or Underlying Obligor from any Seller. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.01 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Seller, an Indemnified Person or any other Person or any Indemnified Person is otherwise a party thereto and whether or not any Transaction is entered into. For the avoidance of doubt, this Article 13 shall not apply to claims with respect to Indemnified Taxes with respect to which a Seller has paid additional amounts to Buyer pursuant to Section 12.06 , or to claims with respect to any Taxes other than Taxes that represent losses, claims, damages, or other liabilities arising from a non-Tax claim.

(b) If for any reason the indemnification provided in this Section 13.01 is unavailable to the Indemnified Person or is insufficient to hold an Indemnified Person harmless, even though such Indemnified Person is entitled to indemnification under the express terms thereof, then Sellers shall contribute to the amount paid or payable by such Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative benefits received by such Indemnified Person on the one hand and Sellers on the other hand, the relative fault of such Indemnified Person, and any other relevant equitable considerations.

(c) An Indemnified Person may at any time send Sellers a notice showing the calculation of Indemnified Amounts, and Sellers shall pay such Indemnified Amounts to such Indemnified Person within ten (10) Business Days after Sellers receive such notice. The obligations of Sellers under this Section 13.01 shall apply (without duplication) to Eligible Assignees and Participants and survive the termination of this Agreement.

Section 13.02 Expenses . Each Seller shall promptly on demand pay to or as directed by Buyer all third-party out-of-pocket costs and expenses (including outside legal and accounting fees and expenses) incurred by Buyer in connection with (a) the development, evaluation, preparation, negotiation, execution, consummation, delivery and administration of, and any amendment, supplement or modification to, or extension, renewal or waiver of, the Repurchase Documents and the Transactions, (b) any Asset or Purchased Asset, including due diligence, inspection, testing, review, recording, registration, travel custody, care, insurance or preservation, (c) the enforcement of the Repurchase Documents or the payment or performance by Sellers of any Repurchase Obligations, and (d) any actual or attempted sale, exchange, enforcement, collection, compromise or settlement relating to the Purchased Assets.

ARTICLE 14

INTENT

Section 14.01 Safe Harbor Treatment . The Parties intend (a) for each Transaction to qualify for the safe harbor treatment provided by the Bankruptcy Code and for Buyer to be entitled to all of the rights, benefits and protections afforded to Persons under the Bankruptcy Code with respect to a "repurchase agreement" as defined in Section 101(47) of the Bankruptcy Code and a "securities contract" as defined in Section 741(7) of the Bankruptcy Code and that payments and transfers under this Agreement constitute transfers made by, to or for the benefit of a financial institution, financial participant or repo participant within the meaning of Section 546(e) or 546(f) of the Bankruptcy Code, and that payments under this Agreement are deemed "margin payments" or "settlement payments" as such terms are defined in Section 741 of the Bankruptcy Code, (b) the Guarantee Agreement and the Pledge and Security Agreement each constitute a security agreement or arrangement or other credit enhancement within the meaning of Section 101 of the Code related to a "securities contract" as defined in Section 741(7)(A)(xi) of the Bankruptcy Code and a "repurchase agreement" as that term is defined in Section 101(47)(A)(v) of the Bankruptcy Code, and (c) that Buyer (for so long as Buyer is a "financial institution," "financial participant," "repo participant," "master netting participant" or other entity listed in Section 546(e)-(f), 546(j), 555, 559, 362(b)(6) or 362(b)(7) of the Bankruptcy Code) shall be entitled to the "safe harbor" benefits and protections afforded under the Bankruptcy Code with respect to a "repurchase agreement," "securities contract" and a "master netting agreement," including (x) the rights, set forth in Article 10 and in Sections 555, 559 and 561 of the Bankruptcy Code, to liquidate the Purchased Assets and terminate this Agreement, and (y) the right to offset or net out as set forth in Article 10 and Section 18.17 and in Sections 362(b)(6), 362(b)(7), 362(b)(27), 362(o) and 546 of the Bankruptcy Code. Each of Buyer and Sellers hereby further agrees that it shall not challenge the characterization of (i) this Agreement or any Transaction as a "repurchase agreement," "securities contract" and/or "master netting agreement," or (ii) each party as a "repo participant" within the meaning of the Bankruptcy Code. The parties intend and recognize that the arrangements under this Agreement are to constitute a "title transfer financial collateral arrangement" or a "security financial collateral arrangement" for the purposes of the Financial Collateral Arrangements (No 2) Regulations 2003 (the " FCA Regulations "). Further, it is the intention of the Parties that the sale, assignment and conveyance of the Purchased Assets by the Sellers to the Buyer pursuant to this Agreement shall constitute absolute and unconditional sales from the Sellers to the Buyer of

an undivided interest of the Sellers in the Purchased Assets having the rights and attributes provided for in this Agreement. It is further the intention of the Parties that the beneficial interest in and title to the Purchased Assets and the interests represented thereby shall not be the property of the Sellers for the purposes of any proceedings in respect of any Seller under any Insolvency Law. Each of the Parties hereby agree and confirm that their respective requirements in entering into the transactions contemplated by this Agreement will only be satisfied if the transaction is a sale and would not be satisfied if the transactions were characterized as loans, partnerships, joint ventures or other arrangements.

Section 14.02 Liquidation . The Parties acknowledge and agree that Buyer's right to liquidate Purchased Assets delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Articles 10 and 11 and as otherwise provided in the Repurchase Documents is a contractual right to liquidate such Transactions as described in Sections 555, 559 and 561 of the Bankruptcy Code.

Section 14.03 Qualified Financial Contract . The Parties acknowledge and agree that if a Party is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended (" FDIA "), then each Transaction hereunder is a "qualified financial contract," as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).

Section 14.04 Netting Contract . The Parties acknowledge and agree that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (" FDICIA ") and each payment entitlement and payment obligation under any Transaction shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation," respectively, as defined in and subject to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

Section 14.05 Master Netting Agreement . The Parties intend that this Agreement, the Guarantee Agreement and the Pledge and Security Agreement constitutes a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code.

ARTICLE 15

DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS

The Parties acknowledge that they have been advised and understand that:

(a) if one of the Parties is a broker or dealer registered with the Securities and Exchange Commission under Section 14 of the Exchange Act, the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 do not protect the other Party with respect to any Transaction;

(b) if one of the Parties is a government securities broker or a government securities dealer registered with the Securities and Exchange Commission under Section 14C of the Exchange Act, the Securities Investor Protection Act of 1970 will not provide protection to the other Party with respect to any Transaction;

(c) if one of the Parties is a financial institution, funds held by or on behalf of the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable; and

(d) if one of the Parties is an "insured depository institution" as that term is defined in Section 1813(c)(2) of Title 12 of the United States Code, funds held by or on behalf of the financial institution pursuant to any Transaction are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund or the Bank Insurance Fund, as applicable.

ARTICLE 16

NO RELIANCE

Each Party acknowledges, represents and warrants to the other Party that, in connection with the negotiation of, entering into, and performance under, the Repurchase Documents and each Transaction:

(a) It is not relying (for purposes of making any investment decision or otherwise) on any advice, counsel or representations (whether written or oral) of the other Party, other than the representations expressly set forth in the Repurchase Documents;

(b) It has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent that it has deemed necessary, and it has made its own investment, hedging and trading decisions (including decisions regarding the suitability of any Transaction) based on its own judgment and on any advice from such advisors as it has deemed necessary and not on any view expressed by the other Party;

(c) It is a sophisticated and informed Person that has a full understanding of all the terms, conditions and risks (economic and otherwise) of the Repurchase Documents and each Transaction and is capable of assuming and willing to assume (financially and otherwise) those risks;

(d) It is entering into the Repurchase Documents and each Transaction for the purposes of managing its borrowings or investments or hedging its underlying assets or liabilities and not for purposes of speculation;

(e) It is not acting as a fiduciary or financial, investment or commodity trading advisor for the other Party and has not given the other Party (directly or indirectly through any other Person) any assurance, guaranty or representation whatsoever as to the merits (either legal, regulatory, tax, business, investment, financial accounting or otherwise) of the Repurchase Documents or any Transaction; and

(f) No partnership or joint venture exists or will exist as a result of the Transactions or entering into and performing the Repurchase Documents.

ARTICLE 17

SERVICING

This Article 17 shall apply to all Purchased Assets.

Section 17.01 Servicing Rights . Buyer is the owner of all Servicing Rights. Without limiting the generality of the foregoing, Buyer shall have the right to hire or otherwise engage any Person to service or sub-service all or part of the Purchased Assets, provided , however , that at any time prior to an Event of Default, the related Seller may designate a Servicer to be selected by Buyer, so long as such Servicer is reasonably acceptable to Buyer, and such Person shall have only such servicing obligations with respect to such Purchased Assets as are approved by Buyer. As of the Closing Date, Buyer and Sellers agree that (i) the initial Servicer for the U.S. Purchased Assets and the Canadian Purchased Assets shall be Midland Loan Services, a division of PNC Bank, National Association and that an Interim Servicer may service the U.S. Purchased Assets and the Canadian Purchased Assets pursuant to the Transition Services Agreement, and that Seller and Buyer shall cooperate to put in place Servicer as the successor servicer for the U.S. Purchased Assets and Canadian Purchased Assets as soon as possible thereafter, but in any event within 45 days of the Closing Date, and (ii) either Capita Asset Services, a Division of Capita plc, CBRE Loan Servicing Ltd., Deutsche Bank AG, London Branch or Situs Asset Management Limited shall be the Servicer for each U.K. Purchased Asset. Notwithstanding the preceding sentence, Buyer agrees with Sellers as follows with respect to the servicing of the Purchased Assets:

(a) Servicer shall service the Purchased Assets on behalf of Buyer. The Servicing Agreement shall contain provisions which are consistent with this Article 17 and must otherwise be in form and substance satisfactory to Buyer, it being understood that in all cases where an Affiliate of any Seller is the Servicer, the related Servicing Agreement shall be in the form approved by Buyer.

(b) Contemporaneously with the execution of this Agreement on the Closing Date, Buyer will enter into, and cause Servicer to enter into, the Servicing Agreement and sign and return the Servicer Notice. Each Servicing Agreement shall automatically terminate on the 30th day following its execution and at the end of each thirty (30) day period thereafter, unless, in each case, Buyer shall agree, by prior written notice to the related Servicer to be delivered on or before the applicable Remittance Date immediately preceding each such scheduled termination date, to extend the termination date an additional thirty (30) days. Neither any Seller nor the related Servicer may assign its rights or obligations under the related Servicing Agreement without the prior written consent of Buyer.

(c) Each Seller shall not and shall not direct any Servicer to (i) take any Material Action without the prior written consent of Buyer or (ii) take any action which would result in a violation of the obligations of any Person under the related Servicing Agreement, this Agreement or any other Repurchase Document, or which would otherwise be inconsistent with

the rights of Buyer under the Repurchase Documents. Buyer, as owner of the Purchased Assets, shall own all related servicing and voting rights and, as owner, shall act as servicer with respect to the Purchased Assets, subject to an interim revocable option from Buyer in favor of the related Seller to direct each related Servicer, so long as no Default or Event of Default has occurred and is continuing; provided, however, that Sellers cannot give any direction or take any action that could materially adversely affect the value or collectability of any amounts due with respect to the Purchased Assets without the consent of Buyer. Such revocable option is not evidence of any ownership or other interest or right of any Seller in any Purchased Asset.

(d) The servicing fee payable to each Servicer shall be payable as a servicing fee in accordance with this Agreement and each Servicing Agreement, including without limitation pursuant to priority *third* of Section 5.02 or priority *fifth* of Section 5.04 , as applicable; provided that this Section 17.01(d) shall not apply in respect of any Servicing Agreement relating to the U.K. Purchased Assets.

(e) Upon the occurrence and during the continuance of an Event of Default under this Agreement, in addition to all of the other rights and remedies of Buyer and Servicer under each Servicing Agreement, this Agreement and the other Repurchase Documents (and in addition to the provisions of each Servicing Agreement providing for termination of each such Servicing Agreement pursuant to its terms), (i) for the avoidance of doubt, the right, if any, of each Servicer to direct the servicing of the Purchased Assets shall immediately and automatically cease to exist, and (ii) either Buyer or each Servicer may at any time terminate the related Servicing Agreement immediately upon the delivery of a written termination notice from either Buyer or the related Servicer to the related Seller. The related Seller shall pay all expenses associated with any such termination, including without limitation any fees and expenses required in connection with the transfer of servicing to the related Servicer and/or a replacement Servicer.

Section 17.02 Servicing Reports . Each Seller shall deliver and cause each Servicer to deliver to Buyer and Custodian a monthly remittance report on or before the second Business Day immediately preceding each Remittance Date containing servicing information, including those fields reasonably requested by Buyer from time to time, on an asset by asset and in the aggregate, with respect to the Purchased Assets for the month (or any portion thereof) before the date of such report.

Section 17.03 Servicer Event of Default . If an Event of Default or Servicer Event of Default has occurred and is continuing, Buyer shall have the right at any time thereafter to terminate the related Servicing Agreement, assume the role of Waterfall Account Bank for all purposes hereunder and to transfer the Waterfall Accounts to Buyer or its nominee, and transfer servicing of the related Purchased Assets to Buyer or its designee, at no cost or expense to Buyer, it being agreed that the related Seller will pay any fees and expenses required to terminate such Servicing Agreement and transfer servicing to Buyer or its designee.

Section 17.04 Voting and Corporate Rights relating to a Security . Buyer shall have the right to exercise any and all voting and corporate rights with respect to any Security, including without limitation the right to direct the related trustee under the applicable indenture or other similar agreement, relating to, the Security; provided, however, that Buyer hereby grants

Seller a revocable license to (i) direct the related trustee under the applicable indenture or other similar agreement relating to, the Security and (ii) vote on any matter, subject however to the terms and conditions of this Agreement; provided, further, that such license shall be automatically revoked upon the occurrence and continuance of any Default or Event of Default hereunder.

ARTICLE 18

MISCELLANEOUS

Section 18.01 Governing Law . **THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AGREEMENT.**

Section 18.02 Submission to Jurisdiction; Service of Process . Each Party irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Repurchase Documents, or for recognition or enforcement of any judgment, and each Party irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such State court or, to the fullest extent permitted by applicable law, in such Federal court. Each Party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or the other Repurchase Documents shall affect any right that Buyer may otherwise have to bring any action or proceeding arising out of or relating to the Repurchase Documents against Sellers or their properties in the courts of any jurisdiction. Each Seller irrevocably and unconditionally waives, to the fullest extent permitted by Requirements of Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to the Repurchase Documents in any court referred to above, and the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each Party irrevocably consents to service of process in the manner provided for notices in Section 18.12 . Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

Section 18.03 IMPORTANT WAIVERS .

(a) EACH SELLER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO ASSERT A COUNTERCLAIM, OTHER THAN A COMPULSORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY BUYER OR ANY INDEMNIFIED PERSON.

(b) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE BETWEEN THEM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH OR RELATED TO THE REPURCHASE DOCUMENTS, THE PURCHASED ASSETS, THE TRANSACTIONS, ANY DEALINGS OR COURSE OF CONDUCT BETWEEN THEM, OR ANY STATEMENTS (WRITTEN OR ORAL) OR OTHER ACTIONS OF EITHER PARTY. NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. INSTEAD, ANY SUCH DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY.

(c) TO THE EXTENT PERMITTED BY REQUIREMENTS OF LAW, EACH PARTY HEREBY WAIVES ANY RIGHT TO CLAIM OR RECOVER IN ANY LITIGATION WHATSOEVER INVOLVING ANY INDEMNIFIED PERSON, ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES, WHETHER SUCH WAIVED DAMAGES ARE BASED ON STATUTE, CONTRACT, TORT, COMMON LAW OR ANY OTHER LEGAL THEORY, WHETHER THE LIKELIHOOD OF SUCH DAMAGES WAS KNOWN AND REGARDLESS OF THE FORM OF THE CLAIM OF ACTION. NO INDEMNIFIED PERSON SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH ANY REPURCHASE DOCUMENT OR THE TRANSACTIONS.

(d) EACH SELLER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BUYER OR AN INDEMNIFIED PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BUYER OR AN INDEMNIFIED PERSON WOULD NOT SEEK TO ENFORCE ANY OF THE WAIVERS IN THIS SECTION 18.03 IN THE EVENT OF LITIGATION OR OTHER CIRCUMSTANCES. THE SCOPE OF SUCH WAIVERS IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THE REPURCHASE DOCUMENTS, REGARDLESS OF THEIR LEGAL THEORY.

(e) EACH PARTY ACKNOWLEDGES THAT THE WAIVERS IN THIS SECTION 18.03 ARE A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT SUCH PARTY HAS ALREADY RELIED ON SUCH WAIVERS IN ENTERING INTO THE REPURCHASE DOCUMENTS, AND THAT SUCH PARTY WILL CONTINUE TO RELY ON SUCH WAIVERS IN THEIR RELATED FUTURE DEALINGS UNDER THE REPURCHASE DOCUMENTS. EACH PARTY FURTHER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED SUCH WAIVERS WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL AND OTHER RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

(f) THE WAIVERS IN THIS SECTION 18.03 ARE IRREVOCABLE, MEANING THAT THEY MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO ANY OF THE REPURCHASE DOCUMENTS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(g) THE PROVISIONS OF THIS SECTION 18.03 SHALL SURVIVE TERMINATION OF THE REPURCHASE DOCUMENTS AND THE INDEFEASIBLE PAYMENT IN FULL OF THE REPURCHASE OBLIGATIONS.

Section 18.04 Integration . The Repurchase Documents supersede and integrate all previous negotiations, contracts, agreements and understandings (whether written or oral), including, without limitation, the Term Sheet between the Parties relating to a sale and repurchase of Purchased Assets and the other matters addressed by the Repurchase Documents, and contain the entire final agreement of the Parties relating to the subject matter thereof.

Section 18.05 Single Agreement . Each Seller agrees that (a) each Transaction is in consideration of and in reliance on the fact that all Transactions constitute a single business and contractual relationship, and that each Transaction has been entered into in consideration of the other Transactions, (b) a default by it in the payment or performance of any its obligations under a Transaction shall constitute a default by it with respect to all Transactions, (c) Buyer may set off claims and apply properties and assets held by or on behalf of Buyer with respect to any Transaction against the Repurchase Obligations owing to Buyer with respect to other Transactions, and (d) payments, deliveries and other transfers made by or on behalf of any Seller with respect to any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers with respect to all Transactions, and the obligations of each Seller to make any such payments, deliveries and other transfers may be applied against each other and netted.

Section 18.06 Use of Employee Plan Assets . No assets of an employee benefit plan subject to any provision of ERISA shall be used by either Party in a Transaction.

Section 18.07 Survival and Benefit of Sellers' Agreements . The Repurchase Documents and all Transactions shall be binding on and shall inure to the benefit of the Parties and their successors and permitted assigns. All of Sellers' representations, warranties, agreements and indemnities in the Repurchase Documents shall survive the termination of the Repurchase Documents and the payment in full of the Repurchase Obligations, and shall apply to and benefit all Indemnified Persons, Buyer and its successors and assigns, Eligible Assignees and Participants. No other Person shall be entitled to any benefit, right, power, remedy or claim under the Repurchase Documents.

Section 18.08 Assignments and Participations .

(a) None of Guarantor, Pledgors or Sellers shall sell, assign or transfer any of their rights or the Repurchase Obligations or delegate any of their respective duties under this Agreement or any other Repurchase Document without the prior written consent of Buyer, and any attempt to do so without such consent shall be null and void.

(b) The terms and provisions governing assignments and participations under Section 18.08(b) are set forth in the Fee Letter, and are incorporated by reference herein.

(c) The terms and provisions governing assignments and participations under Section 18.08(c) are set forth in the Fee Letter, and are incorporated by reference herein.

(d) Sellers shall cooperate with Buyer, at Buyer's sole cost and expense, in connection with any such sale and assignment of participations, syndications or assignments and shall enter into such restatements of, and amendments, supplements and other modifications to, the Repurchase Documents to give effect to any such sale or assignment; provided , that none of the foregoing shall change any economic or other material term of the Repurchase Documents in a manner adverse to Sellers without the consent of Sellers.

(e) Buyer, acting solely for this purpose as a non-fiduciary agent of Sellers, shall maintain a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the Eligible Assignees that become Parties hereto and, with respect to each such Eligible Assignee, the aggregate assigned Purchase Price and applicable Price Differential (the " Register "). The entries in the Register shall be conclusive absent manifest error, and the Parties shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Buyer for all purposes of this Agreement. The Register shall be available for inspection by the Parties at any reasonable time and from time to time upon reasonable prior notice.

(f) Each Party that sells a participation or syndicates an interest shall, acting solely for this purpose as a non-fiduciary agent of Sellers, maintain a register on which it enters the name and address of each Participant and, with respect to each such Participant, the aggregate participated Purchase Price and applicable Price Differential, and any other interest in any obligations under the Repurchase Documents (the " Participant Register "); provided that no Party shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any obligations under any Repurchase Document) to any Person except (i) that portion of the Participant Register relating to any Participant with respect to which an additional amount is requested from Sellers under Article 12 or 13 shall be made available to Sellers, and (ii) otherwise to the extent that such disclosure is reasonably expected to be necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the participating Party shall treat each Person whose name is recorded in the Participant Register as the owner of the applicable participation for all purposes of this Agreement notwithstanding any notice to the contrary.

Section 18.09 Ownership and Hypothecation of Purchased Assets . Title to all Purchased Assets shall pass to and vest in Buyer on the applicable Purchase Dates and, subject to the terms of the Repurchase Documents, Buyer or its designee shall have free and unrestricted use of all Purchased Assets and be entitled to exercise all rights, privileges and options relating to the Purchased Assets as the owner thereof, including rights of subscription, conversion, exchange, substitution, voting, consent and approval, and to direct any servicer or trustee. Buyer or its designee may, at any time, without the consent of any Seller, any Pledgor or Guarantor, engage in repurchase transactions with the Purchased Assets or otherwise sell, pledge, repledge, transfer, hypothecate, or rehypothecate the Purchased Assets, all on terms that Buyer may determine; provided , that no such transaction shall affect the obligations of Buyer to transfer the Purchased Assets to the related Seller on the applicable Repurchase Dates free and clear of any pledge, Lien, security interest, encumbrance, charge or other adverse claim. In the event Buyer engages in a repurchase transaction with any of the Purchased Assets or otherwise pledges or hypothecates any of the Purchased Assets, Buyer shall have the right to assign to Buyer's counterparty any of the applicable representations or warranties herein and the remedies for breach thereof, as they relate to the Purchased Assets that are subject to such repurchase transaction.

Section 18.10 Confidentiality . All information regarding the terms set forth in any of the Repurchase Documents or the Transactions shall be kept confidential and shall not be disclosed by either Party to any Person except (a) to the Affiliates of such Party or its or their respective directors, officers, employees, agents, advisors, 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, stock exchange, government department or agency, or required by Requirements of Law, (c) to the extent required to be included in the financial statements of either Party or an Affiliate thereof, (d) to the extent required to exercise any rights or remedies under the Repurchase Documents, Purchased Assets or Mortgaged Properties, (e) to the extent required to consummate and administer a Transaction, (f) in the event any Party is legally compelled to make pursuant to deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process by court order of a court of competent jurisdiction, and (g) to any actual or prospective Participant, Eligible Assignee or Hedge Counterparty which agrees to comply with this Section 18.10 ; provided , that, except with respect to the disclosures by Buyer under clause (f) of this Section 18.10 , no such disclosure made with respect to any Repurchase Document shall include a copy of such Repurchase Document to the extent that a summary would suffice, but if it is necessary for a copy of any Repurchase Document to be disclosed, all pricing and other economic terms set forth therein shall be redacted before disclosure.

Section 18.11 No Implied Waivers . No failure on the part of Buyer to exercise, or delay in exercising, any right or remedy under the Repurchase Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy thereunder preclude any further exercise thereof or the exercise of any other right. The rights and remedies in the Repurchase Documents are cumulative and not exclusive of any rights and remedies provided by law. Application of the Default Rate after an Event of Default shall not be deemed to constitute a waiver of any Event of Default or Buyer's rights and remedies with respect thereto, or a consent to any extension of time for the payment or performance of any obligation with respect to which the Default Rate is applied. Except as otherwise expressly provided in the

Repurchase Documents, no amendment, waiver or other modification of any provision of the Repurchase Documents shall be effective without the signed agreement of the related Seller(s) and Buyer. Any waiver or consent under the Repurchase Documents shall be effective only if it is in writing and only in the specific instance and for the specific purpose for which given.

Section 18.12 Notices and Other Communications . Unless otherwise provided in this Agreement, all notices, consents, approvals, requests and other communications required or permitted to be given to a Party hereunder shall be in writing and sent prepaid by hand delivery, by certified or registered mail, by expedited commercial or United States postal delivery service, Royal Mail, Canada Post or Deutsche Post, or by facsimile or email to the address for such Party specified in Annex I or such other address as such Party shall specify from time to time in a notice to the other Party (provided that (i) any party delivering the notice by facsimile also receives a confirmation of delivery by telephone on the same Business Day, and (ii) any party delivering a notice by e-mail also receives a return receipt noting that the email has been opened by the recipient). Any wire instructions provided by Seller to Buyer that are different from Seller's wire instructions set forth on Annex 1 must be in writing and signed by two (2) authorized signatories of Seller; provided that Buyer shall have no obligation or liability to confirm that any such document was signed by two (2) authorized signatories of Seller. Should the sending party fail to receive the required delivery confirmation on a timely basis, the related notice shall not be legally effective until either (i) the sending party successfully confirms the receipt thereof by telephone or (ii) the sending party successfully delivers the related notice by hand delivery, by certified or registered mail or by expedited commercial or postal delivery service in accordance with the immediately preceding sentence. Any of the foregoing communications shall be effective when delivered, if such delivery occurs on a Business Day; otherwise, each such communication shall be effective on the first Business Day following the date of such delivery. A Party receiving a notice that does not comply with the technical requirements of this Section 18.12 may elect to waive any deficiencies and treat the notice as having been properly given.

Section 18.13 Counterparts; Electronic Transmission . Any Repurchase Document may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute but one and the same instrument. The Parties agree that this Agreement, any documents to be delivered pursuant to this Agreement, any other Repurchase Document and any notices hereunder may be transmitted between them by email and/or facsimile. The Parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties

Section 18.14 No Personal Liability . No administrator, incorporator, Affiliate, owner, member, partner, stockholder, officer, director, employee, agent or attorney of Buyer, any Indemnified Person, any Seller, any Pledgor or Guarantor, as such, shall be subject to any recourse or personal liability under or with respect to any obligation of Buyer, any Seller, any Pledgor or Guarantor under the Repurchase Documents, whether by the enforcement of any assessment, by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed that the obligations of Buyer, any Seller, any Pledgor or Guarantor under the Repurchase Documents are solely their respective corporate, limited liability company or partnership obligations, as applicable, and that any such recourse or personal liability is hereby expressly waived. This Section 18.14 shall survive the termination of the Repurchase Documents and the repayment in full of the Repurchase Obligations.

Section 18.15 Protection of Buyer's Interests in the Purchased Assets; Further Assurances .

(a) Each Seller shall take such action as necessary to cause the Repurchase Documents and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of Buyer to the Purchased Assets to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect such right, title and interest. Each Seller shall deliver to Buyer file–stamped copies of, or filing receipts for, any document recorded, registered or filed as provided above, as soon as available following such recording, registration or filing. Each Seller shall execute any and all documents reasonably required to fulfill the intent of this Section 18.15 .

(b) Each Seller will promptly at its expense execute and deliver such instruments and documents and take such other actions as Buyer may reasonably request from time to time in order to perfect, protect, evidence, exercise and enforce Buyer's rights and remedies under and with respect to the Repurchase Documents, the Transactions and the Purchased Assets.

(c) If any Seller fails to perform any of its Repurchase Obligations, then Buyer may (but shall not be required to) perform or cause to be performed such Repurchase Obligation, and the costs and expenses incurred by Buyer in connection therewith shall be payable by Sellers. Without limiting the generality of the foregoing, each Seller authorizes Buyer, at the option of Buyer and the expense of such Seller, at any time and from time to time, to take all actions and pay all amounts that Buyer deems necessary or appropriate to protect, enforce, preserve, insure, service, administer, manage, perform, maintain, safeguard, collect or realize on the Purchased Assets and Buyer's Liens and interests therein or thereon and to give effect to the intent of the Repurchase Documents. No Default or Event of Default shall be cured by the payment or performance of any Repurchase Obligation by Buyer on behalf of any Seller. Buyer may make any such payment in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax Lien, title or claim except to the extent such payment is being contested in good faith by the related Seller in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

(d) Without limiting the generality of the foregoing, each Seller will no earlier than six (6) or later than three (3) months before the fifth (5 th) anniversary of the date of filing of each UCC financing statement filed in connection with to any Repurchase Document or any Transaction, (i) deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement (provided that Buyer may elect to file such continuation statement), and (ii) if requested by Buyer, deliver or cause to be delivered to Buyer an opinion of counsel, in form and substance reasonably satisfactory to Buyer, confirming and updating the security interest opinion delivered pursuant to Section 6.01(a) with respect to perfection and

otherwise to the effect that the security interests hereunder continue to be enforceable and perfected security interests, senior to the rights of any other creditor of Seller, which opinion may contain usual and customary assumptions, limitations and exceptions.

(e) Except as provided in the Repurchase Documents, the sole duty of Buyer, Custodian or any other designee or agent of Buyer with respect to the Purchased Assets shall be to use reasonable care in the custody, use, operation and preservation of the Purchased Assets in its possession or control. Buyer shall incur no liability to any Seller or any other Person for any act of Governmental Authority, act of God or other destruction in whole or in part or negligence or wrongful act of custodians or agents selected by Buyer with reasonable care, or Buyer's failure to provide adequate protection or insurance for the Purchased Assets. Buyer shall have no obligation to take any action to preserve any rights of any Seller in any Purchased Asset against prior parties, and each Seller hereby agrees to take such action. Buyer shall have no obligation to realize upon any Purchased Asset except through proper application of any distributions with respect to the Purchased Assets made directly to Buyer or its agent(s). So long as Buyer and Custodian shall act in good faith in their handling of the Purchased Assets, each Seller waives or is deemed to have waived the defense of impairment of the Purchased Assets by Buyer and Custodian.

(f) At Buyer's election (at Buyer's sole cost and expense) and at any time during the term of this Agreement, Buyer may complete and record any or all of the Blank Assignment Documents as further evidence of Buyer's ownership interest in the related Purchased Assets.

Section 18.16 Default Rate . To the extent permitted by Requirements of Law, each Seller shall pay interest at the Default Rate on the amount of all Repurchase Obligations not paid when due under the Repurchase Documents until such Repurchase Obligations are paid or satisfied in full.

Section 18.17 Set-off . In addition to any rights now or hereafter granted under the Repurchase Documents, Requirements of Law or otherwise, each Seller hereby grants to Buyer and its Affiliates, to secure repayment of the Repurchase Obligations, and Guarantor and each other Subsidiary of Guarantor hereby grant to Buyer and its Affiliates, to secure repayment of the Obligations (as defined in the Guarantee Agreement), a right of set-off upon any and all of the following: monies, securities, collateral or other property of any Seller, Guarantor or any other Subsidiary of Guarantor and any proceeds from the foregoing, now or hereafter held or received by Buyer or any Affiliate of Buyer, for the account of any Seller, Guarantor or any other Subsidiary of Guarantor, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and also upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or Indebtedness of any Seller, Guarantor or any other Subsidiary of Guarantor at any time existing, and any obligation owed by Buyer or any Affiliate of Buyer to any Seller, Guarantor or any other Subsidiary of Guarantor and to set–off against any Repurchase Obligations or Indebtedness owed by any Seller, Guarantor or any other Subsidiary of Guarantor and any Indebtedness owed by Buyer or any Affiliate of Buyer to any Seller, Guarantor or any other Subsidiary of Guarantor, in each case whether direct or indirect, absolute or contingent, matured or unmatured, whether or not arising under the Repurchase Documents and irrespective of the currency, place of payment or booking office of the amount or obligation

and in each case at any time held or owing by Buyer or any Affiliate of Buyer to or for the credit of any Seller, Guarantor or any other Subsidiary of Guarantor, without prejudice to Buyer's right to recover any deficiency. Each of Buyer and each Affiliate of Buyer is hereby authorized upon any amount becoming due and payable by any Seller, Guarantor or any other Subsidiary of Guarantor to Buyer or any Affiliate of Buyer under the Repurchase Documents, the Repurchase Obligations or otherwise or upon the occurrence of an Event of Default, without notice to any Seller, Guarantor or any other Subsidiary of Guarantor, any such notice being expressly waived by Sellers, Guarantor and any other Subsidiary of Guarantor to the extent permitted by any Requirements of Law, to set–off, appropriate, apply and enforce such right of set–off against any and all items hereinabove referred to against any amounts owing to Buyer or any Affiliate of Buyer by any Seller, Guarantor or any other Subsidiary of Guarantor under the Repurchase Documents and the Repurchase Obligations, irrespective of whether Buyer or any Affiliate of Buyer shall have made any demand under the Repurchase Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Buyer's rights to recover a deficiency. Each Seller, Guarantor and any other Subsidiary of Guarantor shall be deemed directly indebted to Buyer and each of its Affiliates in the full amount of all amounts owing to Buyer and each of its Affiliates by any Seller, Guarantor or any other Subsidiary of Guarantor under the Repurchase Documents and the Repurchase Obligations and Guarantor shall be deemed directly indebted to Buyer and each of its Affiliates in the full amount of all amounts owing to Buyer and each of its Affiliates by Guarantor under the Guarantee Agreement, and Buyer and each of its Affiliates shall be entitled to exercise the rights of set–off provided for above. ANY AND ALL RIGHTS TO REQUIRE BUYER OR ANY OF ITS AFFILIATES TO EXERCISE THEIR RIGHTS OR REMEDIES WITH RESPECT TO THE PURCHASED ASSETS UNDER THE REPURCHASE DOCUMENTS, PRIOR TO EXERCISING THE FOREGOING RIGHT OF SET–OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY EACH SELLER, GUARANTOR AND EACH OTHER SUBSIDIARY OF GUARANTOR.

Buyer or any of its Affiliates shall promptly notify the affected Seller, Guarantor or the applicable Subsidiary of Guarantor after any such set-off and application made by Buyer or any of its Affiliates, provided that the failure to give such notice shall not affect the validity of such set–off and application. If an amount or obligation is unascertained, Buyer and each of its Affiliates may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other party when the amount or obligation is ascertained. Nothing in this Section 18.17 shall be effective to create a charge or other security interest. This Section 18.17 shall be without prejudice and in addition to any right of set-off, combination of accounts, Lien or other rights to which Buyer is at any time otherwise entitled.

Section 18.18 Waiver of Set-off . Each Seller, Pledgor and Guarantor hereby waive any right of set-off each may have or to which each may be or become entitled under the Repurchase Documents or otherwise against Buyer, any Affiliate of Buyer, any Indemnified Person or their respective assets or properties.

Section 18.19 Power of Attorney . Each 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 such Seller's signature thereon as Buyer, at

its option, may deem appropriate. With respect to any Mortgaged Property located in the province of Ontario or any other jurisdiction providing for electronic registration in respect of real property, the applicable Seller hereby authorizes any solicitor retained by Buyer qualified in Ontario or such other jurisdiction, if applicable, at the relevant time, to prepare, complete, sign and register electronically assignments or transfers of the Mortgage. Each Seller hereby appoints Buyer as such Seller's agent and attorney in fact to execute any such financing statement or statements in such Seller's name and to perform all other acts which Buyer deems appropriate to perfect and continue its ownership interest in the Purchased Assets and/or the security interest granted hereby, if applicable, and to protect, preserve and realize upon the Purchased Assets, including, but not limited to, the right to endorse notes, complete blanks in documents, transfer servicing (including, but not limited, to sending "good-bye letters" to any Underlying Obligor with respect to Purchased Assets which are Whole Loans, each to be in a form acceptable to Buyer), sign assignments on behalf of such Seller as its agent and attorney in fact and, with respect to any Mortgaged Property located in the province of Ontario or any other jurisdiction providing for electronic registration in respect of real property, sign acknowledgements and directions on behalf of the applicable Seller as its agent and attorney in fact, authorizing and directing any solicitor retained by Buyer in Ontario or such other jurisdiction, if applicable, to prepare, complete, sign and register electronically assignments or transfers of the Mortgage. This agency and power of attorney is coupled with an interest and is irrevocable without Buyer's consent. Each Seller shall pay the filing costs for any financing statement or statements prepared pursuant to this Section 18.19 . In addition, each Seller shall execute and deliver to Buyer a power of attorney in the form and substance of Exhibit G hereto (" Power of Attorney ").

Section 18.20 Periodic Due Diligence Review . Buyer may perform continuing due diligence reviews with respect to the Purchased Assets, each Seller and Affiliates of each Seller, including ordering new third party reports, for purposes of, among other things, verifying compliance with the representations, warranties, covenants, agreements, duties, obligations and specifications made under the Repurchase Documents or otherwise. Upon reasonable prior notice to the applicable Seller, unless a Default or Event of Default has occurred and is continuing, in which case no notice is required, Buyer or its representatives may during normal business hours inspect any properties and examine, inspect and make copies of the books and records of each Seller and Affiliates of such Seller, the Mortgage Loan Documents and the Servicing Files. Each Seller shall make available to Buyer one or more knowledgeable financial or accounting officers and representatives of the independent certified public accountants of such Seller for the purpose of answering questions of Buyer concerning any of the foregoing. Buyer may purchase Purchased Assets from each Seller based solely on the information provided by the related Seller to Buyer in the Diligence Materials and the representations, warranties, duties, obligations and covenants contained herein, and Buyer may at any time conduct a partial or complete due diligence review on some or all of the Purchased Assets, including ordering new credit reports and new Appraisals on the Mortgaged Properties and otherwise re-generating the information used to originate and underwrite such Purchased Assets. Buyer may underwrite such Purchased Assets itself or engage a mutually acceptable third-party underwriter to do so.

Section 18.21 Time of the Essence . Time is of the essence with respect to all obligations, duties, covenants, agreements, notices or actions or inactions of the parties under the Repurchase Documents.

Section 18.22 Joint and Several Repurchase Obligations .

(a) Each Seller hereby acknowledges and agrees that (i) each Seller shall be jointly and severally liable to Buyer to the maximum extent permitted by Requirements of Law for all Repurchase Obligations, (ii) the liability of each Seller (A) shall be absolute and unconditional and shall remain in full force and effect (or be reinstated) until all Repurchase Obligations shall have been paid in full and the expiration of any applicable preference or similar period pursuant to any Insolvency Law, or at law or in equity, without any claim having been made before the expiration of such period asserting an interest in all or any part of any payment(s) received by Buyer, and (B) until such payment has been made, shall not be discharged, affected, modified or impaired on the occurrence from time to time of any event, including any of the following, whether or not with notice to or the consent of each Seller, (1) the waiver, compromise, settlement, release, modification, supplementation, termination or amendment (including any extension or postponement of the time for payment or performance or renewal or refinancing) of any of the Repurchase Obligations or Repurchase Documents, (2) the failure to give notice to each Seller of the occurrence of an Event of Default, (3) the release, substitution or exchange by Buyer of any Purchased Asset (whether with or without consideration) or the acceptance by Buyer of any additional collateral or the availability or claimed availability of any other collateral or source of repayment or any nonperfection or other impairment of collateral, (4) the release of any Person primarily or secondarily liable for all or any part of the Repurchase Obligations, whether by Buyer or in connection with any Insolvency Proceeding affecting any Seller or any other Person who, or any of whose property, shall at the time in question be obligated in respect of the Repurchase Obligations or any part thereof, (5) the sale, exchange, waiver, surrender or release of any Purchased Asset, guarantee or other collateral by Buyer, (6) the failure of Buyer to protect, secure, perfect or insure any Lien at any time held by Buyer as security for amounts owed by Sellers, or (7) to the extent permitted by Requirements of Law, any other event, occurrence, action or circumstance that would, in the absence of this Section 18.22 , result in the release or discharge of any or all of Sellers from the performance or observance of any Repurchase Obligation, (iii) Buyer shall not be required first to initiate any suit or to exhaust its remedies against any Seller or any other Person to become liable, or against any of the Purchased Assets, in order to enforce the Repurchase Documents and each Seller expressly agrees that, notwithstanding the occurrence of any of the foregoing, each Seller shall be and remain directly and primarily liable for all sums due under any of the Repurchase Documents, (iv) when making any demand hereunder against any Seller or any of the Purchased Assets, Buyer may, but shall be under no obligation to, make a similar demand on any other Seller, or otherwise pursue such rights and remedies as it may have against any Seller or any other Person or against any collateral security or guarantee related thereto or any right of offset with respect thereto, and any failure by Buyer to make any such demand, file suit or otherwise pursue such other rights or remedies or to collect any payments from any other Seller or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Seller or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve any Seller in a respect of which a demand or collection is not made or Sellers not so released of their obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of Buyer against Sellers (as used herein, the term “demand” shall include the commencement and continuation of legal proceedings), (v) on disposition by Buyer of any property encumbered by any Purchased Assets, each Seller shall be and shall remain jointly and severally liable for

any deficiency, (vi) each Seller waives (A) any and all notice of the creation, renewal, extension or accrual of any amounts at any time owing to Buyer by any other Seller under the Repurchase Documents and notice of or proof of reliance by Buyer upon any Seller or acceptance of the obligations of any Seller under this Section 18.22 , and all such amounts, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the obligations of Sellers under this Agreement, and all dealings between Sellers, on the one hand, and Buyer, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the obligations of Sellers under this Agreement, and (B) diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Seller with respect to any amounts at any time owing to Buyer by any Seller under the Repurchase Documents, and (vii) each Seller shall continue to be liable under this Section 18.22 without regard to (A) the validity, regularity or enforceability of any other provision of this Agreement or any other Repurchase Document, any amounts at any time owing to Buyer by any Seller under the Repurchase Documents, or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Buyer, (B) any defense, set off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Seller against Buyer, or (iii) any other circumstance whatsoever (with or without notice to or knowledge of any Seller) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Seller for any amounts owing to Buyer by any Seller under the Repurchase Documents, or of Sellers under this Agreement, in bankruptcy or in any other instance.

(b) Each Seller shall remain fully obligated under this Agreement notwithstanding that, without any reservation of rights against any Seller and without notice to or further assent by any Seller, any demand by Buyer for payment of any amounts owing to Buyer by any other Seller under the Repurchase Documents may be rescinded by Buyer and any the payment of any such amounts may be continued, and the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Buyer (including any extension or postponement of the time for payment or performance or renewal or refinancing of any Repurchase Obligation), and this Agreement and the other Repurchase Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with its terms, as Buyer may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by Buyer for the payment of amounts owing to Buyer by Sellers under the Repurchase Documents may be sold, exchanged, waived, surrendered or released. Buyer shall not have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for amounts owing to Buyer by Sellers under the Repurchase Documents, or any property subject thereto.

(c) To the extent that any Seller (the " Paying Seller ") pays more than its proportionate share of any payment made hereunder, the Paying Seller shall be entitled to seek and receive contribution from and against any other Seller that has not paid its proportionate share; provided , that the provisions of this Section 18.22 shall not limit the duties, covenants, agreements, obligations and liabilities of any Seller to Buyer, and, notwithstanding any payment

or payments made by the Paying Seller hereunder or any setoff or application of funds of the Paying Seller by Buyer, the Paying Seller shall not be entitled to be subrogated to any of the rights of Buyer against any other Seller or any collateral security or guarantee or right of setoff held by Buyer, nor shall the Paying Seller seek or be entitled to seek any contribution or reimbursement from any other Seller in respect of payments made by the Paying Seller hereunder, until all Repurchase Obligations are paid in full. If any amount shall be paid to the Paying Seller on account of such subrogation rights at any time when all such amounts shall not have been paid in full, such amount shall be held by the Paying Seller in trust for Buyer, segregated from other funds of the Paying Seller, and shall, forthwith upon receipt by the Paying Seller, be turned over to Buyer in the exact form received by the Paying Seller (duly indorsed by the Paying Seller to Buyer, if required), to be applied against the Repurchase Obligations, whether matured or unmatured, in such order as Buyer may determine.

(d) The Repurchase Obligations are full recourse obligations to each Seller, and each Seller hereby forever waives, demises, acquits and discharges any and all defenses, and shall at no time assert or allege any defense, to the contrary.

(e) Anything herein or in any other Repurchase Document to the contrary notwithstanding, the maximum liability of any Seller hereunder in respect of the liabilities of the other Sellers under this Agreement and the other Repurchase Documents shall in no event exceed the amount which can be guaranteed by each Seller under applicable federal and state laws relating to the insolvency of debtors.

Section 18.23 PATRIOT Act Notice . Buyer hereby notifies each Seller that Buyer is required by the PATRIOT Act and by Canadian Anti-Money Laundering & Anti-Terrorism Legislation to obtain, verify and record information that identifies Sellers.

Section 18.24 Successors and Assigns . Subject to the foregoing, the Repurchase Documents and any Transactions shall be binding upon and shall inure to the benefit of the Parties and their successors and permitted assigns.

Section 18.25 Acknowledgement of Anti-Predatory Lending Policies . Sellers and Buyer each have in place internal policies and procedures that expressly prohibit their purchase of any high cost mortgage loan.

Section 18.26 Effect of Amendment and Restatement . From and after the date hereof, the Second Amended and Restated Repurchase Agreement is hereby amended, restated and superseded in its entirety by this Agreement. The parties hereto acknowledge and agree that the liens and security interests granted under the Second Amended and Restated Repurchase Agreement are, in each case, continuing in full force and effect and, upon the amendment and restatement of the Second Amended and Restated Repurchase Agreement, such liens and security interests secure and continue to secure the payment of the Repurchase Obligations.

[ONE OR MORE UNNUMBERED SIGNATURE PAGES FOLLOW]

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

SELLERS:

PARLEX 5 KEN FINCO, LLC, a Delaware limited liability company

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

PARLEX 5 KEN UK FINCO, LLC, a Delaware limited liability company

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

PARLEX 5 KEN CAD FINCO, LLC, a Delaware limited liability company

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

PARLEX 5 KEN ONT FINCO, LLC, a Delaware limited liability company

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

PARLEX 5 KEN EUR FINCO, LLC, a Delaware limited liability company

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

BUYER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association

By: /s/ Raymond W. Lowe
Name: Raymond W. Lowe
Title: Senior Vice President

Exhibit 10.3

AMENDED AND RESTATED GUARANTEE AGREEMENT

AMENDED AND RESTATED GUARANTEE AGREEMENT, dated as of June 30, 2015 (as amended, restated, supplemented, or otherwise modified from time to time, this " Guarantee "), made by BLACKSTONE MORTGAGE TRUST, INC., a Maryland corporation having its principal place of business at 345 Park Avenue, New York, New York 10154 (" Guarantor "), in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (" Buyer ") and any of its parent, subsidiary or affiliated companies.

RECITALS

Pursuant to that certain Master Repurchase and Securities Contract, dated as of May 20, 2015 (as amended and restated pursuant to that certain Amended and Restated Master Repurchase and Securities Contract, dated as of June 4, 2015, as further amended by that certain Amendment No. 1 to Amended and Restated Master Repurchase and Securities Contract, dated as of June 11, 2015, and as further amended and restated pursuant to that certain Second Amended and Restated Master Repurchase and Securities Contract, dated as of June 23, 2015, the " Existing Repurchase Agreement "), by and among Buyer, Parlex 5 KEN Finco, LLC (" U.S. Seller "), Parlex 5 KEN UK Finco, LLC (" U.K. Seller "), Parlex 5 KEN CAD Finco, LLC (" CAD Seller "), Parlex 5 KEN ONT Finco, LLC (" ONT Seller ") and Parlex 5 KEN EUR Finco, LLC (" EUR Seller " and, together with U.S. Seller, U.K. Seller, CAD Seller and ONT Seller, " Sellers " and each a " Seller "), (A) Sellers agreed to sell to Buyer certain Purchased Assets, as defined in the Repurchase Agreement (as defined below), upon the terms and subject to the conditions as set forth therein, and (B) Guarantor executed and delivered that certain Guarantee Agreement, dated as of May 20, 2015 (as amended by that certain Amendment No. 1 to Guarantee Agreement, dated as of June 4, 2015, and as further amended by that certain Amendment No. 2 to Guarantee Agreement, dated as of June 23, 2015, the " Existing Guarantee "), made by Guarantor in favor of Buyer.

Buyer and Sellers are amending and restating the Existing Repurchase Agreement pursuant to that certain Third Amended and Restated Master Repurchase and Securities Contract dated as of the date hereof (as amended, restated, supplemented or otherwise modified and in effect from time to time, the " Repurchase Agreement ") and, in connection therewith, Guarantor is amending and restating the Existing Guarantee pursuant to this Guarantee.

Pursuant to the terms of that certain Second Amended and Restated Custodial Agreement, dated as of June 23, 2015 (as amended, supplemented or otherwise modified from time to time, the " Custodial Agreement "), by and among Wells Fargo Bank, National Association (in such capacity, the " Custodian "), Buyer and Sellers, the Custodian is required to take possession of the Purchased Assets, along with certain other documents specified in the Custodial Agreement, as the Custodian of Buyer and any future purchaser, in accordance with the terms and conditions of the Custodial Agreement. The Repurchase Agreement, the Custodial Agreement, this Guarantee and any other agreements executed in connection with the Repurchase Agreement and the Custodial Agreement shall be referred to herein as the " Repurchase Documents ".

It is a condition precedent to Buyer purchasing additional Purchased Assets pursuant to the Repurchase Agreement that Guarantor shall have executed and delivered this Guarantee 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 any Seller to Buyer under or in connection with the Repurchase Agreement and any other Repurchase Documents, including, without duplication, all interest and fees that accrue after the commencement by or against any 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); (b) any and all extensions, renewals, modifications, amendments or substitutions of the foregoing; (c) 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 hereunder; and (d) any other obligations of any Seller with respect to Buyer under each of the Repurchase Documents (collectively, the " Obligations ").

NOW, THEREFORE, in consideration of the foregoing premises, to induce Buyer to enter into the Repurchase Documents and to enter into the transactions contemplated thereunder, Guarantor and Buyer hereby agree that the Existing Guarantee is amended and restated 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.

" Adjusted Repurchase Price " shall mean, as of any date of determination (a) with respect to any Purchased Asset that is a Defaulted Asset, the product of (x) the Repurchase Price of such Purchased Asset as of such date of determination and (y) 1.10, and (b) with respect to any other Purchased Asset, the Repurchase Price of such Purchased Asset as of such date of determination; provided that, in each case, for any Purchased Asset denominated in a Currency other than U.S. Dollars, the Adjusted Repurchase Price of such Purchased Asset as of any date of determination shall be determined by converting the Repurchase Price of such Purchased Asset into U.S. Dollars at the applicable Spot Rate in accordance with the procedures set forth in the Repurchase Agreement.

" 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.

" Participant Acknowledgment Letters " shall mean, with respect to each participation agreement in respect of the Purchased Assets known as HUT-WPC Carey (Lender Credit Agreement), HUT-WPC Carey (Purchaser Credit Agreement) and Maybrook Properties Ltd, as applicable, the acknowledgment letter signed by the applicable Seller, countersigned by Buyer, and directed to, and acknowledged and agreed to by, GECC and GE Real Estate Finance Limited with respect to the related Purchased Asset.

" 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.

2. Guarantee . (a) Guarantor hereby unconditionally and irrevocably guarantees to Buyer the prompt and complete payment and performance of the Obligations by Sellers when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, and agrees to indemnify and hold harmless Buyer from any and all claims, damages, losses, liabilities, costs and expenses that may be incurred by or asserted or awarded against Buyer, in each case relating to or arising out of the Obligations, as the case may be.

(b) Subject to clauses (c) and (d) below, the maximum liability of Guarantor hereunder and under the Repurchase Documents shall in no event exceed, as of any date of determination, the sum of (A) the sum of the outstanding Allocated Sequential Repayment Component of each Purchased Asset as of such date of determination and (B) the greater of (i) U.S.$250,000,000 and (ii) the product of (x) the sum of the aggregate Adjusted Repurchase Price of all Purchased Assets and (y) twenty-five percent (25%); provided , that the limitation on Guarantor's liability, as set forth in this Section 2(b) , shall not be applicable, and the liability of Guarantor shall be full recourse with respect to, all Obligations of Sellers in respect of the Purchased Assets known as HUT-WPC Carey (Lender Credit Agreement), HUT-WPC Carey (Purchaser Credit Agreement) and Maybrook Properties Ltd, until, in each case, Buyer shall have received the related Participant Acknowledgment Letter with respect to each such Purchased Asset.

(c) Notwithstanding the foregoing, the limitation on recourse liability as set forth in subsection (b) above SHALL BECOME NULL AND VOID and shall be of no further force and effect and the Obligations immediately shall become fully recourse to Sellers and Guarantor, jointly and severally, in the event of any of the following:

(i) a voluntary bankruptcy or insolvency proceeding (including, for the avoidance of doubt, any moratorium or administration proceeding in England and Wales or similar event, or any analogous proceeding in any jurisdiction) is commenced by any Seller under the Bankruptcy Code or any similar federal or state law or any such similar law of any other applicable jurisdiction; and

(ii) an involuntary bankruptcy or insolvency proceeding (including, for the avoidance of doubt, any moratorium or administration proceeding in England and Wales, any secondary insolvency proceeding (*Partikularverfahren über das Inlandsvermögen*) with a view to the U.K. Purchased Assets denominated in Euros of a Seller, or similar event or any analogous proceeding in any jurisdiction) is commenced or filed, or any similar proceeding or event under federal or state law or any such similar law of any other applicable jurisdiction is commenced or filed, against any Seller or Guarantor, in connection with which such 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) Notwithstanding the foregoing, the limitation on recourse liability as set forth in subsection (b) above shall not be applicable to, and Guarantor shall be fully liable for, any and all actual losses, costs, claims, damages or other liabilities incurred or suffered by Buyer to the extent resulting from any of the following:

(i) fraud or intentional misrepresentation by any Seller, Guarantor or any other Affiliate of any Seller or Guarantor in connection with the execution and the delivery of this Guarantee, the Repurchase Agreement, or any of the other Repurchase 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) any material breach of the separateness covenants contained in the Repurchase Agreement;

(iii) any material breach of any representations and warranties contained in or incorporated by reference in any Repurchase 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 Materials of Environmental Concern, in each case in any way affecting any Seller's or any Seller's Affiliates' properties or any of the Purchased Assets;

(iv) the impairment of Buyer's ability to receive proceeds from any Purchased Asset that is held in the form of a participation in loans under the HUT-WPC Carey (Lender Credit Agreement) and/or HUT-WPC Carey (Purchaser Credit Agreement) or Maybrook Properties Limited Loan Agreement due to any of the following: Any corporate action, legal proceedings or other procedure or step taken under English law in relation to:

(A) winding-up, dissolution, administration, voluntary arrangement or scheme of arrangement (other than a scheme which is not proposed in order to avoid an insolvency and where creditors' claims are not compromised), of GECC or GE Real Estate Finance Limited (each a " GE Finance Party ") or the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of a GE Finance Party or any of its assets, in each case under or pursuant to the Insolvency Act 1986 (UK) or in relation to a bank insolvency proceeding or bank administration proceeding (in each case under the Banking Act 2009 (UK));

(B) the exercise of a stabilization power in respect of a GE Finance Party under the Banking Act 2009 (UK);

(C) a banking business transfer scheme in respect of a GE Finance Party under Part VII of the Financial Services and Markets Act of 2000 undertaken in circumstances of the transferor's financial distress or insolvency; or

(D) a special administration (bank insolvency) or a special administration (bank administration) under the Investment Bank Special Administration Regulations 2011 in respect of a GE Finance Party; and

(v) until such time as Custodian shall have received the original executed promissory note in the amount of $50,000,000 made by Gaia Corinthian II, LLC

and sold by MGEC Global Assets 3, Ltd. to U.S. Seller in respect of the Purchased Asset referred to on the Asset Schedule as the Corinthian, the failure of any Seller to deliver to Custodian such original executed promissory note with respect to such Purchased Asset (regardless of whether such Seller delivered a lost note affidavit or similar instrument to Buyer or Custodian in place of such original promissory note).

(e) 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 outstanding obligations under the Repurchase Agreement or to require that all collateral shall continue to secure all of the indebtedness owing to the Buyer in accordance with the Repurchase Agreement or any other Repurchase Documents.

(f) Guarantor further agrees to pay any and all reasonable and documented expenses (including, without limitation, all reasonable fees and disbursements of external counsel) which may be paid or incurred by Buyer in enforcing 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 Guarantee. This Guarantee shall remain in full force and effect until the Obligations are fully satisfied and paid in full, notwithstanding that from time to time prior thereto any Seller or Sellers may be free from any Obligations.

(g) No payment or payments made by any Seller or any other Person or received or collected by Buyer from any 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 hereunder 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) , if applicable) until the Obligations are paid in full.

(h) 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 hereunder, Guarantor will notify Buyer in writing that such payment is made under this Guarantee for such purpose.

3. Subrogation . Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Buyer against each 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, or seek any contribution or reimbursement from any Seller, until all amounts owing by any Seller to Buyer under the Repurchase Documents or any related documents have been paid in full; and, further provided , that such subrogation rights shall be subordinate in all respects to all amounts owing to the Buyer under the Repurchase Documents. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all of the Repurchase Obligations shall not have been paid in full, such amount shall be held by Guarantor in trust for Buyer, and shall, forthwith upon receipt by Guarantor, be turned over to Buyer by Guarantor (duly indorsed by Guarantor to Buyer, if required), to be applied against the Repurchase Obligations, whether matured or unmatured, in such order as Buyer may determine.

4. Amendments, etc. with Respect to the Obligations . Until the Obligations have been fully satisfied and paid in full, Guarantor shall remain obligated hereunder 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 Repurchase Document and any other document 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 Repurchase 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 Guarantee or any property subject thereto. When making any demand hereunder against Guarantor, Buyer may, but shall be under no obligation to, make a similar demand on any Seller or any other guarantor, and any failure by Buyer to make any such demand or to collect any payments from any Seller or any such other guarantor or any release of any Seller or such other guarantor shall not relieve Guarantor of its Obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of Buyer against Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

5. Guarantee Absolute and Unconditional . (a) Guarantor hereby agrees that its obligations under this Guarantee 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 Guarantee or acceptance of this Guarantee; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee; and all dealings between any 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 Guarantee. Guarantor waives promptness, diligence, presentment, protest, demand for payment and notice of protest, demand, dishonor, default, nonpayment or nonperformance, notice of any exercise of remedies, and all other notices whatsoever to or upon any Seller or Guarantor with respect to the Obligations. Guarantor also waives any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any part of the Obligations. This Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (i) the validity, regularity or enforceability of the Repurchase Agreement or any other Repurchase 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 any Seller against Buyer, (iii) any requirement that Buyer exhaust any right to take any action against any Seller or any other Person prior to or contemporaneously with proceeding to exercise any right against Guarantor under this Guarantee or (iv) any other circumstance whatsoever (with or without notice to or Knowledge of any Seller or Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Seller for the Obligations of

Guarantor under this Guarantee, in bankruptcy or in any other instance, or any defense of a surety or guarantor. When pursuing its rights and remedies hereunder against Guarantor, Buyer may, but shall be under no obligation, to pursue such rights and remedies that Buyer may have against any 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 any 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 hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of Buyer or any Affiliate of Buyer against Guarantor. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon each Guarantor and its respective successors and assigns thereof, and shall inure to the benefit of Buyer, and their respective successors and permitted endorsees, transferees and assigns, until all the Obligations and the obligations of Guarantor under this Guarantee shall have been satisfied by payment in full, notwithstanding (x) any sale by Buyer of any Purchased Asset as set forth in Article 10 of the Repurchase Agreement or the exercise by Buyer of any of the other rights and remedies set forth in any of the Repurchase Documents, or (y) that from time to time during the term of the Repurchase Documents any Seller or Sellers may be free from any Obligations.

(b) Without limiting the generality of the foregoing, except to the extent any of the following expressly relieves Guarantor of any of the Obligations, the occurrence of one or more of the following shall not preclude the exercise by Buyer of any right, remedy or power hereunder or alter or impair the liability of the Guarantor hereunder, which shall, remain absolute, irrevocable and unconditional:

(i) at any time or from time to time, without notice to the Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, waived or renewed, or any Seller shall be released from any of the Obligations, or any of the Obligations shall be subordinated in right of payment to any other liability of any Seller;

(ii) any of the Obligations shall be accelerated or otherwise become due prior to their stated maturity, in any case, in accordance with the terms of the Repurchase Agreement, or any of the Obligations shall be amended, supplemented, restated or otherwise modified in any respect, or any right under the Repurchase Agreement shall be waived, or any other guaranty of any of the Obligations or any security therefor shall be released, substituted or exchanged in whole or in part or otherwise dealt with;

(iii) the occurrence of any Default or Event of Default under the Repurchase Agreement, or the occurrence of any similar event (howsoever described) under any agreement or instrument referred to therein;

(iv) any consolidation or amalgamation of any Seller with, any merger of any Seller with or into, or any transfer by any Seller of all or substantially all its assets to, another Person, any change in the legal or beneficial ownership of ownership interests issued by any Seller, or any other change whatsoever in the objects, capital structure, constitution or business of any Seller;

(v) any delay, failure or inability of any Seller or any other guarantor or obligor in respect of any of the Obligations to perform, willful or otherwise, any provision of the Repurchase Agreement beyond any applicable cure periods;

(vi) any action, forbearance or failure to act by Buyer that adversely affects Guarantor's right of subrogation arising by reason of any performance by Guarantor of this Guarantee;

(vii) any suit or other action brought by, or any judgment in favor of, any beneficiaries or creditors of, any Seller or any other Person for any reason whatsoever, including any suit or action in any way disaffirming, repudiating, rejecting or otherwise calling into question any issue, matter or thing in respect of the Repurchase Agreement;

(viii) any lack or limitation of status or of power, incapacity or disability of any Seller or any other guarantor or obligor in respect of any of the Guaranteed Obligations;

(ix) any change in the laws, rules or regulations of any jurisdiction, or any present or future action or order of any Governmental Authority, amending, varying or otherwise affecting the validity or enforceability of any of the Guaranteed Obligations or the obligations of any other guarantor or obligor in respect of any of the Guaranteed Obligations;

(x) any lack of validity or enforceability of the Repurchase Agreement or any other Repurchase Document for any reason, including any bar by any statute of limitations or other law of recovery on any obligation under the Repurchase Agreement or any other Repurchase Document, or any defense or excuse for failure to perform on account of any event of force majeure, act of God, casualty, impossibility, impracticability, or other defense or excuse whatsoever;

(xi) any change in the time, manner or place of payment of, or in any other term of, the Repurchase Agreement, any other Repurchase Document or any obligation thereunder, including any amendment or waiver of or any consent to departure from the Repurchase Agreement or any other Repurchase Document, in any such case, made or effected in accordance with the terms of the Repurchase Agreement or any other Repurchase Document;

(xii) any action which Buyer may take or omit to take in connection with the Repurchase Agreement or any other Repurchase Document, any of the obligations thereunder (or any Indebtedness owing by any Seller to Buyer); any giving or failure to give any notice; any course of dealing of Buyer with any Seller or any other Person; or any forbearance, neglect, delay, failure, or refusal to take or prosecute any action for the collection or enforcement of the Repurchase Agreement, any other Repurchase Document or any obligation thereunder, to foreclose or take or prosecute any action in connection with the Repurchase Agreement, to bring suit against any Seller or any other Person, or to file a claim in any Insolvency Proceeding;

(xiii) any compromise or settlement of any part of the Repurchase Agreement, any other Repurchase Document, or obligations thereunder or any other amount claimed to be owing under the Repurchase Agreement or any other Repurchase Document;

(xiv) any modification of the Repurchase Agreement or any other Repurchase Document, in any form whatsoever, including any modification made after revocation hereof to any Indebtedness incurred prior to such revocation, and including, without limitation, the renewal, extension, adjustment, indulgence, forbearance, acceleration or other change in time for payment of, or other change in the terms of, the Indebtedness or any portion thereof, including increase or decrease of the rate of interest thereon;

(xv) any impairment of the value of any interest in any Purchased Assets, Pledged Collateral or any other collateral or security for the Repurchase Obligations or any portion thereof, including, without limitation, the failure to obtain or maintain perfection or recordation of any lien or other interest in any such Purchased Assets, Pledged Collateral or any other collateral or security for the Repurchase Obligations, the release of any such Purchased Assets, Pledged Collateral or any other collateral or security for the Repurchase Obligations without substitution, and/or the failure to preserve the value of, or to comply with applicable law in disposing of, any such Purchased Assets, Pledged Collateral or any other collateral or security for the Repurchase Obligations;

(xvi) 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 any collateral, property or security;

(xvii) any change, restructuring or termination of the corporate structure or existence of any Seller; or any release, substitution or addition of any other obligor, or any Insolvency Event or Insolvency Proceeding with respect to any Seller; or

(xviii) any action or inaction of any Seller or any other Person, or any change of law or circumstances, or any other facts or events which might otherwise constitute a defense available to, or a discharge of, any Seller, or a guarantor or surety.

(c) 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: (A) 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 any Seller, or any other guarantor for reimbursement or contribution, and/or any other rights of Guarantor to proceed against any Seller, against

any other guarantor, or against any other person or security, (B) any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of any Seller or Guarantor, (C) any defense based upon the application by any Seller of any Purchase Price under the Repurchase Agreement for purposes other than the purposes represented by such Seller to Buyer or intended or understood by Buyer or Guarantor, (D) any defense based upon Buyer's failure to disclose to Guarantor any information concerning any Seller's financial condition or any other circumstances bearing on any Seller's ability to pay all sums payable under the Repurchase Documents, (E) any defense based upon any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal, (F) any defense based upon Buyer's election, in any proceeding instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code or any successor statute, (G) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Bankruptcy Code and (H) any right of subrogation, any right to enforce any remedy that Guarantor may have against any Seller or any other Person liable for the Obligations and any right to participate in, or benefit from, any security for the Repurchase Agreement or Repurchase Documents now or hereafter held by Buyer.

(ii) Guarantor further unconditionally and irrevocably waives any and all rights and defenses that Guarantor may have as a result of any Seller's obligations under the Repurchase Documents being backed and/or secured by real property. Among other things, Guarantor agrees: (1) Buyer may collect from Guarantor without first foreclosing on any real or personal property sold by any Seller under the Repurchase Agreement and/or in which a security interest has been granted to Buyer pursuant to Article 11 of the Repurchase Agreement (herein " Related Property "), (2) if Buyer forecloses on any Related Property, then (A) the amount of the Sellers' debt and Guarantor's obligation hereunder may be reduced only by the price for which such collateral is sold at any foreclosure sale (whether public or private), even if the collateral is worth more than the sale price, and (B) Buyer may collect from Guarantor pursuant to the terms of this Guarantee even if Buyer, by foreclosing on any Related Property, has destroyed any right Guarantor may have to collect from the Sellers or their Affiliates. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Obligations are secured by real property. Guarantor further waives any rights it may have under Sections 1301 or 1371 of the Real Property Actions and Proceedings Law of the State of New York.

(iii) Guarantor further expressly waives to the fullest extent permitted by law any and all rights and defenses, including any rights of reimbursement, indemnification and contribution, that might otherwise be available to Guarantor under applicable law.

(iv) Guarantor agrees that the performance of any act or any payment that tolls any statute of limitations applicable to the Repurchase Agreement or any Repurchase Document shall similarly operate to toll the statute of limitations applicable to Guarantor's liability hereunder.

(v) Guarantor agrees that (A) the obligations of Guarantor under this Guarantee are independent of the obligations of Sellers or any other Person under the Repurchase Documents, (B) a separate action or actions may be brought and prosecuted against Guarantor to enforce this Guarantee, irrespective of whether an action is brought against any Seller or any other Person or whether any Seller or any other Person is joined in any such action, and (C) concurrent actions may be brought hereon against Guarantor in the same action, if any, brought against any Seller or any other Person or in separate actions, as often as Buyer, in its sole discretion, may deem advisable.

(vi) Guarantor is presently informed of the financial condition of each 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 each 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 or any Affiliate of Buyer for any such information. Absent a written request for such information by Guarantor to Buyer, Guarantor hereby unconditionally and irrevocably waives the right, if any, to require Buyer to disclose to Guarantor, and unconditionally and irrevocably waives any defense based upon Buyer's failure 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.

(vii) Guarantor has independently reviewed the Repurchase Documents and related agreements and has made an independent determination as to the validity and enforceability thereof, and in executing and delivering this Guarantee to Buyer, Guarantor is not in any manner relying upon the validity, and/or enforceability, and/or attachment, and/or perfection of any liens or security interests of any kind or nature granted by any Seller or any other guarantor to Buyer or any Affiliate of Buyer, now or at any time and from time to time in the future.

6. Reinstatement . This Guarantee 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 (including, for the avoidance of doubt, any moratorium or administration proceeding in England and Wales, any secondary insolvency proceeding (*Partikularverfahren über das Inlandsvermögen*) with a view to the U.K. Purchased Assets denominated in Euros, or similar event or any analogous proceeding in any jurisdiction) of any Seller or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or any similar officer or agent under any federal or state law or any such similar law of any other applicable jurisdiction for, any Seller or any substantial part of any 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 Guarantee and to perform Guarantor's obligations hereunder;

(b) no consent or authorization of, filing with (other than filings required in connection with Guarantor being publicly traded), 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 Guarantee;

(c) this Guarantee has been duly 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 (including, for the avoidance of doubt, any moratorium or administration proceeding in England and Wales, any secondary insolvency proceeding (*Partikularverfahren über das Inlandsvermögen*) with a view to the U.K. Purchased Assets denominated in Euros of a Seller, or similar event or any analogous proceeding in any jurisdiction) is commenced or filed, or any similar proceeding or event under federal or state law or any such similar law of any other applicable jurisdiction 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 Guarantee will not violate any law, treaty, rule or regulation or determination of an arbitrator, a court or other governmental authority, or other Requirements of Law, applicable to or binding upon Guarantor or any of its property or to which Guarantor or any of its property is subject, 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 by Guarantor, 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 Guarantee or any of the transactions contemplated hereby, which litigation, investigation or proceeding could be reasonably likely to have a material adverse effect on Guarantor;

(f) except as disclosed in writing to Buyer by Guarantor, Guarantor has filed or caused to be filed all tax returns which, to the Knowledge of Guarantor, are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against him or any of Guarantor's property and all other taxes, fees or other charges imposed on him or any of Guarantor's property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings); no tax lien has been filed, and, to the Knowledge of Guarantor, no claim is being asserted, with respect to any such tax, fee or other charge;

(g) Guarantor (i) has been duly incorporated and is validly existing under the laws of the State of Maryland, (ii) is in good standing under the laws of the State of Maryland and (iii) is duly qualified and in good standing as a foreign entity in each other jurisdiction in which the conduct of its business requires it to so qualify or be licensed; and

(h) Guarantor has complied in all respects with all Requirements of Laws, and neither Guarantor nor any Affiliate of Guarantor (a) is an "enemy" or an "ally of the enemy" as defined in the Trading with the Enemy Act of 1917, (b) is in violation of any Anti-Terrorism Laws, (c) is a blocked person described in Section 1 of Executive Order 13224 or to its Knowledge engages in any dealings or transactions or is otherwise associated with any such blocked person, (d) is in violation of any country or list based economic and trade sanction administered and enforced by the Office of Foreign Assets Control, (e) is a Sanctioned Entity, (f) has more than ten percent (10%) of its assets located in Sanctioned Entities, or (g) derives more than ten percent (10%) of its operating income from investments in or transactions with Sanctioned Entities. Neither Guarantor nor any Affiliate of Guarantor is or is controlled by an "investment company" as defined in the Investment Company Act or is exempt from the provisions of the Investment Company Act. Guarantor and all Affiliates of Guarantor are in compliance with the Foreign Corrupt Practices Act of 1977 and any foreign counterpart thereto. Neither Guarantor nor any Affiliate of Guarantor has made, offered, promised or authorized a payment of money or anything else of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to any foreign official, foreign political party, party official or candidate for foreign political office, or (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Guarantor, any Affiliate of Guarantor or any other Person, in violation of the Foreign Corrupt Practices Act.

Guarantor agrees that the foregoing representations and warranties shall be deemed to have been made by Guarantor on and as the date of this Guarantee, each Purchase Date, and at all times when any Repurchase Document or Transaction is in full force and effect.

9. Covenants . Guarantor shall maintain the following covenants at all times following the Closing Date 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) One Billion Six Hundred Six Million Nine Hundred Seventy-Three Thousand Three Hundred Seventy-Six Dollars ($1,606,973,376.00) plus (ii) seventy-five percent (75%) of the net cash proceeds of any equity issuance by Guarantor that occurs on or after May 20, 2015.

(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. Set-off .

(a) In addition to any rights now or hereafter granted under the Repurchase Documents, Requirements of Law or otherwise, Guarantor hereby grants to Buyer, to secure repayment of the Obligations, a right of set off upon any and all of the following: monies, securities, collateral or other property of Guarantor and any proceeds from the foregoing, now or hereafter held or received by Buyer or any Affiliate of Buyer, for the account of Guarantor, whether for safekeeping, custody, pledge, transmission, collection or otherwise, and also upon any and all deposits (general, specified, special, time, demand, provisional or final) and credits, claims or Indebtedness of Guarantor at any time existing, and any obligation owed by Buyer or any Affiliate of Buyer to Guarantor and to set-off against any Obligations or Indebtedness owed by Guarantor and any Indebtedness owed by Buyer or any Affiliate of Buyer to Guarantor, in each case whether direct or indirect, absolute or contingent, matured or unmatured, whether or not arising under the Repurchase Documents and irrespective of the currency, place of payment or booking office of the amount or obligation and in each case at any time held or owing by Buyer or any Affiliate of Buyer to or for the credit of Guarantor, without prejudice to Buyer's right to recover any deficiency. Each of Buyer and each Affiliate of Buyer is hereby authorized upon any amount becoming due and payable by Guarantor to Buyer under the Repurchase Documents, the Obligations or otherwise or upon the occurrence of an Event of Default, without notice to Guarantor, any such notice being expressly waived by Guarantor to the extent permitted by any Requirements of Law, to set-off, appropriate, apply and enforce such right of set-off against any and all items hereinabove referred to against any amounts owing to Buyer by Guarantor under the Repurchase Documents and the Obligations, irrespective of whether Buyer or any Affiliate of Buyer shall have made any demand under the Repurchase Documents and regardless of any other collateral securing such amounts, and in all cases without waiver or prejudice of Buyer's rights to recover a deficiency. Guarantor shall be deemed directly indebted to Buyer in the full amount of all amounts owing to Buyer by Guarantor under the Repurchase Documents and the Obligations, and Buyer shall be entitled to exercise the rights of set-off provided for above. ANY AND ALL RIGHTS TO REQUIRE BUYER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO THE PURCHASED ASSETS UNDER THE REPURCHASE DOCUMENTS, THE PLEDGED COLLATERAL OR ANY OTHER COLLATERAL SECURITY FOR THE REPURCHASE OBLIGATIONS, PRIOR TO EXERCISING THE FOREGOING RIGHT OF SET-OFF, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY GUARANTOR.

(b) Buyer shall promptly notify Guarantor after any such set-off and application made by Buyer or any of its Affiliates, provided that the failure to give such notice shall not affect the validity of such set-off and application. If an amount or obligation is

unascertained, Buyer may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other party when the amount or obligation is ascertained. Nothing in this Section 10 shall be effective to create a charge or other security interest. This Section 10 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.

(c) Guarantor hereby waives any right of setoff it has or may have or to which it may be or become entitled under the Repurchase Documents or otherwise against Buyer or any Affiliate of Buyer, or their respective assets or properties.

11. Severability . Any provision of this Guarantee that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Paragraph Headings . The paragraph headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

13. No Waiver; Cumulative Remedies . Buyer shall not by any act (except by a written instrument pursuant to paragraph 14 hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder 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 hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder 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 hereunder 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.

14. Waivers and Amendments; Successors and Assigns; Governing Law . None of the terms or provisions of this Guarantee 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 Guarantee may be waived by Buyer in a letter or agreement executed by Buyer or by facsimile or e-mail transmission from Buyer. This Guarantee shall be binding upon the heirs, personal representatives, successors and assigns of Guarantor and shall inure to the benefit of Buyer, and its respective successors and assigns. **THIS GUARANTEE AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS GUARANTEE, THE RELATIONSHIP BETWEEN GUARANTOR AND BUYER, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS OF BUYER AND DUTIES OF GUARANTOR SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW**

RULES THEREOF. GUARANTOR AND BUYER INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS GUARANTEE.

15. Notices . Notices by Buyer to Guarantor may be given in writing and sent prepaid by hand delivery, by certified or registered mail, by expedited commercial or postal delivery service, or by facsimile or email at the address or transmission number set forth under Guarantor's signature below or such other address as Guarantor shall specify from time to time in a notice to Buyer (provided that (i) if Buyer delivers a notice by facsimile, Buyer also receives a confirmation of delivery by telephone on the same Business Day, and (ii) if Buyer delivers a notice by e-mail, Buyer receives a return receipt noting that the email has been opened by the recipient). Should Buyer fail to receive the required delivery confirmation on a timely basis, the related notice shall not be legally effective until either (i) Buyer successfully confirms the receipt thereof by telephone or (ii) Buyer successfully delivers the related notice by hand delivery, by certified or registered mail or by expedited commercial or postal delivery service in accordance with the immediately preceding sentence. Any of the foregoing communications shall be effective when delivered, if such delivery occurs on a Business Day; otherwise, each such communication shall be effective on the first Business Day following the date of such delivery. Notices to Buyer by Guarantor may be given in the manner set forth in the Repurchase Agreement.

16. SUBMISSION TO JURISDICTION; WAIVERS . EACH OF GUARANTOR AND BUYER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(A) SUBMITS FOR GUARANTOR AND GUARANTOR'S PROPERTY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTEE AND THE OTHER REPURCHASE DOCUMENTS TO WHICH GUARANTOR IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(B) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(C) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO GUARANTOR AT GUARANTOR'S ADDRESS SET FORTH UNDER GUARANTOR'S SIGNATURE BELOW OR AT SUCH OTHER ADDRESS OF WHICH THE 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 APPLICABLE LAW.

17. Integration . This Guarantee represents the agreement of Guarantor with respect to the subject matter hereof and there are no promises or representations by Buyer or any Buyer relative to the subject matter hereof not reflected herein.

18. Acknowledgments . Guarantor hereby acknowledges that:

(a) Guarantor has been advised by counsel in the negotiation, execution and delivery of this Guarantee 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; and

(c) no joint venture exists between or among any of Buyer, Guarantor and any Seller.

19. Intent . Guarantor intends for this Guarantee to be a credit enhancement related to a repurchase agreement, within the meaning of Section 101(47) of the Bankruptcy Code and, therefore, for this Guarantee to be included within the definition of "repurchase agreement" within the meaning of that Section and Section 559 of the Bankruptcy Code.

20. **WAIVERS OF JURY TRIAL . EACH OF GUARANTOR AND BUYER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTEE OR ANY RELATED DOCUMENT AND FOR ANY COUNTERCLAIM HEREIN OR THEREIN.**

21. Effect of Amendment and Restatement . From and after the date hereof, the Existing Guarantee is hereby amended, restated and superseded in its entirety by this Guarantee.

[SIGNATURES COMMENCE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Guarantee to be duly executed and delivered as of the date 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

Address for Notices:
345 Park Avenue
New York, New York 10154
Attention: Douglas Armer
Email: BXMTWellsrepo@blackstone.com
Telephone: (212) 583-5000

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

Telephone: (212) 841-0489

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association

By: /s/ Raymond W. Lowe
Name: Raymond W. Lowe
Title: Senior Vice President

Exhibit 10.4

AMENDMENT NO. 3 TO AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT

AMENDMENT NO. 3 TO AMENDED AND RESTATED MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of April 14, 2015 (this "Amendment"), between **PARLEX 5 FINCO, LLC** , a Delaware limited liability company ("Seller") and **WELLS FARGO BANK, NATIONAL ASSOCIATION** , a national banking association ("Buyer"). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Amended and Restated Master Repurchase and Securities Contract, dated as of April 4, 2014 (as amended by that certain Amendment No. 1 to Amended and Restated Master Repurchase and Securities Contract, dated as of October 23, 2014, and that certain Amendment No. 2 to Amended and Restated Master Repurchase and Securities Contract, dated as of March 13, 2015, as amended hereby and as further amended, restated, supplemented or otherwise modified and in effect from time to time, the "Repurchase Agreement");

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

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

SECTION 1. Amendments to Repurchase Agreement.

(a) The defined term "LIBOR", as set forth in Article 2 of the Repurchase Agreement, is hereby amended and restated in its entirety to read as follows:

"LIBOR": The rate of interest per annum determined by Buyer on the basis of the rate for deposits in Dollars for delivery on the first (1st) day of each Pricing Period, for a period approximately equal to such Pricing Period, as reported on Reuters Screen LIBOR01 Page (or any successor page) at approximately 11:00 a.m., London time, on the Pricing Rate Determination Date (or if not so reported, then as determined by Buyer from another recognized source or interbank quotation), provided that if such rate is less than zero (0), then with respect to Transactions for which the Purchase Date occurs on or after April 14, 2015, LIBOR shall be deemed to be zero (0) for all purposes of this Agreement.

(b) Clause (y) of Section 3.05 of the Repurchase Agreement is hereby amended by deleting the words "Repurchase Price" and inserting the words "Repurchase Date" in lieu thereof.

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

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

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

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

SECTION 6. Counterparts. This Amendment may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 7. Expenses. Seller and Guarantor agree to pay and reimburse Buyer for all out-of-pocket costs and expenses incurred by Buyer in connection with the preparation, execution and delivery of this Amendment, including, without limitation, the fees and disbursements of Cadwalader, Wickersham & Taft LLP, counsel to Buyer

SECTION 8. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

[SIGNATURES FOLLOW]

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

SELLER :

PARLEX 5 FINCO, LLC, a Delaware limited liability company

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

BUYER :

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

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

With respect to the acknowledgments set forth in Section 4 herein:

GUARANTOR :

BLACKSTONE MORTGAGE TRUST, INC., a Maryland corporation

By: /s/ Douglas Armer
Name: Douglas Armer
Title: Managing Director, Head of Capital Markets and Treasurer

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 28, 2015

/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 28, 2015

/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, 2015 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 28, 2015

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, 2015 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 28, 2015

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, 2015 with the Securities and Exchange Commission (the "SEC"), Travelport Worldwide Limited ("Travelport Worldwide") which may be considered an affiliate of The Blackstone Group L.P. ("Blackstone"), and, therefore, an affiliate of BXMT, filed the disclosure reproduced below with respect to such period, in accordance with Section 13(r) of the Securities Exchange Act of 1934, as amended. As of the date BXMT filed its Form 10-Q for the quarter ended June 30, 2015 with the SEC, neither Blackstone nor Travelport Worldwide had filed its Form 10-Q for such period. Therefore, the disclosures reproduced below do not include information for the quarter ended June 30, 2015. BXMT did not independently verify or participate in the preparation of any of these disclosures.

Travelport Worldwide included the following disclosure in its Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015 :

" ***Trade Sanctions Disclosure***

The following activities are disclosed as required by Section 13(r)(1)(D)(iii) of the Exchange Act.

As part of our global business in the travel industry, we provide certain passenger travel related Travel Commerce Platform and Technology Services to Iran Air. We also provide certain Technology 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.

The gross revenue and net profit attributable to these activities in the quarter ended March 31, 2015 were approximately $157,000 and $109,000, respectively."